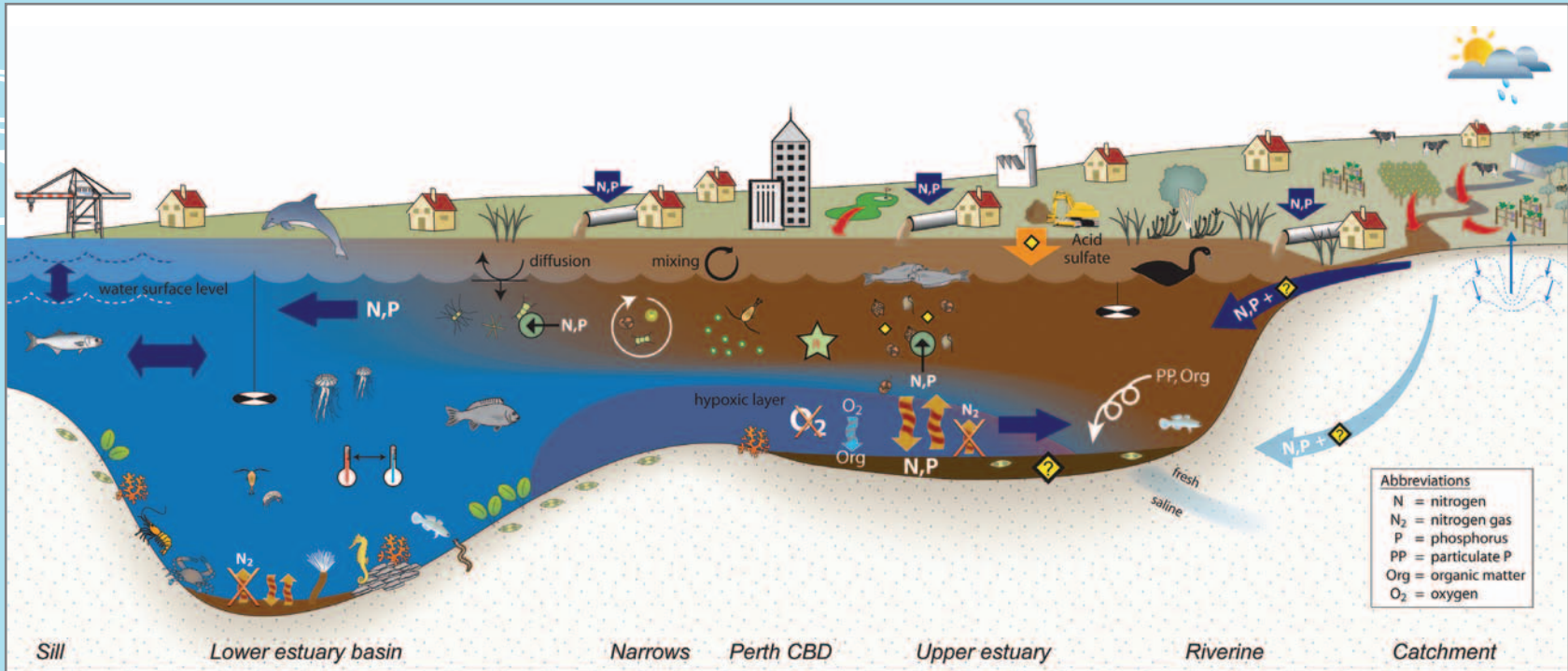




Caring for the Swan and Canning rivers



The Swan Canning river system: A Western Australian icon

This conceptual model summarises the key processes that determine the water quality in the river system. It was developed from scientific data collected during the past 10 years of the Swan-Canning Cleanup Program's weekly water quality data, targeted investigations and from background knowledge and scientific inference.



Annual Report Swan River Trust 2005-06
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The Swan River Trust: Facing the challenge

The Swan and Canning rivers are a wonderful social, environmental and aesthetic resource for West Australians and visitors. However an increase in algal bloom events, low oxygen concentrations and fish kills demonstrate that the Swan Canning river system is showing the same signs of environmental stress as other waterways around the world. The Swan River Trust strives to tackle challenges and minimise environmental impacts in achieving its vision, mission, goals, and strategic outcomes.

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The Swan River Trust

The Swan River Trust was established in 1989 with planning, protection and management functions for the Swan and Canning rivers and associated land. In April 2006, new legislation was passed by the Legislative Assembly and introduced to the Legislative Council. The new legislation will strengthen the role of the Trust and enhance coordination across Government and community efforts to protect the rivers.

The Swan River Trust:

- manages and protects the Swan Canning river system and works with State and local government and other bodies to provide facilities around the rivers;
- advises the Minister for the Environment on development proposals in the Trust's management area;
- controls and prevents pollution of the rivers and keeps them clear of rubbish;
- advises on and controls erosion of riverbanks;
- provides advice to local governments and the Western Australian Planning Commission on town planning issues affecting the rivers; and
- promotes community awareness of issues affecting the health of the river system and actively engages community involvement in river protection and restoration.

The Swan River Trust is guided by the Government's goals, priorities and policy direction.

Government Goal

To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.

Government Strategic Outcome

Healthy river systems.

Government Priorities

- To provide quality accessible services for all Western Australians.
- To enhance growth in the Western Australian economy and create more jobs.
- To protect and enhance Western Australia's unique lifestyle and environment.
- To ensure sustainable regional development.
- To further improve and enhance the capacity of the Western Australian public sector.

The Swan River Trust's work intersects all these priorities, with a particular focus on lifestyle and environment.

Our Vision

The Swan and Canning rivers are a valued part of our environment and a source of enjoyment for the community forever.

Our Mission

To work with the local, State and Commonwealth governments and the community to protect the Swan and Canning rivers and associated land to ensure ecological health and community benefits are enhanced.

Letter to the Minister for the Environment

To the Hon Mark McGowan MLA
Minister for the Environment; Racing and Gaming



I have pleasure in submitting the 18th Annual Report on the operations of the Swan River Trust for the period 1 July 2005 to 30 June 2006, in accordance with the *Swan River Trust Act 1988* and Section 66 of the *Financial Administration and Audit Act 1985*.

A handwritten signature in black ink, appearing to read 'Charlie Welker'. The signature is fluid and cursive, with a large, looping initial 'C'.

Charlie Welker
Chairman
31 August 2006



Chairman's report



The past three years have seen considerable change for the Swan River Trust, during which the Trust has responded to community expectations and achieved significant success in caring for the Swan and Canning rivers.

The Trust works to maintain and restore the environmental health of the Swan and Canning rivers, while meeting the community's desire to enjoy the beauty and amenity of our unique river system.

Rising demand for commercial opportunities in and around the rivers needs to be carefully managed to ensure they do not compromise the attributes the community enjoys. The pressures placed on the rivers through recreational activity also need to be balanced with their long-term health.

We are alert to the impacts of climate change to the rivers, and the ongoing effects of increasing population and urban development in the catchments.

At a strategic level, the Trust has made progress on several important fronts.

We have secured significant funding for restoring and managing the river foreshore. We regard the health and condition of the foreshore as vital to the function of our "Kings Park on the rivers", but ongoing resources are needed to ensure it is properly managed.

The Trust has started overhauling its policy framework to guide future development in and around the rivers. We are conscious that continued development of facilities such as expansion of marinas, over-water structures and private jetties have the capacity to restrict community access and to alienate or privatise what is essentially the "community's park". For instance, during this year we proposed a policy of no more private jetties, on the basis that private jetties lead to such alienation without any substantial community benefit.


However, the Trust is keen to encourage development in appropriate sections of the rivers and during the year started work on a "development vision" that will identify riverside areas suitable for projects that increase the public access and enjoyment and maintain the foreshore as part of our riverpark.

The Swan-Canning Cleanup Program Action Plan is the Trust's priority program to improve water quality in the Swan and Canning rivers. Following a comprehensive review of our achievements, we are completing a new Healthy Rivers Program that will take us to 2010 and beyond. This is a major undertaking that will integrate our river protection effort and boost management of the rivers.

While we take action to restore river health over the longer term, we have also made progress in providing solutions to alleviate problems we face today. We have secured longer term funding for the oxygenation of the Canning River, and trial oxygenation in the upper part of the Swan River. This forms an important strand of our two-pronged attack on the nutrients that threaten the health of our rivers. Oxygenation provides "life support" by improving the habitat for fish and other aquatic life at times when river health is poor. This year, for the third year in a row, we have not had major fish deaths or harmful algal blooms in the Canning River above the Kent Street Weir.

A significant achievement during the year has been the Trust's more active engagement with stakeholders, and particularly with local government. We have made a concerted effort to work in partnership with local governments, and we welcome and value their support. Our work can only be successful if it reflects community sentiment, and our improved communication with all our stakeholders encourages us to believe that we are moving towards our goals with the full backing of the community.

Since the start of its restructure in 2003 the Swan River Trust has been undergoing a period of intense change. This year, we have finalised our management structure and made several senior appointments. We have also developed a new strategic plan that reflects the additional responsibilities allocated to us under the new legislation and the expectations of the community. This positions the Trust to move forward confidently in 2006-07, and make further progress towards achieving our vision that the rivers are a valued part of our environment and a source of enjoyment for the community forever.



I take this opportunity to thank outgoing Trust member Dr Bruce Hamilton, who retired from the Trust when his three-year term expired in June 2006. I acknowledge his commitment and enthusiasm, and the outstanding contribution he has made to the Swan River Trust.

I also thank the staff of the Swan River Trust for their strong commitment and professionalism, and I am proud that this year's annual report is a showcase of initiatives that are making real improvements to the lives of Western Australians.



Charlie Welker
Chairman
Swan River Trust



A new era for the rivers

In January 2004, as part of a \$15.5 million funding boost, the State Government announced its intention to develop new legislation and establish a riverpark to help safeguard the health of the Swan and Canning rivers.

In announcing its plans, the government acknowledged that the existing *Swan River Trust Act 1988* had successfully addressed point-source pollution problems in the rivers, and had also been instrumental in regulating waterway and riverside development. As well, the Act had driven the phasing out of riverside rubbish tips, sewage outfalls and waste discharges from riverside industries, at the time the Infill Sewerage Program began replacing Perth's septic tanks.

However, the more difficult challenge is to manage the continuing impact of historical activities and development – in and around the rivers as well as in the catchment. Pressures on the rivers from commercial and recreational use, together with urban, industrial and agricultural practices in surrounding areas, have also increased.

As such, it has become clear that the existing Act does not provide an adequate basis to protect the Swan and Canning rivers. The new legislation – the Swan and Canning Rivers Management Bill 2005 – will replace the *Swan River Trust Act 1988* and the *Environmental Protection (Swan and Canning Rivers) Policy 1998*. The general provisions of the existing Act will, however, be retained in the new legislation.

The legislation will clarify jurisdiction, powers and accountability for managing activities that affect the Swan and Canning rivers. It will:

- restructure the Swan River Trust, increase independent membership and strengthen the Trust's powers to manage the health of the rivers;
- provide for the establishment of environmental and related targets for the ecological and community benefits and amenity of the rivers;
- enable other agencies to have due regard for protection of the rivers in the course of performing duties under their own legislation;

- enable the establishment of partnership agreements for collaborative arrangements between State and local government and the community;
- establish the Swan Canning Riverpark, consisting of the waterways and adjacent Crown land reserves;
- vest the riverbed in the Trust to enable it to manage the waterways of the riverpark for ecological and community benefits;
- streamline controls on waterway and riverside development;
- coordinate management of activities in the catchment where these affect the health of the Swan and Canning rivers; and
- revise penalties to bring them in line with current policies.

A draft Swan and Canning Rivers Management Bill 2005 was released for public comment in July 2005. Consultation on the Bill involved 160 organisations plus 25 individuals. The draft Bill, together with the Swan and Canning Rivers (Consequential and Transitional Provisions) Bill 2005, were introduced to Parliament in November 2005. The Bills were debated and passed in the Legislative Assembly in April 2006. The passage of the Bills through both Houses of Parliament is anticipated to be complete by December 2006.

Figure 1 Swan Avon Catchment

The Draft Swan and Canning Rivers Management Bill and Riverplan are designed to address environmental impacts throughout the Swan Avon Catchment



Strategic direction

During the year we have developed a new strategic plan that will guide the activities of the Swan River Trust to 2009 and which takes into account the additional responsibilities of the Trust under the new legislation. It forms a framework for the Trust's annual business plans and outlines the principles, values and approach that underpin our function. River stakeholders will work in partnership to protect and enhance the Swan and Canning river system.

Under the new plan, the Swan River Trust has adopted two outcomes that will demonstrate how it is contributing to the Government's goals and fulfilling its responsibilities under its legislation. Our new outcomes are:

- that the long-term community benefit of the Swan Canning river system is protected and enhanced; and
- that the ecological health of the Swan Canning river system is protected and enhanced.

The strategic plan reflects the Trust's new outcomes and the complex interactions between the water, land, flora and fauna and human activities in the catchment. It also states how the Trust will recognise the increasing interconnection of social, cultural, economic and environmental factors.

Building strong local, regional and State partnerships with communities, industries, research organisations and government agencies is integral to protecting the health and amenity of the rivers. The emphasis of the plan is on fostering productive partnerships with all of the Trust's stakeholders.

The responsibility and involvement of local governments, State government agencies, catchment groups, business, research organisations, and the community in protecting the health and amenity of the rivers is equally complex. We are taking a more integrated approach with all river stakeholders, with the aim of fostering productive partnerships. We want the Trust to take a greater leadership role in debate, dialogue and policy decisions that relate to the Swan and Canning rivers.

The plan also focuses greater attention on the Government's priorities and policy direction, and on the cost-effectiveness of the Trust's programs.

The Swan-Canning Cleanup Program (SCCP) continues to be the key management strategy to improve the health of the Swan and Canning rivers, reducing the frequency and severity of algal blooms by tackling nutrients entering the river system.

The Trust is in the process of developing the next phase of the program, which is due to be finalised by late 2006. A Working Group of Trust members and staff and key officers is overseeing its development and has sought the involvement of stakeholder groups, the Swan Catchment Council, universities, consultants, local government authorities, community members and State and Federal government agencies.

Health of the rivers

The Swan and Canning rivers are a wonderful social, environmental and aesthetic resource for West Australians and visitors. However an increase in algal bloom events, low oxygen concentrations and fish kills demonstrate that the Swan Canning river system is showing the same signs of environmental stress as other waterways around the world.

High levels of nutrients remain a priority environmental issue throughout the Swan Canning river system. Problems due to nutrient enrichment are exacerbated by erosion and sedimentation, altered river flow and loss of fringing vegetation.

The effects of climate change (reduced rainfall) and population increase will further increase the vulnerability of the Swan Canning river system to nutrient enrichment. As groundwater levels decrease, climate change may also increase the risk of acidification and heavy metal contamination that can result from activation of acid sulfate soils. Population increase will result in increased recreational pressure, including fishing and boating.

Emerging environmental issues of contamination and acidification (in the Middle and Upper Swan Estuary, and the Middle and Upper Canning Estuary) and fishing pressure (Lower Swan Estuary, Middle Swan Estuary and Middle Canning Estuary) require further assessment.

The environmental condition of the Swan Canning river system varies not only from the coast to the Darling Scarp, but also changes over time. The river system has four distinctive seasonal states (Figure 2a-d). Seasonal changes in river flow, temperature and exchange with the ocean alter the way in which the river processes nutrient inputs from the catchment.

Climate change has the potential to influence the seasonal states of the system through a decrease in rainfall and winter flows, an increase in movement of marine water upstream and an extension of the autumn period (Figure 1a), which is characterised by warm, still conditions. This shift can then lead to less mixing, stronger stratification (layering) in the water column, low oxygen levels and increased nutrient release from the sediments. Such conditions favour algal blooms and can stress aquatic organisms such as fish.

In response to the current state of the rivers and the environmental pressures facing them, the Trust implements management programs and specific projects to address the key threats to the ecological health and community benefit of the Swan and Canning rivers (Table 1).

The Trust reports regularly to river stakeholders and the community on the health of the rivers via the media and environmental information publications. The Trust also reports river incidents and keeps the community informed of changing river, foreshore and catchment conditions. The Trust's Algae Activity Report goes to air on the Channel 9 television News and Weather Report each Friday, the Trust website and *The West Australian* newspaper's weather page each Saturday.



Autumn – Swan River

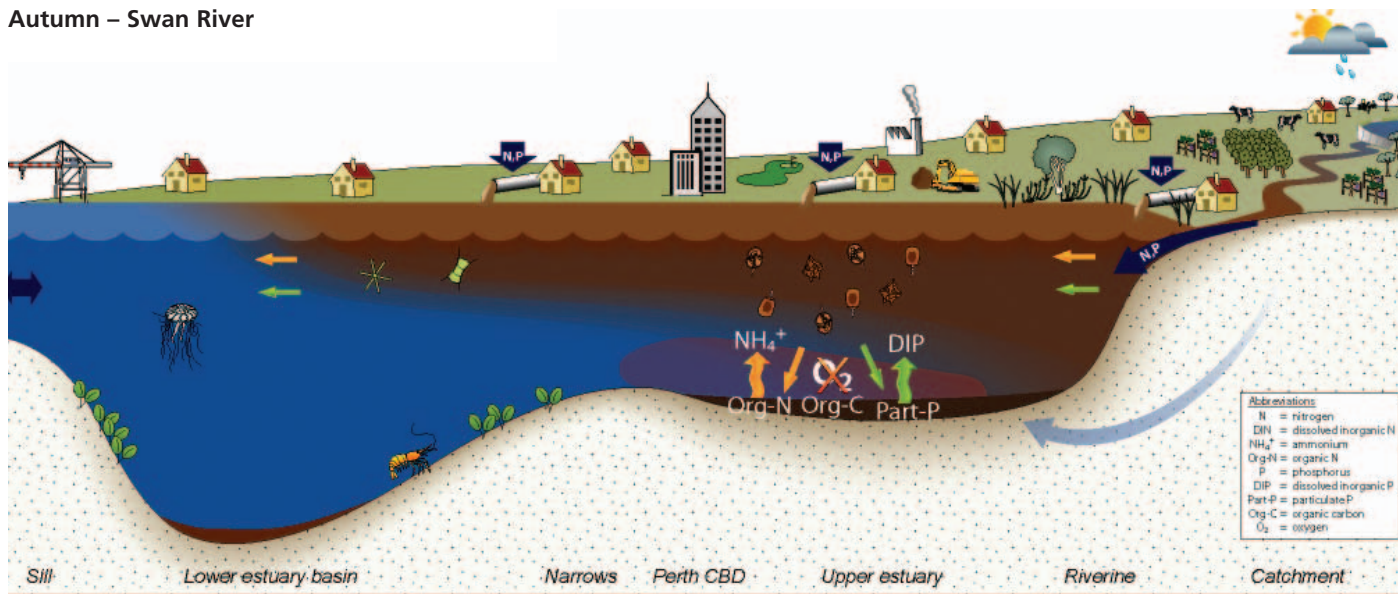


Figure 2a

During Autumn sporadic rainfall causes variability in run-off and can deliver high concentrations of nutrients to the system. The rivers are mainly marine, warm and nutrient rich, and contain very low levels of oxygen in the bottom waters.

Winter – Swan River

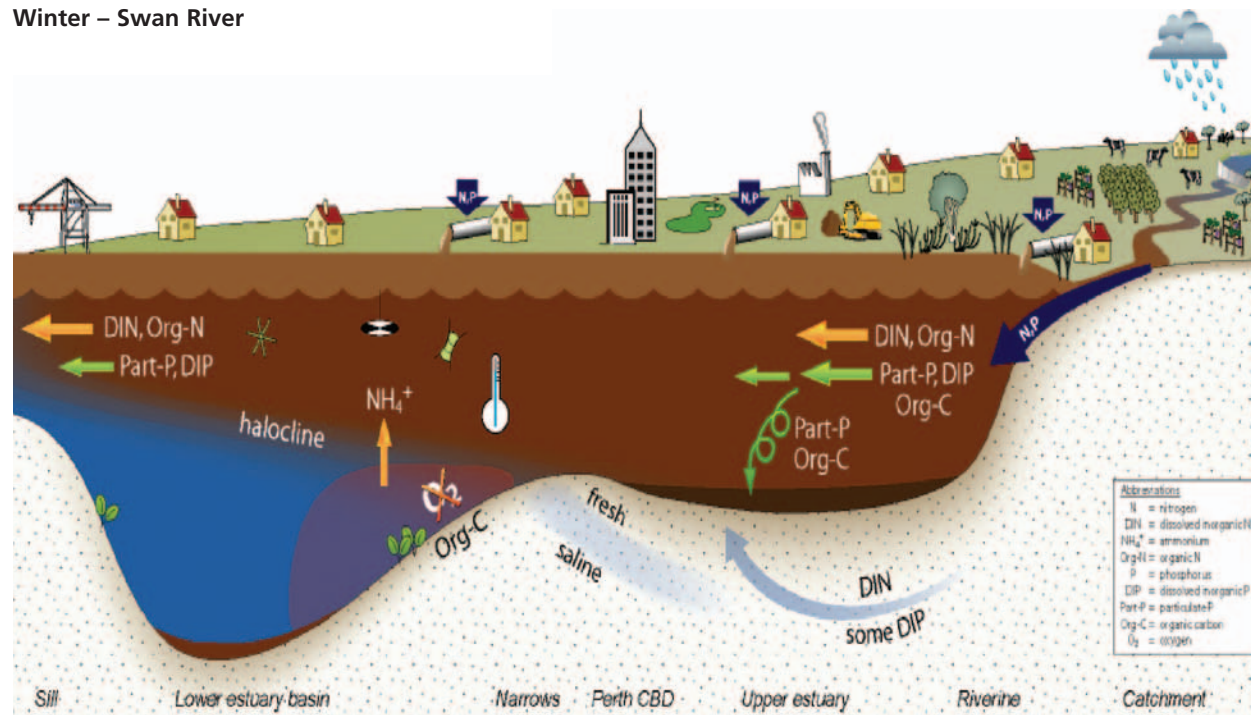


Figure 2b

During Winter catchment flows deliver abundant nitrogen to the upper and lower Swan River. A nutrient and tannin-rich freshwater plume extends over saline bottom waters in the lower Swan. Physical conditions limit algal blooms in winter (low light, low temperatures, short day lengths, short residence times), and, as a result, dissolved oxygen and organic nitrogen is exported to the ocean.

Spring – Swan River

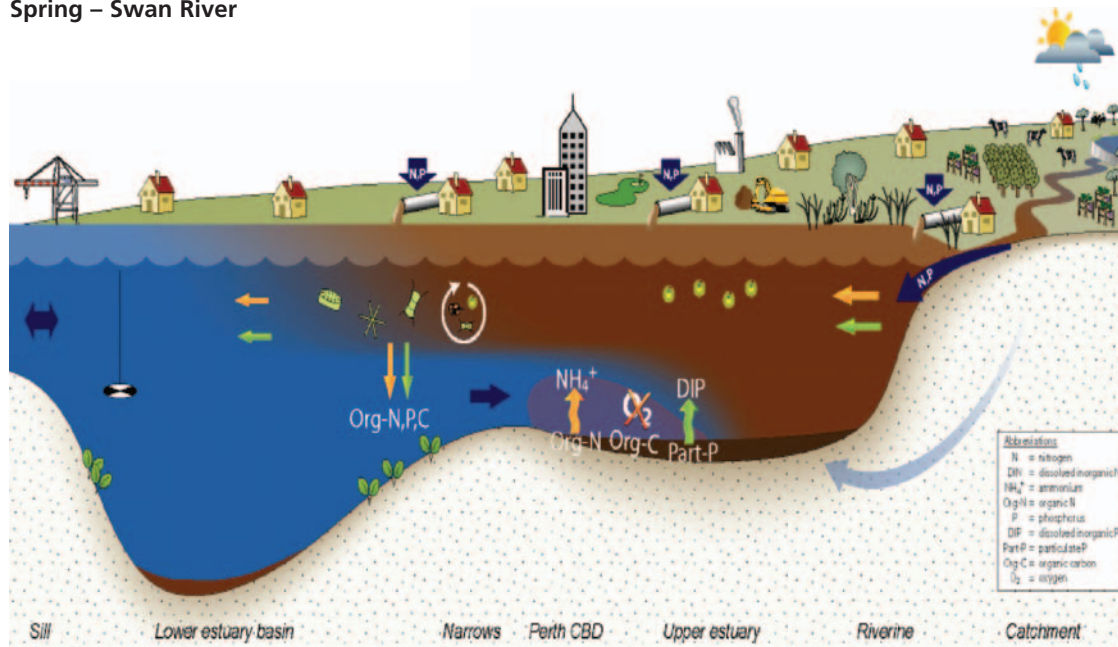


Figure 2c

During Spring more favourable physical conditions (increased light, higher temperatures and longer days), combined with high nutrient levels fuel spring algal blooms in the rivers. As freshwater flow ceases, a tidal salt wedge forms and begins to move upstream, transporting low-oxygen water up the rivers.

Summer – Swan River

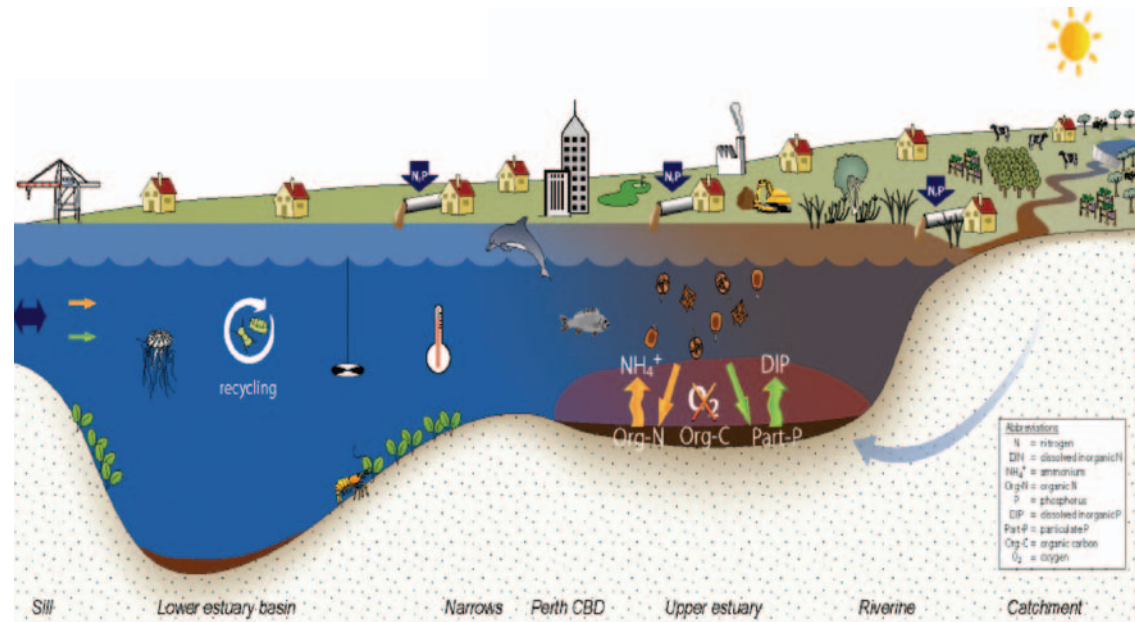
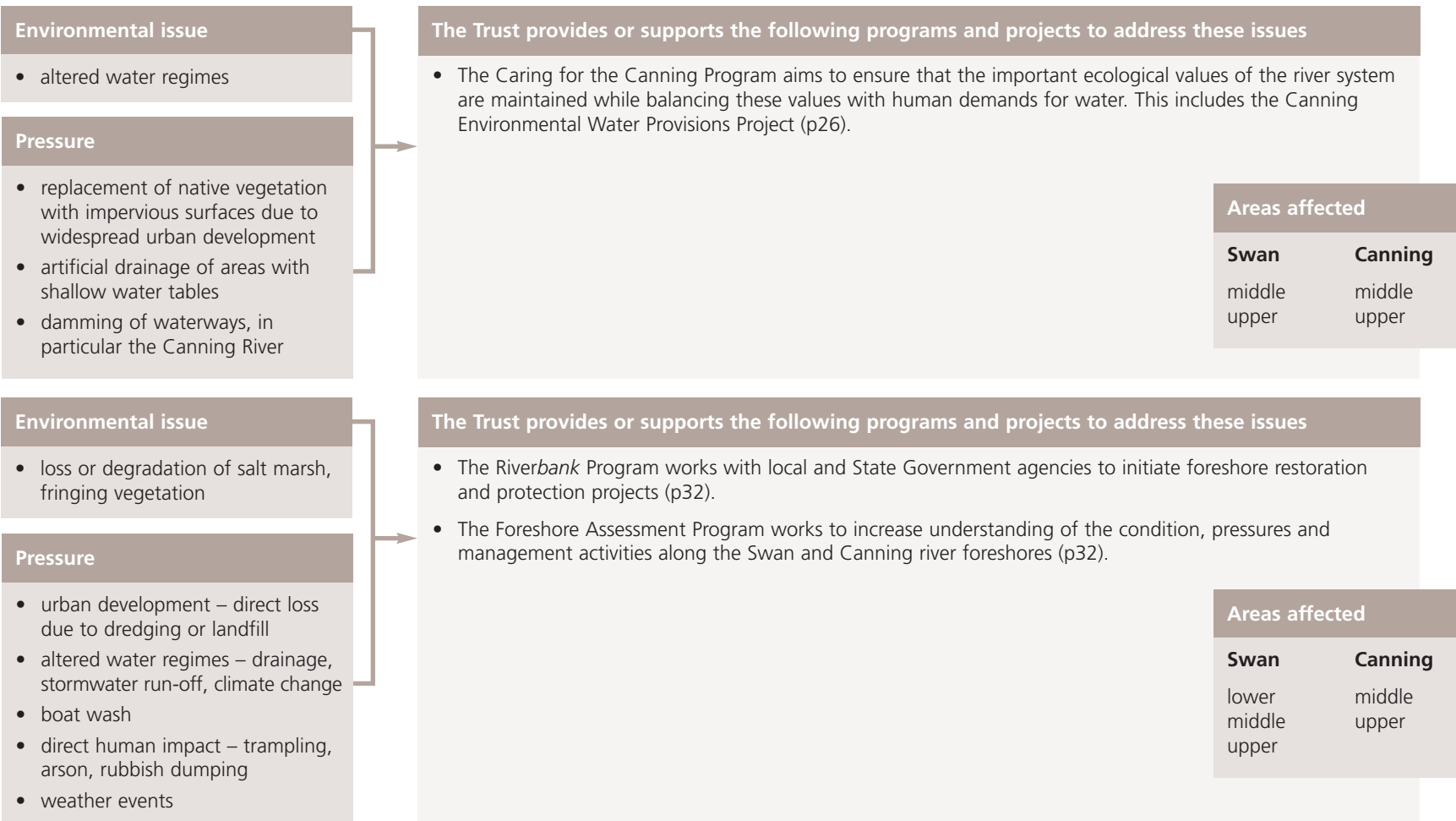


Figure 2d

During Summer the salt wedge moves further upstream, transporting oxygen-depleted bottom waters to the upper Swan. Here, salt water mixes with residual fresh water to create a brackish environment. Increasing nutrients in the bottom waters (related to low-oxygen conditions) contributes to summer algal blooms in the upper rivers. Mixing with low nutrient oceanic water limits summer algae blooms in the lower rivers.

Table 1 Summary of environmental issues and management responses

<p>Environmental issue</p> <ul style="list-style-type: none"> excessive nutrient levels 	→	<p>The Trust provides or supports the following programs and projects to address these issues</p>	<p>Areas affected</p>	
<p>Pressure</p> <ul style="list-style-type: none"> runoff from urban and rural catchments localised stormwater run-off from urban and industrial areas localised landfill site leachate 		<ul style="list-style-type: none"> The Swan-Canning Cleanup Program works to reduce the frequency and severity of algal blooms by tackling nutrients entering the river system (p25). Through the Australian Government's Coastal Catchment Initiative, the Trust is developing a Water Quality Improvement Plan to reduce nitrogen and phosphorus inputs to the Swan and Canning rivers. Seven Community Involvement projects (eg Great Gardens) within the Swan-Canning Cleanup Program address fertiliser, landuse and household practices (p37). The Drainage Nutrient Intervention Program implements onground works throughout the Swan Canning drainage system to improve the quality of water being delivered into the rivers. This includes support for the Department of Water's Stormwater Management Manual which provides guidelines for local government (p30). The Swan Alcoa Landcare Program provides funding for community-led restoration projects within the Swan-Canning Cleanup Program (p26). 	<p>Swan</p> <p>lower middle upper</p>	<p>Canning</p> <p>middle upper</p>
<p>Environmental issue</p> <ul style="list-style-type: none"> erosion and sedimentation 	→	<p>The Trust provides or supports the following programs and projects to address these issues</p>	<p>Areas affected</p>	
<p>Pressure</p> <ul style="list-style-type: none"> clearing of native vegetation for urban and rural development loss/damage of fringing vegetation boat wash civil works weather events dewatering 		<ul style="list-style-type: none"> The Riverbank Program works with local and State government agencies to initiate foreshore restoration and protection projects (p32). The Priority Catchment Funding Program provides financial support to four sub-regional Natural Resource Management groups to support the delivery of catchment management outcomes and work with the community on water and industry-related issues (p27). The local government Natural Resource Management Policy development project improves decision-making, landuse planning, land management and operations such as parks and reserves management and stormwater management (p26). 	<p>Swan</p> <p>middle upper</p>	<p>Canning</p> <p>upper</p>



Environmental issue

- contamination

Pressure

- stormwater run-off from urban and light industrial catchment
- contaminated groundwater from light industrial areas, old landfill sites, leaking storage tanks, eg petrol stations
- antifoulants, wastes and fuel spills from marinas, boat yards, and boating traffic

The Trust provides or supports the following programs and projects to address these issues

- The Non-Nutrient Contaminants Program assesses non-nutrient contaminants delivered to and present in the Swan and Canning rivers (p31).
- It is proposed that the second phase of the Swan-Canning Cleanup Program, the Healthy Rivers Program, will work to protect the environmental health of the Swan and Canning rivers by improving water quality through source reduction, pathway management and waterway intervention techniques (p25).
- The Drainage Nutrient Intervention Program implements onground works throughout the Swan Canning drainage system to improve the quality of water being delivered into the rivers (p30).

Areas affected	
Swan	Canning
lower middle upper	middle upper

Environmental issue

- acidification

Pressure

- artificial drainage of areas especially fringing vegetation, adjoining wetlands with shallow water tables
- declining water tables due to climate change

The Trust provides or supports the following programs and projects to address these issues

- The Drainage Nutrient Intervention Program implements onground works throughout the Swan Canning drainage system to improve the quality of water being delivered into the rivers (p30).
- The Non-Nutrient Contaminants Program assesses non-nutrient contaminants delivered to and present in the Swan and Canning rivers (p31).
- It is proposed that the second phase of the Swan-Canning Cleanup Program – the Healthy Rivers Program – will work to protect the environmental health of the Swan and Canning rivers by improving water quality across source reduction, pathway management and waterway intervention techniques (p25).

Areas affected	
Swan	Canning
lower middle upper	upper

Organisational structure

Trust members

There are eight members of the Swan River Trust. Four are nominees from the Water and Rivers Commission Board, the Minister for Planning and Infrastructure representing marine and planning sections, and the West Australian Local Government Association. The Minister for the Environment appoints the four community members, who have areas of expertise identified as beneficial to the Trust.

Full Swan River Trust meetings and Trust Development and Regulation Committee and Park and Riverplan Committee meetings are held once a month. Trust Finance and Audit Committee meetings are held throughout the year as required.

In September 2005 a Swan-Canning Cleanup Working Group was established to help implement the recommendations of the Swan-Canning Cleanup Program Evaluation Report.

Charlie Welker BSc (Hons)

Chairman: Mr Welker has been Principal of Strategen, an environmental company, since 1994, and previously held senior positions in environmental agencies in WA and Victoria, including more than two years as the full-time deputy chairman of the WA Environmental Protection Authority. During this time Mr Welker was involved in environmental impact assessment and the development of environmental legislation and policies, the most recent example being the licensing review. He is a certified Environmental Auditor by the Quality Society of Australasia. Mr Welker is also chairman of the Premier's Water Foundation. Charlie Welker was re-appointed Chairman for three years on 23 June 2006.

Col Rod Willox AM, RFD, ED, JP

Deputy chairman, nominee of the Water and Rivers Commission Board: Col Willox is a graduate of the Australian Defence College and has degrees in Medical Science (microbiology and biochemistry) and Pathology. He has a Diploma in Occupational Health and Safety Management, and is a former

company director in a risk management consultancy. Col Willox is active in community organisations, particularly related to environmental health and waste management, and in local government where he is a Councillor for the City of Stirling. He is deputy chairman of the Municipal Waste Advisory Council and he is chairman of the Department of Environment Audit and Risk Management Committee. Col Willox is also chairman of the Australia Day Council (WA) and a property owner in the Avon Catchment.

Dr Jane Chambers PhD, BSc (Hons)

Member: Dr Jane Chambers is a Lecturer in Aquatic Ecology in Environmental Science, Murdoch University. She has more than 20 years experience in research relating to algae and aquatic plants, nutrient dynamics and eutrophication of freshwater and estuarine systems. She has been active in developing technology for the creation and restoration of wetlands and riparian vegetation. Recently she has investigated the impact of secondary salinisation on wetlands in the Avon Catchment and mechanisms to restore aquatic plants and reduce algal blooms in the Canning and lower Vasse rivers. Dr Chambers is a strong advocate of making science available for community education and has published a field guide on emergent aquatic plant restoration and, last year, published *Scumbook: A Guide to Common Algae and Aquatic Plants in Wetlands and Estuaries of South Western Australia*.

Mr Neil Foley BA, MSc, Grad Dip Inf Man, Grad Dip Property, Cert R E Man

Nominee of the Minister for Planning and Infrastructure: Mr Foley has qualifications in urban and regional planning, property, real estate and information management. He has more than 25 years experience in town planning at State and local government levels in WA. He is a Department for Planning and Infrastructure Project Director.

Mr Jim Freemantle BEc, M Admin

Member: Mr Freemantle holds a Bachelor of Economics and a Master of Administration from Monash University. He is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Banking and Finance. Mr Freemantle was Home Building Society chief executive officer from 1995–2003. He previously held senior positions in banking and corporate consulting. Mr Freemantle holds the positions of Dairy Western Australia chairman, Western Australian Planning Commission Central Perth Planning Committee member, Anglican Diocese of Perth trustee, Racing and Wagering WA deputy chairman, Prostate Cancer Foundation (WA Division) chairman, MDA National Group director and chairman of its Capital Committee.

Dr Bruce Hamilton

Member: Dr Hamilton has worked for 28 years in the WA government, primarily in environmental and natural resource management. He also has a strong interest in organisational management, with an emphasis on people and community participation. From 1972 Dr Hamilton worked with the Environmental Protection Authority for 14 years, and then was chief executive officer of the Waterways Commission for 10 years and the director of resource investigations for the Department of Environment from 1996. Since 1999, Dr Hamilton has been a private consultant working in natural resource management, environmental management and organisational management. Dr Hamilton's appointment to the Board expired on 23 June 2006.

Cr Pat Hart

Nominee of the Western Australian Local Government Association: Cr Hart is a retired business proprietor with more than 30 years involvement in rural and urban community organisations. She has served on numerous committees involved with catchment management and has been chair of the Swan Catchment Council and the Swan-Avon Integrated Catchment Management Group. Cr Hart was a member of the Swan-Canning Cleanup Program Taskforce. She is chair of the South East Regional Centre for Urban Landcare, and member of the Botanic Gardens and Parks Authority Board and Armadale-Gosnells Landcare Group. Cr Hart is a councillor with the City of Armadale.

Mr Steve Jenkins

Nominee of the Minister for Planning and Infrastructure: Steve Jenkins is the Coastal Facilities Business Unit acting general manager in the Department for Planning and Infrastructure. He is responsible for the strategic leadership of the business of coastal facilities management. Mr Jenkins provides high level advice to the Department for Planning and Infrastructure director general and executive on matters relating to coastal facilities. He manages the operational performance of the business unit involving the department's coastal facilities, including the ports of Derby and Wyndham. Mr Jenkins is also a board member of the Ministerial Fishing Industry Advisory Committee.

Ms Barbara Cook

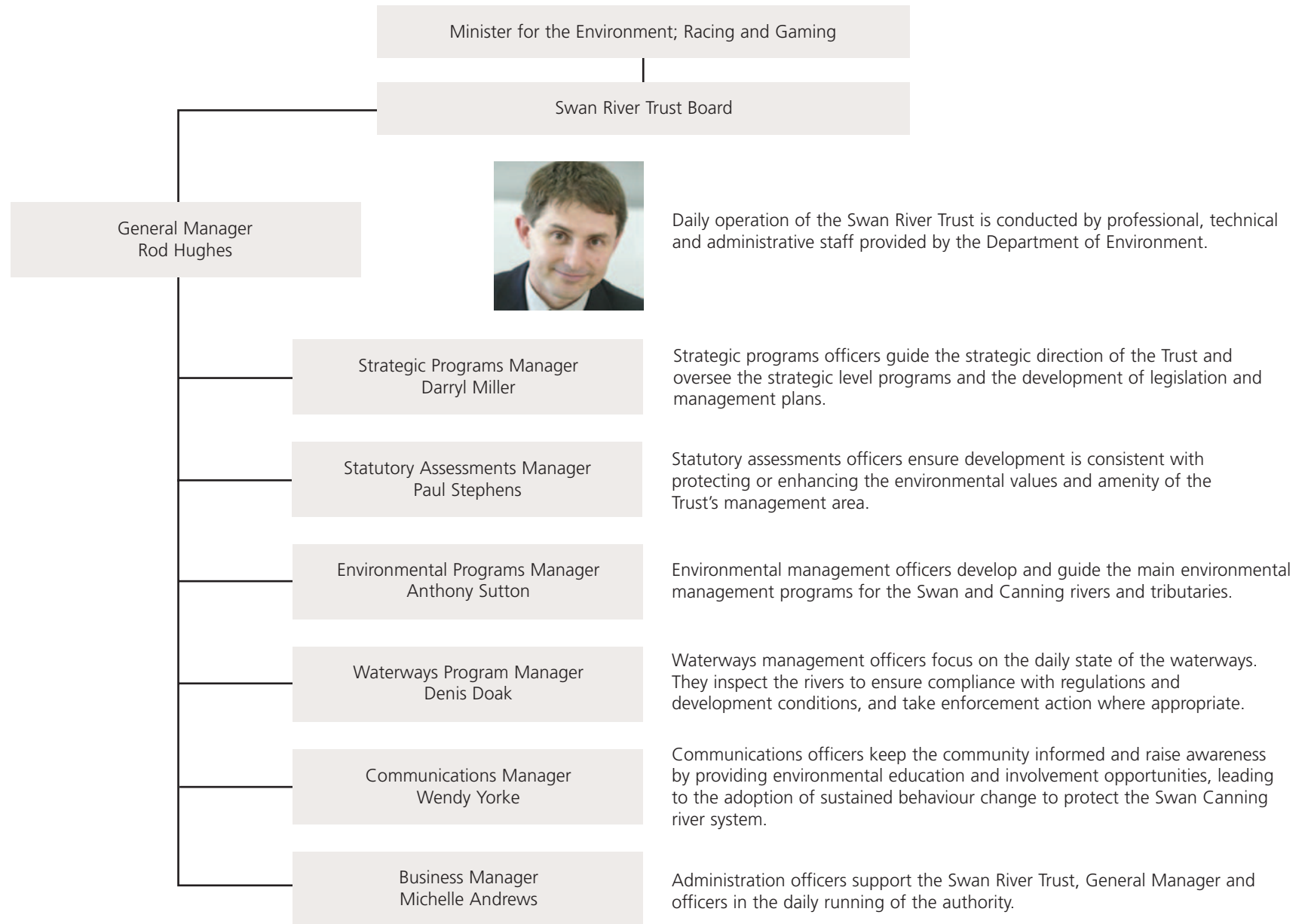
Barbara Cook was appointed to the Board on 23 June 2006, replacing Bruce Hamilton as a community representative. She brings to the Trust strong skills and experience in community consultation following 18 years in the public service. Now retired, Ms Cook has an environmental background in policy, planning, and community relations and has been an advisor to numerous government ministers in Western Australia.

General manager

Since November 2004 Rod Hughes has managed the Trust. Mr Hughes, BA (Hons), has held several media, public affairs and managerial positions in Western Australian government departments, including the WA Environmental Protection Authority, Water and Rivers Commission and Department of Environment. Mr Hughes previously worked as a journalist in Western Australia and the Northern Territory.

Figure 3

Swan River Trust operational structure



Report on operations

Strategic Programs

The Trust developed the draft Swan and Canning Rivers Management Bill and implemented Riverplan, the management framework to guide State and local government efforts in delivering the objectives of the *Environmental Protection (Swan and Canning Rivers) Policy 1998*.

Legislative Development

The existing *Swan River Trust Act 1988* does not provide an adequate basis to protect the Swan and Canning rivers. While pollution problems have generally been addressed – through regulation, phasing out of riverside discharges and sewerage replacing septic systems – the more difficult challenge is to manage the continuing impact of historical activities and development. Pressures on the rivers from commercial and recreational use and urban, industrial and agricultural practices in surrounding areas have continued to grow.

New legislation will replace the existing Act and the *Environmental Protection (Swan and Canning Rivers) Policy 1998*. The general provisions of the existing *Swan River Trust Act 1988* will be retained in the new legislation.

In July 2005, a draft Swan and Canning Rivers Management Bill was released for public comment, with consultation involving 160 organisations and 25 individuals. This Bill—together with the Swan and Canning Rivers (Consequential and Transitional Provisions)—Bill were passed in the Legislative Assembly in April 2006. Work has begun drafting regulations and developing administrative arrangements required for proclamation of the legislation.

Swan Canning Riverpark

In 2004, the State Government announced plans to establish the Swan Canning Riverpark (consisting of the waterways and adjacent Crown land reserves in the existing *Swan River Trust Act 1988* management area) to help safeguard the health of the Swan and Canning rivers.

The proposed new legislation will provide for the establishment of environmental and related targets for the ecological and community benefits and amenity of the riverpark. It will vest the riverbed in the Trust to enable it to manage the waterways of the riverpark for ecological and community benefits.

During 2005-06, work began on drafting regulations and developing administrative arrangements for the riverpark. Maps showing the proposed boundaries of the riverpark were developed and lodged with the Department of Land Information.

Riverplan Implementation

The Riverplan program is implemented by assessing the contribution of State and local government agencies to implement the *Environmental Protection (Swan and Canning Rivers) Policy 1998*. It also relies on the collection of spatial datasets and community information about current and future ecological and community values, to develop targets to apply in the Trust's management area and catchment.

A partnership agreement to implement Riverplan between the Trust and the Swan Catchment Council was signed in November 2005. Reports assessing the contribution of the cities of South Perth, Armadale and Swan to policy implementation were finalised during the year. It is expected that the cities of Melville, Perth, Bayswater and Canning will have their reports finalised by the end of the 2006-07 financial year.

Statutory Assessments

The Trust reviews all applications for development, including events in or adjoining the Trust's management area. They provide reports to the Trust to recommend a course of action for the Minister for the Environment, or to provide advice to the Western Australian Planning Commission (WAPC) or local governments. Statutory assessments officers work with the WAPC to ensure river and landscape protection are embedded in planning decisions along the river. They also review and strengthen Trust development and environmental policies.

Statutory Assessment

A new notice of delegation was prepared by the Statutory Assessments branch and gazetted on 21 March 2006. The notice delegates various powers to the chairman, the Development and Regulation Committee and the general manager on a range of matters including recommendations to the Minister and the execution of other functions on behalf of the Trust. The delegation of powers has helped a more efficient processing of applications and the provision of statutory advice which makes up the core work of the Statutory Assessments branch.

This year the branch assessed 245 applications related to development in and next to the management area. There were:

- 63 applications for Ministerial determination under Part 5 of the *Swan River Trust Act 1988*;
- five Metropolitan Region Scheme Clause 30A applications for Ministerial notice;
- 35 statutory referrals to the Trust for advice in relation to applications for subdivision development and rezoning;
- six Town Planning Scheme amendments; and
- four Outline Development Plans.

In addition to those applications, the Trust also approved 52 applications to hold spectator events in the management area under Regulation 8. The Spectator and Entertainment Events Policy finalised in 2004-05 assisted applicants in lodging their applications and helped the Trust in efficiently assessing applications against clear standards and guidelines.

Planning Policy and Strategies


The Trust has revised its two policies relating to private jetties and public and commercial jetties and combined them into one proposed policy. The draft policy reflects the Trust's position that generally it will not support new private jetties in the management area, however it encourages the establishment of public jetties in appropriate locations where they add to the community's enjoyment of the river. The public advertising period for the draft policy concluded on 20 June 2006. The policy will be finalised following its review in light of the eight submissions received. A schedule to review the Trust's suite of planning policies has been endorsed as a guide to keeping the policies current. Several policies are due to be reviewed in 2006-07.

The Trust has continued its emphasis on the need to ensure that development in the management area should have a demonstrable public benefit. Consideration of public access, environmental impact, and landscape amenity are matters taken into consideration by the Trust in making decisions and recommendations to the Minister on development applications.

Major proposals considered by the Trust and recommended for approval were:

- stage 1A & 1B of the Banks Reserve Foreshore Restoration Project, Mount Lawley;
- construction of a number of emergency sewage overflow tanks by the Water Corporation;
- upgrading of Claremont Yacht Club Marina; and
- extensions to the café at the Mends Street jetty, South Perth, and the construction of a new commuter ferry jetty.





The Trust considered an application from the Royal Perth Yacht Club for an extension to its marina and lease area of approximately 1.15 hectare. The Trust recommended that the application be refused because the proposal would alienate a significant area of the river from public use without a counterbalancing benefit.

There is a major proposal by the West Australian Turf Club to redevelop the Belmont Race Course on the Burswood Peninsula as a new urban centre with a projected population of 8-10,000. The Trust is supportive of the concept which includes state of the art storm water, nutrient and other advanced environmental management systems. However the concept in its proposed form will result in a significant reduction to the foreshore reserve area. The Turf Club and the Trust are seeking a resolution which will benefit the river system.

Swan-Canning Cleanup Program Planning Mechanisms

Land uses remote from the river can have a significant effect on the quality of the water entering the river system through either groundwater or surface water drainage.

The Trust has provided assistance and support to the Western Australian Planning Commission in finalising State Planning Policy 2.10 – Swan Canning River System. This policy will provide the statutory basis to account for the impacts town planning decisions have on the ecological health and amenity of the system.

Statutory assessment officers have also assisted in the development of the next phase of the Swan-Canning Cleanup Program by acting as an interface between the activities of the Trust and the town planning system.

Figure 4 Swan River Trust Management Area



Environmental Management

The Trust delivers and manages the Swan-Canning Cleanup Program, and develops nutrient intervention technologies through the Drainage Nutrient Intervention Program to reduce the amount of nutrients entering the waterways. It assesses foreshore condition and restoration of the foreshores through the Foreshore Protection and Rehabilitation Program encompassing the Riverbank program and the Foreshore Assessment Project.

Each of these areas conducts a range of fundamental sub-projects, which monitor and assess the key parameters of the river system to provide the information required to direct management responses.

Swan-Canning Cleanup Program – Phase 2

The Swan-Canning Cleanup Program (SCCP) is the key management strategy to improve the health of the Swan and Canning rivers, reducing the frequency and severity of algal blooms by tackling nutrients entering the river system.

The first SCCP Action Plan was launched in 1999 and the Trust directly invested \$17.5 million in implementing the Plan. An evaluation report conducted by Oceanica in 2004 commended the achievements of the Cleanup Program, and the Trust is developing the next phase of the Action Plan (SCCP II Action Plan), due to be finalised by late 2006. A Working Group consisting of Trust members and staff and key officers has sought the involvement of stakeholder groups, the Swan Catchment Council, universities, consultants, local government authorities, community members and State and Federal government agencies.

Hundreds of community members attended the first SCCP Expo in April 2006, which showcased more than 20 SCCP projects and provided the opportunity to inform the community about the new SCCP II Action Plan. To help in developing recommendations for the SCCP II Action Plan, a series of Action Area Focus Groups were held in May 2006, comprising representatives from current SCCP funded projects and external stakeholders. A RiverScience Workshop and Community Forum were held in May 2006, attracting more than 100 local, national and international experts who reviewed the scientific

understanding and current monitoring and reporting program for the Swan Canning Catchment. A Stakeholder Forum was also held in June 2006, updating stakeholders on the progress of the SCCP II Action Plan, and providing them with further opportunity for input into the Plan's development.

To date, the SCCP II Action Plan has identified the Trust's goal for this second phase:

“To protect the environmental health and community benefits of the Swan and Canning rivers by improving water quality.”

The key strategies of the plan are to:

- reduce sources;
- manage pathways; and
- apply waterway intervention.

These strategies will be implemented by the following action areas:

- improve landuse planning and development processes;
- address nutrient and contaminant sources and set water quality targets;
- promote behaviour change through capacity building and community involvement;
- apply intervention techniques to improve river conditions;
- monitor river health and report to the community; and
- identify and fill gaps in knowledge through research and development.

During the year, SCCP II began the process of forming the Swan River Trust Technical Advisory Panel – an independent panel which will provide guidance and assistance to the Trust for better decision making and management of the Swan and Canning rivers.

Swan-Canning Cleanup Program Estuary Intervention Techniques

This project conducts intervention works – predominantly oxygenation – in the Swan and Canning rivers. Oxygenation provides improved habitat for aquatic life while also reducing the incidence of algal blooms.

During the year, oxygenation was carried out in the Canning River, together with manipulation of water levels, to reduce algal blooms. An ongoing Swan River oxygenation study was started, with the installation of climate stations with dissolved oxygen loggers providing live data online.

An oxygenation plant on the Swan River will potentially lead to habitat refuge for aquatic life in the event of oxygen-depleted waters.

Swan Alcoa Landcare Program

The Swan Alcoa Landcare Program (SALP) is administered by the Swan Catchment Council on behalf of the Swan River Trust and Alcoa of Australia Limited. The program provides funding for community-led restoration projects under the Swan-Canning Cleanup Program.

During the year, \$570,000 was provided to 41 community groups to undertake more than 100 projects in environmental restoration works. In addition, a reporting process was implemented, resulting in increased ability to gauge the overall effectiveness of the program.

Now in its eighth year, SALP has funded over 600 projects worth more than \$3.2 million.

Local Government Natural Resource Management (NRM) Policy Development

Designed to help local government achieve the objectives of the Swan-Canning Cleanup Program Action Plan, this project is a joint initiative between the Eastern Metropolitan Regional Council and the Swan River Trust. It develops NRM policy and guidelines to improve decision-making, landuse planning, land management and operations such as parks and reserves management and stormwater management.

This year, the project hosted various forums and workshops for local governments – on issues such as nutrients, irrigation and foreshore management – while publishing several guidelines and discussion papers, most notably Foreshore Management Guidelines. Approval for publishing Waste Management Guidelines has occurred, while Small Rural Property Guidelines are at final draft stage awaiting approval following comment by key stakeholders.

Caring for the Canning – Environmental Flows

This project is coordinated by the Swan Catchment Council and ensures that the important ecological values of the river system are maintained while balancing these values with human demands for water. It determines Environmental Water Provisions (EWPs) for the Canning, Southern and Wungong river systems to return seasonality of flows which improves ecological health.

In 2005-06, the project completed reports on the impacts of chlorine on the Canning and Wungong rivers, giving recommendations to reduce adverse effects, and also initiated a project to restore fish passage and habitat on the Canning River. Modelling and reporting for eight EWP sites in the Canning Catchment was completed, and will be used to define trial flows that meet realistic environmental objectives.

A primary aim of the project is to incorporate EWPs into an overall river management program, to improve water quality and aquatic and riparian habitat.

Decision Support System

In August 2005, the Trust established the Scientific Systems Inquiry Group (SSIG) to determine the value of using decision support systems – such as catchment and estuarine computer models – in managing the Swan and Canning rivers. A decision support system is an interactive computer-based system intended to help the Trust use data, documents, knowledge and models to identify issues, assemble and analyse the relevant information, and make decisions. The outcomes of SSIG's report will be used to guide the development of the second phase of the Swan-Canning Cleanup Program Action Plan.



Priority Catchment Funding

This project provides financial support to four sub-regional Natural Resource Management (NRM) groups which support the delivery of catchment management outcomes and work with the community on water and industry-related issues. It forms an important part of the Swan-Canning Cleanup Program, and this year provided \$425,000 in Priority Catchment Funding to the four groups.

This year's funding was applied by the NRM groups to environmental restoration projects, nutrient reduction initiatives, environmental awareness programs for small-medium enterprises and specific industry groups, and maintaining and building community capacity.

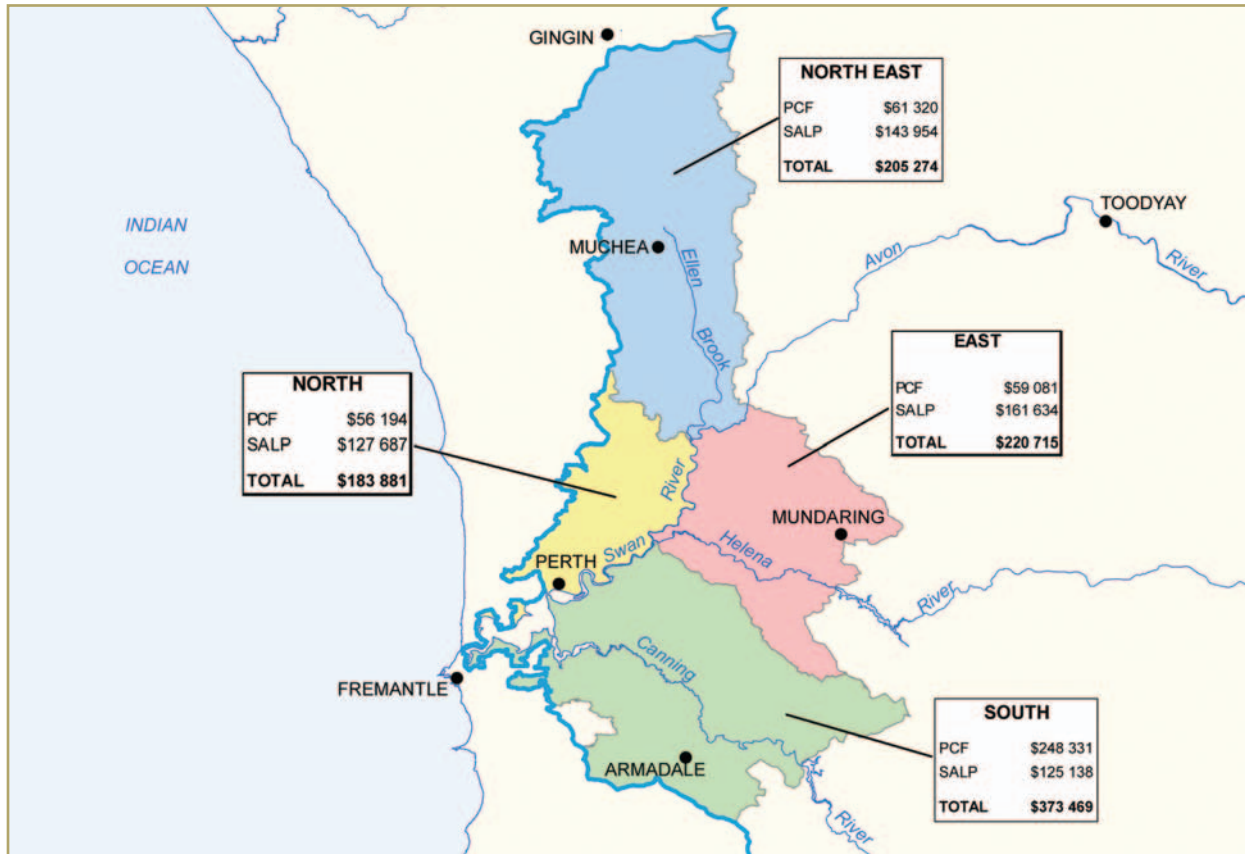


Figure 5 Swan Canning Catchment Priority Catchment Funding

Legend
 PCF: Priority Catchment Funding
 SALP: Swan Alcoa Landcare Program

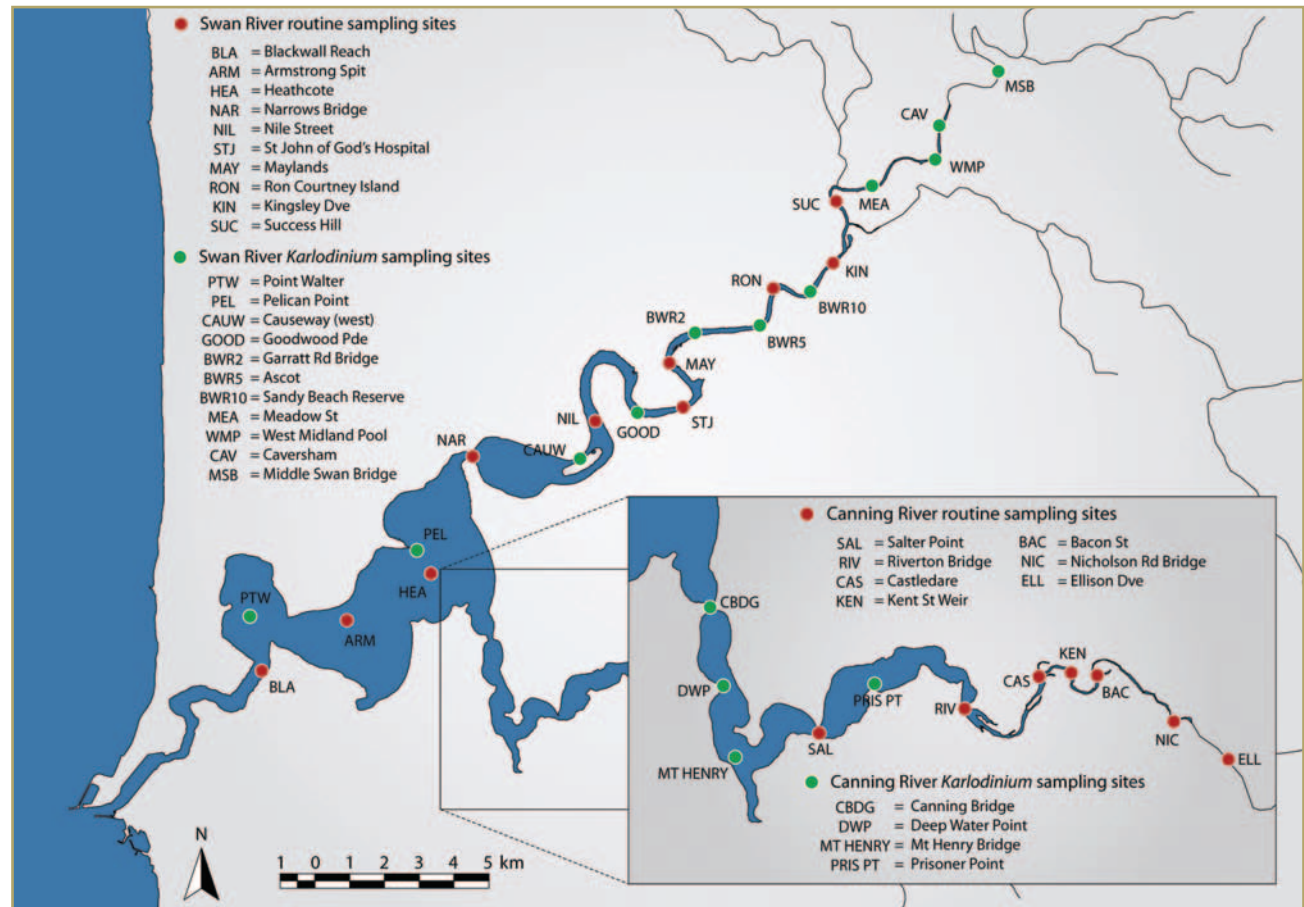
Environmental Monitoring

Environmental monitoring provides weekly data on nutrient and chlorophyll-a concentrations, physical parameters and the identification and density of phytoplankton groups for the Swan and Canning rivers (Figure 6). The project tests compliance with chlorophyll-a and dissolved oxygen water quality targets as set by the Swan-Canning Cleanup Program Action Plan.

Outputs from the monitoring include weekly reporting of current environmental conditions on the Trust's website and a weekly Algal Activity Report, reported on Channel Nine Television News and Saturday's edition of *The West Australian* newspaper.

This year, a review of water quality for the past 10 years was funded by the Swan River Trust and Swan Catchment Council. The outcome of this paves the way for review of the monitoring program, indicators and targets to be incorporated into the Swan-Canning Cleanup Program's second phase.

Figure 6 Swan and Canning rivers monitoring sites



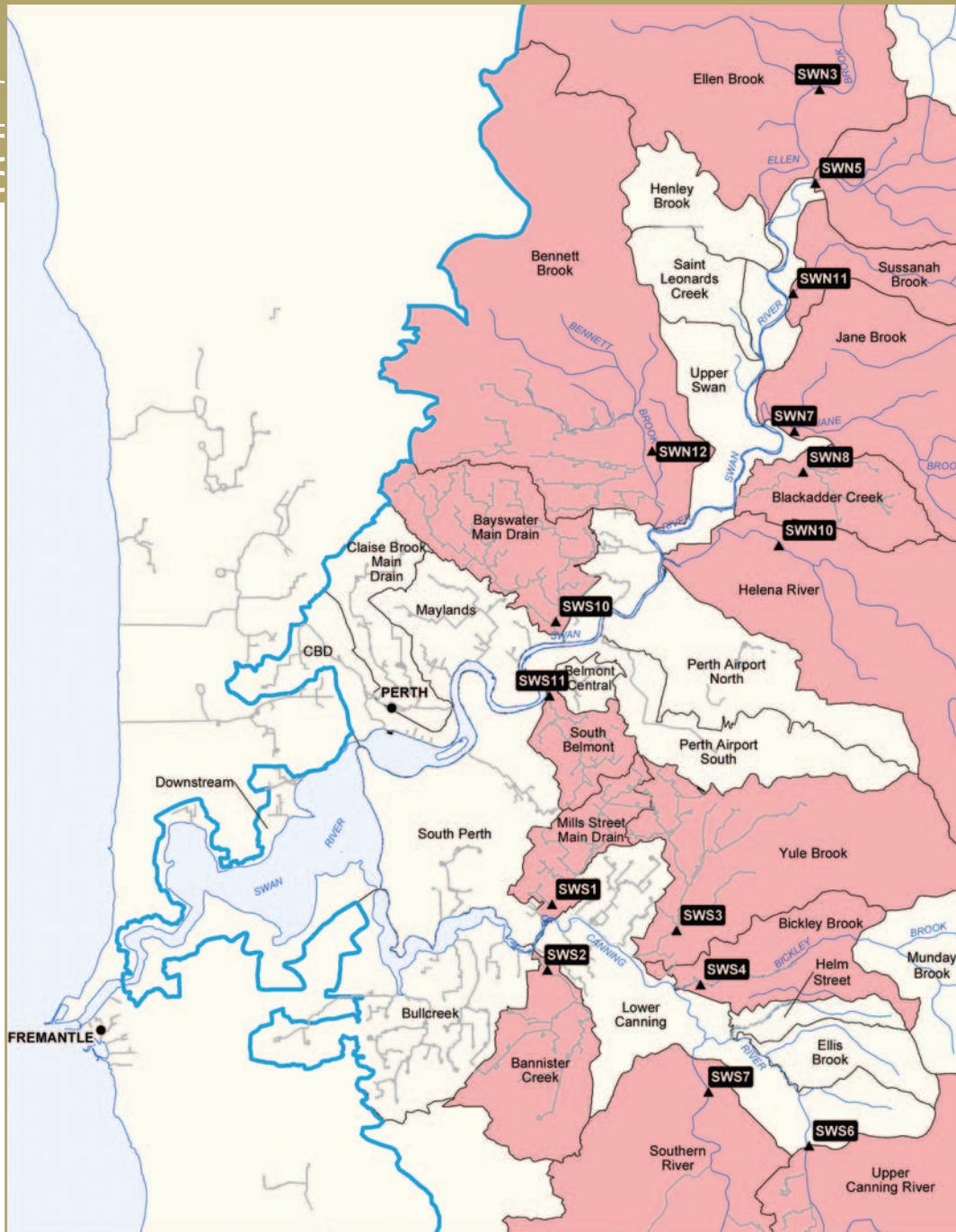


Figure 7 Swan-Canning Cleanup Program catchment water quality sampling sites

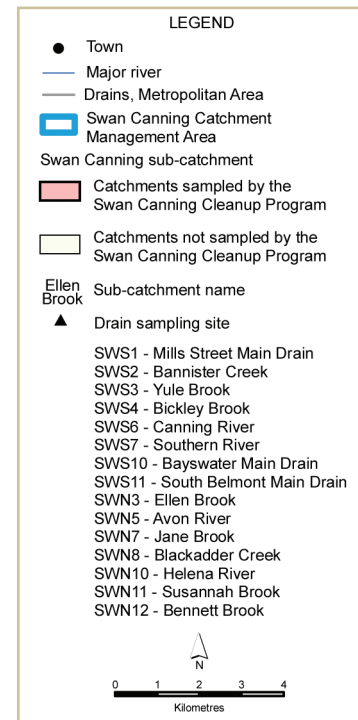
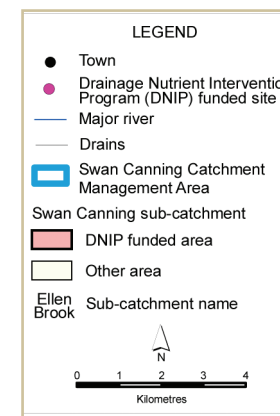




Figure 8 Drainage Nutrient Intervention Program funded sites



This map shows Trust-funded drainage nutrient intervention works from 2003-04 to 2005-06

Drainage Nutrient Intervention Program (DNIP)

DNIP is part of the Swan-Canning Cleanup Program. The main aim of DNIP is to implement onground works throughout the Swan Canning drainage system to improve the quality of water being delivered into the rivers. The improvements in drainage also aim to improve the habitat and aesthetic value of the drainage system, with works being completed in partnership with local government authorities, drainage service providers and Natural Resource Management (NRM) groups.

A significant project to date has been the construction of the Liege Street Wetland in Cannington. Extensive monitoring of the wetland commenced this year, aiming to fill vital knowledge gaps in how well constructed wetlands improve water quality in the Perth region.

During the year, DNIP provided funding for dosing three sites in the Canning Plain Catchment with 40,000 litres of Phoslock™ – an amended clay known for its effective removal of phosphorus from drainage water, rendering it unable to support algae growth. The project began restoration at the Bickley Road compensating basin in Beckenham, as well as developing a similar concept for the Manley Street Basin in the Canning Plain Catchment.

Non-Nutrient Contaminants Program (NNCP)

NNCP aims to assess the nature (types, sources, location) of non-nutrient contaminants delivered to and present in the Swan and Canning rivers. The project has just completed its first year, having been awarded funding for three years under the State Government's funding boost announced in January 2004. It is managed by the Aquatic Science Branch of the Department of Water, on behalf of the Trust.

The program developed and implemented monthly sampling for non-nutrient contaminants in surface water and sediments in 50 Swan Canning sub-catchment drains, and assessed non-nutrient contaminants in groundwater at three former landfill locations directly next to the Swan and Canning river foreshore areas. The project successfully trialled the use of passive sampling devices in three of Perth's major drainage outlets, as a superior method of detecting ultra low-level concentrations of persistent organic contaminants in drainage systems.

Small-Medium Industry Management

This project supports small-medium industry management in the Swan Canning Catchment. A partnership was developed with the Swan Catchment Council to deliver agreed outcomes for the project.

The project aims to promote the use and adoption of best management practices (BMPs) within small-medium enterprises. The use of BMPs has the potential to minimise pollutants leaving these premises and entering the Swan Canning river system. Through the identification of barriers to the adoption of BMPs and implementation of a change management model, the project anticipates successful promotion of BMPs adoption to its target industries.

Initial activities included completion of Stage 1 of the Bellevue Sustainable Industry Project in conjunction with the Waste Management Board and Edith Cowan University, and the production of a series of Industry Information brochures.

Foreshore Assessment Project

This project is a joint initiative between the Swan River Trust and Swan Catchment Council. It aims to increase understanding of the condition, pressures and management activities along the Swan and Canning river foreshores, primarily through desktop and on-site assessments. Shoreline processes and character, and vegetation type and condition are considered. This information enables better decision making and prioritisation of sites for protection and rehabilitation. The understanding is shared with key stakeholders to promote best foreshore management practice for the Trust's management area.

This year, almost 200 kilometres and more than 1800 hectares of foreshore vegetation was assessed, representing 68 per cent of the total area. A new series of Report Cards were produced, addressing key topics for the lower Swan and Canning rivers. The Report Cards are available for public circulation. The project's findings have helped the activities of the *Riverbank* program, Statutory Assessments, the Drainage Nutrient Intervention Program, the Midland Redevelopment Authority and Eastern Metropolitan Regional Council. The project also delivered awareness and profile raising programs to relevant interest groups, and gained significant media exposure.



Riverbank – Foreshore Protection and Rehabilitation Program

Since 2002, the *Riverbank* program has provided a vehicle for the Trust to work with various local and State Government agencies to initiate foreshore restoration and protection projects.

The Trust is committed to working with local government to improve the health of the rivers, ensuring ecological and community benefits are effectively managed.

Riverbank funding is available for a wide range of activities addressing the following priorities:

- protection, enhancement and management of indigenous vegetation and habitat to improve the ecosystem structure and function of the foreshore; and
- protection and enhancement of riverbanks to mitigate erosion which threatens the environmental, recreational, aesthetic or cultural values of the foreshore.

This year, 30 projects were approved for *Riverbank* funding totalling more than \$1.3 million and attracting a similar level of matching funding. In addition, Trust staff planted 4700 local native trees and shrubs into a *Riverbank* project site in the Canning River Regional Park. As well as these onground works, the Trust worked with the Swan Catchment Centre and Eastern Metropolitan Regional Council to hold a Foreshore Management Workshop for local government officers.



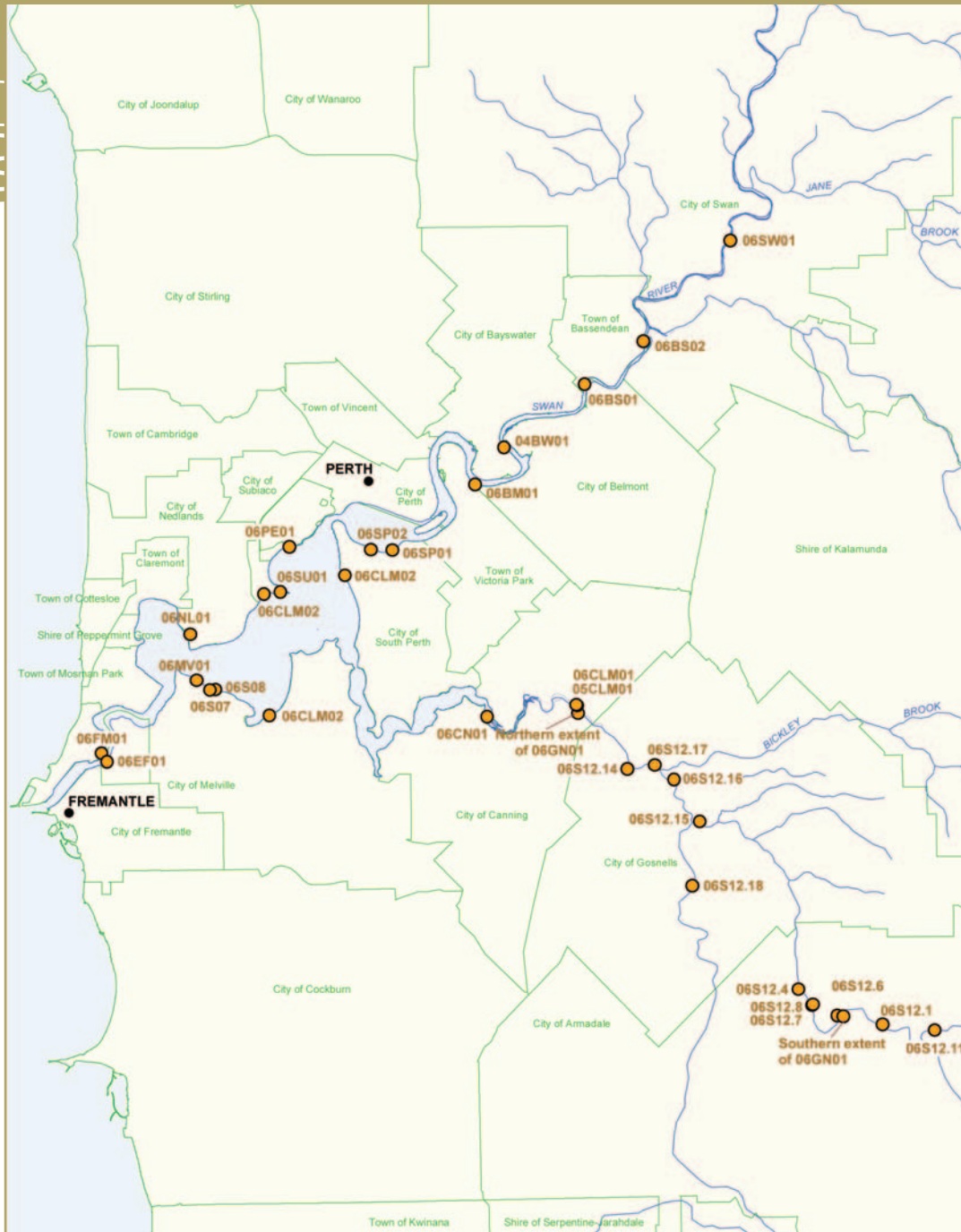
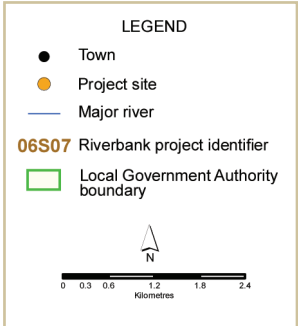


Figure 9 Riverbank Program funding map



Waterways Management

The Trust is responsible for onground management of the rivers and foreshores, and it removes debris and hazards as required. It provides logistical support to programs undertaken through Environmental Management and Statutory Assessments.

Audit and Enforcement

The Swan and Canning rivers are vulnerable to contamination from accidental and deliberate discharge of pollutants. To fulfil its statutory responsibility to protect the management area, the Trust maintains a rapid response capability to contain pollutants and, depending on the quantities and level of hazard, undertakes clean-up or helps other agencies in accordance with its new Pollution Response Plan. The Trust has delegation under the *Environmental Protection Act 1986* to investigate pollution incidents affecting the management area.

Staff responded to an oil spill in Fremantle Harbour on 1 December 2005. At least 100 litres of heavy fuel oil leaked into the Swan River from a supply line under North Quay at Fremantle Port. Pollution booms were used to contain oil, while Trust staff recovered product from nearby shorelines.

The Trust continued to work closely with the Environmental Enforcement Unit from the Department of Environment. Trust officers followed up 257 complaints, compared to 283 last year. There were 83 general complaints and 27 complaints relating to watercraft nuisance. Forty-five complaints were referred to other agencies. Trust officers investigated 33 fuel or oil spill complaints. In most cases where fuel or oil had been spilled, the material was contained and removed quickly.

The Trust is also taking action in a case of unauthorised damage to a tree in a public reserve in Applecross and unauthorised development, namely, a gazebo, in Caversham. Several formal warnings have been issued to riverside residents pruning trees on public land.

Table 2.1 Pollution complaints

Nature of complaint	Number
Oil slicks	33
Offensive odour	7
River discolouration	4
Industrial discharge/dewatering	18
Sewage discharge	20
Herbicide/pesticide spraying	3
Chemical spills	0
Waste dump	24
Foaming	2
TOTAL	111

Table 2.2 Non-pollution complaints

Nature of complaint	Number
Watercraft nuisance	27
Algal blooms	4
Aquatic deaths	7
Destruction of vegetation	11
Unauthorised development	14
General complaints	83
TOTAL	146



In February and March speeding boat owners were targeted in a joint operation designed to increase safety and reduce damage to foreshore vegetation on the Swan and Canning rivers. The initiative, named 'No Wash No Wake', involved officers from the Department for Planning and Infrastructure and the Swan River Trust working side by side to educate the owners of speeding vessels. More than 50 vessels were stopped during the patrols, with five infringements and two cautions handed down, mainly for speeding offences.

Compliance

Trust officers monitor, and where necessary act, to ensure compliance with provisions of specific laws, regulations and conditions of development approvals. The Trust has enforcement responsibilities under the *Swan River Trust Act 1988* and *Regulations 1989* and by delegation under the *Environmental Protection Act 1986*. Development approvals generally have conditions that relate to activities the Trust needs to ensure are satisfactorily performed to protect river health and public amenity. Regular river inspection and enforcement activities ensured that these responsibilities were met as part of the Trust's overall responsibility for protection of the Management Area.

Legal Actions

In March 2006 the Water Corporation was fined \$25,000 for two sewage overflows into the Swan River at Bridge Street in Guildford on 10 July 2003 and 14 November 2003. The Department of Environment reduced the original charges to a modified penalty.

The Environmental Enforcement Unit and the Trust investigated an incident regarding a spill of an estimated 300,000 litres of sewage into the Swan River at Victoria Park on 22 May 2005. The spill was caused by a concrete pressure main collapsing. No charges were laid against the Water Corporation due to the accidental and unforeseeable nature of the incident.

An investigation report is being finalised into the discharge of 250,000 litres of sewage into the Swan River near Coode Street, South Perth on 24 April 2005.

A carpet cleaning contractor was issued with a \$250 infringement notice for discharging wastewater into a stormwater system in Como on 1 May 2006. The proprietor of Residence Link Carpet Cleaning was served with the infringement after a complaint was made to the Trust by a member of the public.

Yacht Club and Marina Environmental Audits

Audit and Enforcement staff conducted environmental audits of 12 yacht clubs and marinas located in the Trust's management area. The purpose of the audits was to provide the Trust with baseline information on the clubs' environmental performance. It enabled clubs to receive feedback on aspects of their operation where improvements could be made. The implementation of an environmental management system is seen as a key initiative where these premises could improve their environmental performance. The upgrading of slipways and hardstand areas used for maintenance are seen as important in reducing the impact of the clubs on the adjacent marine environments.

Waterways Operations

Waterways Operations consists of six staff providing foreshore and waterways maintenance, beach cleaning, foreshore renourishment and aquatic weed control. It also provides logistical support to the Swan-Canning Cleanup Program and the Foreshore Assessment Project.

In May the Trust purchased a new semi-trailer to transport its front-end loader, damaged vessels and vehicles and to cart various materials to sites or landfill as required. The front-end loader is regularly deployed to carry out work such as major cut and fill projects, excavation operations and bulk weed removal. The new equipment gives the Trust the capability to dispatch its heavy machinery at short notice to any location required.

Throughout the year eroded beaches and shorelines were renourished with 1532 tonnes of sand and 600 kilograms of rocks.

Table 3 Summary of material removed by field staff from waterways and foreshores

Material collected	Units	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Rubbish	Tonne	46	56	77	22	55.5	20.1	58.77
White goods	Each	6	10	3	8	5	1	2
Tyres	Each	60	69	46	47	34	16	18
Drums	Each	14	38	31	7	18	1	4
Signs	Each	6	22	22	8	12	1	7
Vessels	Each	1	3	7	0	9	3	1
Shopping trolleys	Each	81	64	92	51	45	69	22
Fish	Tonne	7	5	4	4.5	2.2	5.8	6.6
Birds	Each	123	158	83	41	9	14	54
Animals (sheep, goats, cattle)	Each	4	11	7	3	0	1	3
Timber	Tonne	109	101	121	53	85	34	39
Weeds	Tonne	197	390	529	101	85	85	300



Communications

Communications officers inform and engage stakeholders and raise community awareness of issues affecting the rivers. They provide environmental education and increase stakeholder involvement through the development of community skills in river and catchment restoration projects. Officers provide a suite of communication services to the Trust's other program areas to address stakeholder issues and media management and to ensure that community involvement and education opportunities are maximised through the annual Strategic Communications Plan. A focus of the branch is to foster stakeholder relationships by conducting Community and Mayoral forums and other corporate events.

This year the Trust continued its emphasis on strengthening relationships with local governments and other agencies. The Trust visited the Town of Victoria Park and carried out a joint site inspection of the Belmont Race Course. In March, the Trust held a meeting with the Avon Catchment Council in Northam followed by an inspection of parts of the Avon River affected by the build up of silt. Both these events provided valuable opportunities for the mutual exchange of information.

The Trust's Communications service has two main areas of operation – Stakeholder Communications and Community Development for the Swan-Canning Cleanup Program.

Stakeholder Communications

Six ministerial stakeholder functions were held during the year, including a Trust Mayoral Forum, the first Swan-Canning Cleanup Program Expo and a River Science Community Forum. This year the Trust's newsletter *RiverView* was redesigned and four editions distributed to more than 3000 stakeholders. The communications team worked with boating and fishing communities to distribute more than 3000 *Fishing for a Healthy River and Boating Guide* brochures to members of Boating WA and of fishing and other river recreational clubs. It also produced and distributed a new Development Guidelines brochure, the Foreshore Assessment Project's new Report Cards and ensured weekly delivery of the Algae Activity Report to media outlets.

The Trust released 41 media statements, prepared eight Ministerial media statements and managed media enquiries referring to 40 issues. Media coverage included 367 media stories across radio, television and metropolitan, local and rural press. Trust media statements are available on the Trust's website.

During the year more than 1000 Garden Gurus 2006 Calendars and 2006-08 Year Books were distributed to stakeholders and the wider community conveying an environmental River Friendly and Fertilise Wise message each month.

SCCP Community Development

This project involves the management and delivery of community development and environmental education initiatives for the Swan-Canning Cleanup Program throughout the Swan Canning Catchment.

The project promotes awareness of SCCP and the program's key message – Help Keep Our Rivers Healthy. It compiles the weekly Algae Activity Report, provides support for RiverScience publications, delivers environmental education and is involved in community environmental events.

Great Gardens

The Great Gardens Program provides education on how to implement river-friendly garden practices. More than 10,000 people have attended the free, three-hour workshops provided by this program since its inception in September 2003. The workshops teach participants how to reduce nutrient and water leakage from their urban properties, identified as a major contributor of harmful nutrients to the river system – especially during summer.

The Great Gardens program won the Promoting Behaviour Change category of the 2005 WA Environment Awards and was announced as a Banksia Award Finalist. The program is jointly supported by the Trust, the Water Corporation and the Nursery and Garden Industry Association of WA, and is delivered by Landcare Solutions.

Corporate Care Days

This year the Corporate Care Day program expanded to include community groups. The program brings conservation and community groups and business together in the Swan Canning Catchment. The program provides a team building experience for community and corporate staff to learn about the environment while helping catchment groups achieve important onground environmental outcomes.

Corporate Care Day activities include planting, weeding, installation of fauna and fish habitat structures in streams, rubbish removal and construction of access tracks, boardwalks or fences. In the past four years, 49 Corporate Care Days have been hosted by the Trust, with 1275 participants from 21 companies and community groups learning how to keep our rivers healthy.

SCCP Swan Catchment Centre and Ribbons of Blue

Environmental education relating to SSCP is managed and delivered through the Swan Catchment Centre. A major element of the project is *Ribbons of Blue* – an environmental education program for schools and the community which raises awareness about waterways, groundwater, catchment management, effects of nutrients on waterways and the importance of water quality monitoring. The project conducts Skills for Nature Conservation training courses to participants in community-led restoration projects funded by the Swan Alcoa Landcare Program.

This year the project has conducted a range of professional development workshops for student teachers; seven Skills for Nature Conservation workshops; skills training initiating long-term water quality monitoring for teachers and students at four schools; presentations and displays at community events; and 13 Natural Resource Management Officer Network Training Workshops on subjects such as facilitation skills, surface water issues and management, groundwater issues and management and sponsorship.

Property Planning / Heavenly Hectares

This project conducts Property Planning workshops and Heavenly Hectares seminars for small landholders in the Swan Canning Catchment in partnership with the WA Department of Agriculture and Food. It works to encourage the use of environmental best management practice to reduce the amount of nutrients entering the Swan Canning river system. Awareness is raised through free Heavenly Hectares seminars, followed by knowledge development at Property Planning workshops, and skills development at field days leading to the adoption of appropriate strategies and access to support services.

During the year, more than 812 people attended 14 Heavenly Hectares seminars, nine Property Planning workshops and seven topic-specific skill development field days. Training was provided on environmentally sustainable land management practices, including pasture management, weed control, tree planting, fencing techniques, bush management, soil erosion, chemical use and animal husbandry. Eighty-five per cent of Heavenly Hectares participants described new behaviours as a result of attending seminars.

The project successfully trained managers of 2900 hectares of catchment, and responded to 200 enquiries from landholders related to pasture management, weed control and farm management.

Phosphorus Action Group (PAG)

PAG is a volunteer group concerned about the health of the Swan and Canning rivers and wetlands in the Perth Metropolitan area. The group is supported by the SSCP Community Development project, and this enables PAG to expand the distribution of river and environmental information to a wider community.

The group represents the Trust at primary and secondary schools, public events, displays and presentations. It produces and distributes *Fertilise Wise* and *Grow Local Plants* brochures, nursery garden industry environmental best practice information sheets and school newsletters.





Corporate Support

Administration officers support the Swan River Trust, general manager and officers in the daily running of the authority and during Trust meetings. The Trust's Corporate Support area manages Reporting Requirements and Corporate Governance.

Indigenous Traineeship Program

Recognising the importance of the Swan and Canning rivers to the indigenous community, the Trust is looking to support indigenous trainees to develop natural resource management qualifications and gain employment in waterways and catchment management careers. At present, it is hoped to support the indigenous traineeship program run through the Department of Environment and Conservation.

Three-Year Strategic Plan

The Trust's Strategic Plan 1999-2000 was reviewed and a new Strategic Plan developed for 2006-09. The revised Strategic Plan responds to the changing environmental and community challenges, and the new legislative and administrative framework expected in 2006-07.

Business Plan

The Trust works to an annual Business Plan structured around the management and support programs, and informed by the Trust's Strategic Plan 2006-09 and relevant organisational documents.

New Key Performance Indicators

This year the Swan River Trust adopted a new performance framework addressing two focused outcomes, to protect and enhance the ecological health and long term community benefit of the Swan Canning river system. The framework was endorsed by the Office of the Auditor General and the Department of Treasury and Finance, and will be reported against next financial year.

Reporting requirements

Since 1999 the Trust has had an agreement under Section 31 of the *Swan River Trust Act 1988* for the Water and Rivers Commission to provide the Trust with staff, facilities and corporate services, with the expectation since 2001 that this would transit to the Department of Environment at an appropriate time.

During 2005-06 the Government decided to establish a separate Department of Water and to amalgamate the Department of Environment with the Department of Conservation and Land Management.

In April this year, the Minister for the Environment approved the transfer of all staff assigned to the Swan River Trust from the Water and Rivers Commission to the Department of Environment. This decision was made to allow for a simple structure, clear lines of accountability and explicit alignment of the Swan River Trust with the Environment Portfolio. The Swan and Canning Rivers Management Bill now before Parliament envisages staff and services for the Trust to be provided by the chief executive officer of the public service department principally assisting in the administration of the *Environmental Protection Act 1986*.

The Departmental separation and amalgamation changes have not been finalised, and the arrangements for the provision of Corporate Support Services to the Swan River Trust are in a transition phase. A service agreement will be confirmed in 2006-07 with the Department of Environment and Conservation.

As a consequence, both the Water and Rivers Commission and Department of Environment outcomes for Disability Access and Inclusion, Equal Employment Opportunity, Substantive Equality, Cultural Diversity and Language Services, Compliance with Public Sector Standards and Ethical Codes, Corruption Prevention and Youth are applicable to the Swan River Trust. These outcomes can be found in the Water and Rivers Commission Annual Report 2005-06 and the Department of Environment Annual Report 2005-06.

Conflict of interest

The Trust has procedures for identifying, preventing and resolving conflicts of interest. The procedures are outlined in the Department of Environment Code of Conduct 2003.

All Trust personnel with duties related to the negotiation of a contract must disclose current or prospective interests to their immediate supervisor. The interest of a member's immediate family must be disclosed, if known. Where a person possesses an interest, either the basis of that interest should be discontinued, or the person should cease the duties involved or obtain management permission to continue.

Trust members are also required to declare conflicts of interest. This year, Trust members declared a conflict of interest in 21 items.

Freedom of information

Under the provisions of the *Freedom of Information Act 1992*, there were two requests this year. One request was denied access and one private applicant request received edited access regarding the Bellhouse Café Redevelopment, Mends Street, South Perth.

Record Keeping

The Department of Environment provides record keeping support services for the Swan River Trust. The department has developed a record keeping practices program for staff, and a record keeping practices module was incorporated into the department's induction system. A comprehensive package of in-house material was developed to help staff in the use of the department's records management system and augment existing training programs.

In 2005-06, the Trust implemented staff training as part of record keeping changes when the Department of Environment moved to a new location and the Trust took on part of its own record keeping practices.



Advertising and marketing

Expenditure incurred by the Trust in 2005-06 in relation to Section 175ZE of the *Electoral Act 1907*.

Table 4 Advertising and marketing expenditure

Class of expenditure	Supplier(s)	Expenditure \$
Print advertising and production agency	Market Force	\$12,279
Market research agencies	Research Solutions	\$13,248
Total		\$25,527

Public comment

The Trust encouraged public comment on issues throughout the year using the media and advertising. It sought public opinion on one development application and one regulation policy, prior to assessment. This is separate to the consultation process for the draft Swan and Canning Rivers Management Bill noted earlier in this report.

Table 5 Public comments received for development and regulation applications advertised in newspapers

Development	Letters	Emails via website	Petition/signatures	Total
Hinds Reserve Commercial Redevelopment		7		7
				7

Corporate governance

Trust compliance, remuneration and attendance

The Swan River Trust operates in accordance with the *Public Sector Management Act 1994*, the Department of Environment Code of Conduct November 2003, and the Swan River Trust Meeting Procedures 1996.

Remuneration for the Trust includes an annual fee of \$26,800 for the chairman, and sitting fees for board members of \$300 for half-day meetings and \$450 for full-day meetings.

Remuneration for Trust members was reviewed in December 2005. Ministerial approval was given for the following remuneration levels effective as of 1 January 2006.

Chairman	\$26,800 / annum
Swan River Trust member only	\$7,400 / annum
Board plus 1 Committee	\$10,500 / annum
Board plus 2 Committees	\$13,600 / annum
Board plus 3 Committees	\$16,700 / annum

There were 13 Trust meetings during 2005-06.

Table 6 Trust meeting attendance

Trust Member	Trust Meetings		Development & Regulation Committee meetings		Park & Riverplan Committee meetings		Finance & Audit Committee meetings	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Dr Jane Chambers	10	13			6	9		
Mr Neil Foley	11	13	7	8				
Mr Jim Freemantle	10	13			7	9	6	7
Dr Bruce Hamilton	12	13			8	9		
Cr Pat Hart	13	13	7	8	9	9		
Mr Steve Jenkins	10	13						
Mr Charlie Welker	12	13	4	8	8	9	5	7
Col Rod Willox	9	13	8	8			6	7

Charlie Welker was reappointed chairman for three years on 23 June 2006. Bruce Hamilton's term of appointment expired on 23 June 2006 and Barbara Cook replaced him.



Sustainability

The Swan River Trust complies with the State Government's Energy Smart Policy through a commitment by the Department of Environment. Information about energy consumption including waste paper recycling is available in the Water and Rivers Commission Annual Report 2005-06 and the Department of Environment Annual Report 2005-06. The Trust supports the Department of Environment's internal greening the workplace initiatives, TravelSmart and Eco-Office, and is represented on the Eco-Office Committee.

The Trust supports the Department of Environment's Sustainability Action Plan 2005-07. The action plan is in line with the Government's Sustainability Code of Practice for Government Agencies and Resource Guide for Implementation. The action plan emphasises the fundamental sustainability character of the legislation administered by the department. It supports the department's vision for a healthy environment and sustainable use of water resources for the benefit of present and future generations. The department and Trust's work is principally about protection and management of the State's environment and natural resources for the long-term benefit of the community.

Internal audit

The Trust relies on the internal audit of the Water and Rivers Commission and Department of Environment financial records for assurance of compliance with the *Financial Administration and Audit Act 1985*, Regulations and Treasurer's Instructions.

Asset management

The Trust's assets are valued at \$2,001,423. The Trust complied with Treasurer's Instructions, carried out a stocktake, undertook capital asset planning and asset revaluation at market value, and complied with relevant accounting standards to ensure effective management of assets.

Risk management

The Swan River Trust's approach to risk management is guided by the Department of Environment's risk management policies and strategies. The Trust developed a risk register in 2005-06 which was used to inform business planning for 2006-07.

Performance monitoring and reporting

Swan River Trust officers provide written monthly reports on activities and financial statements to the Trust and its committees. Performance is evaluated at 31 December, 31 March and 30 June each year. Annual performance is reported in the Trust's Annual Report to the Minister for the Environment, and Parliament.

A new performance management framework for the Trust was approved by the Department of Treasury and Finance's Outcome Structure Review Group in March 2006. The new framework establishes two outcomes and four services for the Trust, with associated effectiveness and efficiency indicators. The performance framework will be fully implemented in 2006-07.

Compliance with Public Sector Standards and Ethical Codes

Swan River Trust officers operate under the Department of Environment Code of Conduct 2003, as required by the Western Australian Public Sector Code of Ethics. All officers have access to the Code of Conduct on the Department of Environment intranet and in hard copy. They are regularly reminded of its application. The code is comprehensive and covers a wide range of issues. These include corporate and individual responsibilities, confidentiality and security, occupational safety and health, conflict arising in the course of employment, equal opportunity, dealing with discrimination, paid and unpaid activities, industrial and political participation, corruption and discipline.

Ministerial directions

Under Section 7(3) of the *Swan River Trust Act 1988*, the Minister for the Environment may give directions in writing to the Trust, generally with respect to the performance of its functions. The Trust is to give effect to any such direction. There were no Ministerial directions this year.

Delegations

Section 26 of the *Swan River Trust Act 1988* allows for the delegation of the Trust's functions under the Act. In February 2006 the Trust rescinded its delegation notice of 4 August 1998 and gazetted revised delegations to the general manager, the chairman, the Development and Regulation Committee and the Park and Riverplan Committee. The delegations provide powers to make decisions in relation to development applications and project payments.

Industrial agreements

Swan River Trust officers are provided by the Water and Rivers Commission, and subsequently the Department of Environment, and are subject to industrial agreements negotiated with these bodies. Executive remuneration is paid in accordance with public service conditions, and reflects the commission and department's industrial agreements.

Workers' compensation statistics

As Swan River Trust officers are provided by the Water and Rivers Commission and subsequently the Department of Environment, workers' compensation statistics are included in the Water and Rivers Commission Annual Report 2005-06 and the Department of Environment Annual Report 2005-06.

Compliance with legislation

The Swan River Trust complied with the following written laws:

Commercial Arbitration Act 1985

East Perth Redevelopment Act 1991

Environmental Protection Act 1986

Financial Administration and Audit Act 1985

Health Act 1911

Local Government Act 1995

Marine and Harbours Act 1981

Metropolitan Region Town Planning Scheme Act 1963

Midland Redevelopment Act 1999

Navigation Act 1912, Navigable Waters Regulations

Port Authorities Act 1999

Public Sector Management Act 1994

Swan River Trust Act 1988

Town Planning and Development Act 1928

Waterways Conservation Act 1976

These laws include regulations and other subsidiary legislation. The Trust also complied with its obligations under a range of legislation generally applying to management of the Public Sector.



Charlie Welker
Chairman



Rod Hughes
General Manager

Performance Indicators

A decorative graphic consisting of several thin, white, wavy lines that flow horizontally across the middle of the page, creating a sense of movement and depth.

Opinion of the Auditor General



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**SWAN RIVER TRUST
FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2006**

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Swan River Trust at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Trust provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended 30 June 2006.

Scope

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

D D R PEARSON
AUDITOR GENERAL
25 September 2006

Certification of performance indicators

Conservation and management of the Swan Canning river system

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Swan River Trust's performance, and fairly represent the performance of the Swan River Trust for the financial year ended 30 June 2006.



Charlie Welker
Chairman
7 August 2006



Rod Willox
Deputy Chairman
7 August 2006

Key Performance Indicators

Key Effectiveness Indicator 1

The extent to which management water quality targets are achieved in the Swan Canning Estuary and catchments

The Effectiveness Indicators are:

- Total nitrogen (N) and total phosphorus (P) concentration in 15 tributaries of the Swan Canning Catchment compared to target levels.
- Chlorophyll-a (chl-a) concentration and dissolved oxygen (DO) saturation in surface waters of the Swan Canning Estuary compared to target levels.

Excess N and P entering the Swan Canning river system have contributed to nuisance and toxic algal blooms. Controlling nutrients entering the system from the catchments is essential to decrease the frequency of algal blooms and prevent further deterioration in estuarine water quality. In recognition of the long timeframes required for catchment management to affect nutrient levels in tributaries, both short and long-term targets have been developed.

The Swan Canning Catchment targets

Table 7 Swan-Canning Cleanup Program targets for median TN and TP in catchment tributaries of the Swan Canning river system

Target	TN	TP
Short-term	2.0 mg/L	0.2 mg/L
Long-term	1.0 mg/L	0.1 mg/L

Monitoring in the Swan Canning Catchment

The 15 monitored catchments are sampled each fortnight from June to November (because many tributaries do not flow outside of winter/spring months). To calculate compliance with the catchment targets for 2006, data is used for the three years up to and including October 2005, giving a total of around 30 samples with which to test compliance.

If a tributary is already passing the short-term target then it is assessed against the long-term target. If the tributary is passing both its short and long-term targets then it is assessed to ensure that its water quality is not degrading.

Performance: Swan Canning Catchment targets

Key to catchment performance indicator results

 Tributary is being assessed against the short-term target

 Tributary has met the short-term target and is being assessed against the long-term target


 Tributary has met the short and long-term targets and is being monitored to ensure that it continues to meet the long-term target



Table 8 Compliance of monitored tributaries discharging into the Swan Canning river system with short and long-term nitrogen targets

Tributary	2002	2003	2004	2005	2006
Ellen Brook	(12) 17	(12) 11	(12) 30	(11) 30	(11) 32
Mills Street Main Drain	(12) 12	(12) 28	(12) 25	(12) 22	(12) 25
Bannister Creek	(12) 30	(12) 29	(12) 27	(12) 27	(12) 29
Bayswater Main Drain	12) 27	(12) 24	(12) 21	(11) 21	(12) 21
Southern River	(12) 23	(12) 22	(12) 22	(12) 26	(12) 28
Bickley Brook	(12) 21	(12) 17	(12) 18	(12) 20	(12) 23
Bennett Brook	(12) 21	(12) 22	(12) 23	(12) 27	(12) 27
Yule Brook	(12) 18	(12) 14	(12) 15	(12) 12	(21) 15
Blackadder Creek	(12) 14	(12) 12	(21) 13	(21) 15	(21) 18
Canning River	(12) 12	(21) 6	(21) 7	(21) 6	(21) 6
Helena River	(11) 14	(10) 10	(19) 10	(19) 6	(21) 9
South Belmont Main Drain	(21) 5	(21) 4	(21) 6	(21) 4	(21) 7
Avon River	(21) 10	(21) 4	(21) 4	(21) 5	(21) 10
Susannah Brook	(18) 9	(18) 5	(19) 3	(19) 4	(21) 8
Jane Brook	(19) 7	(20) 6	(21) 7	(21) 8	(21) 8
Short-term target met (%)	93	100	100	100	100
Long-term target met (%)	33	47	47	53	53

Table 9 Compliance of monitored tributaries discharging into the Swan Canning river system with short and long-term phosphorus targets

Tributary	2002	2003	2004	2005	2006
Ellen Brook	(12) 30	(12) 28	(12) 29	(11) 29	(11) 31
Mills Street Main Drain	(12) 29	(12) 26	(12) 27	(12) 27	(12) 29
Southern River	(12) 27	(12) 29	(12) 30	(12) 32	(12) 32
South Belmont Main Drain	(12) 19	(12) 17	(12) 15	(12) 15	(12) 17
Bannister Creek	(12) 17	(12) 12	(21) 7	(21) 2	(21) 3
Yule Brook	(21) 11	(21) 11	(21) 6	(21) 3	(21) 2
Bayswater Main Drain	(22) 10	(21) 7	(21) 3	(21) 2	(21) 2
Bickley Brook	(21) 6	(21) 7	(21) 7	(21) 5	(21) 4
Blackadder Creek	(21) 2	(21) 3	(21) 2	(21) 2	(21) 1
Jane Brook	(19) 2	(20) 1	(21) 0	(21) 0	(21) 0
Avon River	(21) 0	(21) 1	(21) 1	(21) 2	(21) 2
Bennett Brook	(21) 0	(21) 1	(21) 1	(21) 2	(21) 2
Canning River	(21) 0	(21) 1	(21) 2	(21) 2	(21) 2
Helena River	(20) 0	(19) 0	(19) 0	(19) 0	(21) 0
Susannah Brook	(18) 0	(18) 0	(19) 0	(19) 0	(21) 0
Short-term target met (%)	93	93	93	93	93
Long-term target met (%)	67	73	73	73	73



Interpreting the catchment tables

The colour of the cells in the tables indicates which target the catchment is being compared with. A **Red** cell indicates that the tributary failed the short-term target in the previous year and was therefore assessed against the short-term target in the current year. **Blue** means that the tributary has previously passed the short-term target but failed the long-term target and is therefore being assessed against the long-term target. A **Green** cell means that the tributary has passed both targets, and the data is being used to make sure that the tributary continues to meet its long-term target. The number in the brackets is the maximum number of 'high' samples permitted to occur if the target is met (derived statistically). The number outside the bracket is the actual number of samples from the tributaries that had higher concentrations of nitrogen or phosphorus than the target levels shown in Table 7. If the number outside the bracket is higher than the number inside the bracket the Trust concludes that the target has not been achieved.

Compliance decisions

The maximum allowable excursion rate (e_{max}) is statistically derived using the binomial distribution curve and is dependent upon the percentile used (median for TN and TP – see next paragraph) and the hypothesis being tested (compliance or breach).

Since data is collected at intervals (rather than continuous monitoring) the true rate of excursion above a target value can never be known, only estimated. Statistics are used to calculate a range (confidence interval) around the sample excursion rate in which the actual excursion rate is likely to lie. For SCCP, decisions of breach or compliance are taken using a 90 per cent confidence interval around the sample excursion rate; using this information, decision rules are developed.

Table 10 Examples of decision rules for catchment nutrient median targets using 30 samples

Prior condition	Decision rule
Currently passing target	20 or more samples above target level means the tributary has failed to comply with the target (failed)
Currently failing target	11 or fewer samples below target level means the tributary has complied with the target (passed)

Catchment results 2002-06

Total nitrogen concentration

In 2002, 87 per cent of the tributaries achieved the short-term target. That number reached 100 per cent in 2003 when all tributaries achieved the short-term target for the first time.

The number of tributaries passing the long-term target has improved since 2002, when 33 per cent of tributaries were passing the long-term target. In 2005 that number increased to 53 per cent.

Total phosphorus concentration

In 2002, 93 per cent of tributaries were meeting the short-term target and this continues at 93 per cent to date. Ellen Brook is the only tributary whose P concentrations remain higher than the short-term target.

In 2002, 67 per cent of tributaries were meeting the long-term P target. That increased to 73 per cent in 2003.

The nitrogen and phosphorus concentrations in the Swan Canning tributaries are low to moderate and have fallen over the 2002 to 2006 reporting period.

These results are encouraging. However it is possible that the results reflect climate change and drier winters, as nutrients entering the Swan Canning tributaries from the catchments tend to be relatively low during periods of low rainfall (the last few years have all had below average rainfall, with the exception of winter 2005 which had average rainfall). The use of three successive years of data takes into account seasonal variations. It is significant that phosphorus levels in Ellen Brook remain high. This tributary discharges directly into the upper Swan River during the winter months and has a significant influence on phytoplankton growth in the middle and upper basins of the Swan Estuary. Viewing the 2006 data (31 of 32 samples having phosphorus concentrations greater than 0.2mg/L), it is unlikely that Ellen Brook will meet its short-term target soon.

The Swan Canning Estuary targets

Key performance indicators are chlorophyll-a and dissolved oxygen concentrations in surface waters (top metre of water) (Table 11). The targets for the middle and upper basins represent a first management objective for chlorophyll-a and dissolved oxygen. Once these targets are met, new targets will be set in a series of benchmarks until quality in the basins improves.

Table 11 Swan-Canning Cleanup Program chlorophyll-a and dissolved oxygen targets for the Swan Canning Estuary

Estuary basin	Chl-a target (mg/L)	Surface DO (% saturation)
Upper Swan	19.98	81.2
Middle Swan	8.75	75.1
Lower Swan Canning	3.55	82.1
Middle Canning	11.67	49.1



Monitoring in the Swan Canning Estuary

To calculate compliance with the estuary targets, a sample is taken weekly between January and May from each of the four estuary basins resulting in about 20 samples being collected per basin, per year. These are pooled with the previous two years of data, giving a total of about 60 samples with which to test compliance.

Performance 2006: Swan Canning Estuary targets

Key to interpreting the estuary performance indicator results

Target not met

Target met

Table 12 Chlorophyll-a concentration in the basins of the Swan Canning Estuary compared to the targets

Basin	2003	2004	2005	2006
Upper Swan	(2) 25	(3) 17	(3) 10	(3) 24
Middle Swan	(2) 18	(3) 13	(3) 13	(3) 21
Lower Swan Canning	(10) 3	(10) 2	(10) 4	(10) 7
Middle Canning	(3) 8	(3) 6	(3) 6	(3) 14

Table 13 Dissolved oxygen saturation in the basins of the Swan Canning Estuary compared to the targets

Basin	2003	2004	2005	2006
Upper Swan	(0) 33	(1) 16	(1) 12	(1) 9
Middle Swan	(0) 7	(1) 6	(1) 6	(1) 7
Lower Swan Canning	(6) 4	(6) 4	(6) 5	(6) 3
Middle Canning	(1) 5	(1) 5	(1) 8	(1) 6

Results 2003-06

Chlorophyll-a concentration

The lower basin of the Swan Canning Estuary has met the Cleanup Program chlorophyll-a target in all four years (Table 12). The middle and upper Swan and the middle Canning did not meet their target, and have not done so in all four years.

Oxygen saturation

The lower basin of the Swan Canning Estuary again met its dissolved oxygen target in 2006, (Table 13). The middle and upper Swan, and the middle Canning again did not meet their dissolved oxygen targets in 2006.

The water quality in the lower estuary basin is generally consistently good. Water quality in the middle basins of both the Swan and Canning rivers and the upper basin of the Swan River currently needs improving and specific management actions such as the proposed oxygenation of the Swan River are designed to improve water quality. To date, the compliance scheme, the data and the targets are generally performing as expected.

Phytoplankton, and to some extent oxygen, in the estuary during summer is primarily influenced by the seasonal and long-term store of nutrients in the bottom sediments. This means that there will be an as yet unknown period of time between achieving SCCP's catchment targets and seeing the desired change in the estuary.

Interpreting the estuary tables

The monitoring data from each of the estuary basins are compared to the targets in Table 11. There are only two possible outcomes, "Target not met" or "Target met". With the estuary results, red cells means the target is not met and blue cells means the basin meets the target (Tables 12 and 13).

For chlorophyll-a, an exceedence is when a sample has a higher concentration than the target, and for dissolved oxygen, an exceedence is when a sample has a lower saturation than the target.

Key Effectiveness Indicator 2

The extent to which the planning and development recommendations of the Trust are accepted and implemented

Placing conditions on approved developments works towards maintaining the balance between conservation and development, and reflects the community's values consistent with the Trust's desired outcome. This data reflects the per cent of recommendations made by the Trust that were accepted by the Minister for the Environment. Development requiring Ministerial approval is dealt with under Part 5 of the *Swan River Trust Act 1988* and under Clause 30A(1)a of the Metropolitan Region Scheme.

The Trust makes recommendations to the Minister for the Environment on applications received that propose development either in the Swan River Trust Management Area or that may affect it. The Trust's recommendations aim to ensure that development complements the rivers' amenity and does not have a detrimental impact on the environment. The Minister for the Environment determines refusal or approval of the Part 5 applications, and, in the case of Clause 30A applications, forwards a notice to the Minister for Planning and Infrastructure regarding how those applications should be determined.

Table 14 Per cent of recommendations made by the Swan River Trust accepted by the Minister for the Environment

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Accepted	100%	99%	100%	99%	91%	98%
Modified	0%	1%	0%	1%	9%	1%
Rejected	0%	0%	0%	0%	0%	1%

Ninety-eight Part 5 & 30A applications were processed and recommendations made to the Minister in the financial year. The recommendations were posted on the Trust website and submissions invited. Of the 98 recommendations posted, three received negative submissions from members of the community.



Key Effectiveness Indicator 3

The extent to which the Swan River Trust's management of the river and surrounding areas is viewed by the community

The Trust has undertaken an annual market research project and comparative tracking study of community attitudes and understanding of the Trust's activities during the last eight years to inform management.

This year Research Solutions was commissioned to undertake the 2006 annual Market Research Key Performance Indicator study. The project brief was to conduct a survey in the Swan Canning Catchment to assess the community's awareness of the Trust, its role, its key programs, people's perceptions of the state of the rivers and people's satisfaction with how it is managed.

The study comprised a 10 to 12 minute telephone survey administered to a random selection of 400 Perth metropolitan residents aged 18 years and over. In line with the new sampling frame adopted in 2005, the survey was undertaken using the Swan Canning Catchment as the population base, as opposed to the entire Perth metropolitan area. This consistency has allowed for a direct year-on-year comparison of results from 2004-05 and 2005-06. There was a response rate of 18.9 per cent.

Community awareness of the Trust remained strong with 64.9 per cent of respondents aware of the Swan River Trust and 59.5 per cent somewhat to very satisfied with the Trust's management of the Swan and Canning rivers and surrounding areas. There was a significant decline recorded this year in the proportion of respondents actively dissatisfied with the Trust's management of the foreshore, down from 27 per cent recorded in 2005 to 20.4 per cent in 2006.

At an individual KPI level, there were significant improvements recorded this year, mainly in the areas of perceived levels of rubbish, pollution and erosion. A comparison of year-on-year individual KPI results demonstrated significant improvements recorded in seven of the 21 KPIs measured.

In relation to Swan River Trust programs, there was a significant increase in awareness of the Swan-Canning Cleanup Program this year, with 59.7 per cent in comparison to 50.4 per cent in 2005.

Table 15 Level of community satisfaction with public access to the Swan Canning river system

Survey year	2001-02	2002-03	2003-04	2004-05	2005-06
Level of satisfaction	75%	69%	63%		
				74%	66.5%

To more adequately monitor community opinions new sampling techniques were introduced in 2004 to conduct the market research in the Swan Canning Catchment, rather than the Perth metropolitan area, as used in previous years.

Table 16 Level of community satisfaction of sufficient facilities provided for their use

Survey year	2001-02	2002-03	2003-04	2004-05	2005-06
Level of satisfaction	72%	67%	62%		
				70%	64.3%

Table 17 Pollution complaints

Year	Number of complaints
2001-02	72
2002-03	90
2003-04	104
2004-05	105
2005-06	111
5-year average	97

The Trust works towards the sustainable use of the river system while retaining the balance between conservation and development that reflects community values. This is a key management goal for the river system. Response to pollution complaints aims to reduce the impact of incidents and protect the waterways. Environmental quality, aesthetics, access and use are values placed on the Swan and Canning rivers by the community. This year we received a similar number of pollution complaints to last year.

A breakdown of pollution and non-pollution complaints is included on page 32.

Key Efficiency Indicators

Collect water information to support State planning, agencies and community

Table 18 Provision of research and information for estuary and river restoration and management

	2004-05	2005-06	2005-06	Note
	Actual \$	Target \$	Actual \$	
Cost of waterway monitoring and reporting per km ² of catchment and waterway	481	452	498	
Average cost per project of research and development	97,938	99,045	102,056	Increased cost due to boost to Non-Nutrient Contaminant Program



Regulate riverside development

Table 19 Assess applications for development, planning schemes and policy

	2004-05	2005-06	2005-06	Note
	Actual \$	Target \$	Actual \$	
Cost of development control policy and advice per km ² of management area	9426	9915	9067	

Regulate riverside development

Table 20 Prepares management programs and plans (often jointly with local government) for the management of the waterway and the management area. Includes catchment management plans

	2004-05	2005-06	2005-06	Note
	Actual \$	Target \$	Actual \$	
Average cost of production of management plan or strategy	177,677	156,556	173,768	

Protection of waterways and foreshores

Table 21 Maintenance and restoration of waterway and foreshores. Audit and enforcement of the Act and regulations

	2004-05	2005-06	2005-06	Note
	Actual \$	Target \$	Actual \$	
Cost of maintenance and restoration per km ² of foreshore	10,731	14,512	17,092	Increase due to increased expenditure (carryover) for <i>Riverbank</i> program
Cost of waterway and foreshore protection per km ² of management area	3123	3194	4234	Increase due to new methodology of apportioned corporate costs
Cost of water quality improvement projects per km ² of waterway and catchment	1901	2047	1997	

Trust's new Key Performance Indicators

A new performance management framework for the Trust was approved by the Department of Treasury and Finance's Outcome Structure Review Group in March 2006. The new framework establishes two outcomes and four services for the Trust, with associated effectiveness and efficiency indicators. The performance framework will be fully implemented in 2006-07.

Table 22 Swan River Trust outcome structure

<p style="text-align: center;">Government Goal To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected</p> <p style="text-align: center;">Government Strategic Outcome Healthy river systems</p>			
Desired Outcome	Effectiveness PIs	Services	Efficiency PIs
The ecological health of the Swan Canning river system is protected and enhanced	The extent to which management water quality targets are achieved in the Swan and Canning rivers and catchments	Development and implementation of environmental management programs	Average cost of river monitoring per kilometre of river managed
	Per cent of foreshores protected and rehabilitated in relation to total area		Average cost per square metre of foreshore undergoing protection and rehabilitation works
The long-term community benefit of the Swan Canning river system is protected and enhanced	Per cent of people attending environmental education programs who change their behaviours as a result	Communication of environmental information	Average cost per person attending an environmental education program
	Per cent of development recommendations which have attracted negative responses from the community	Statutory assessment of development proposals	Average cost per application assessed
	Per cent of developments audited in full compliance with approval conditions	Waterways management	Average cost of audit compliance
			Average cost per tonne of waste removed



Opinion of the Auditor General



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SWAN RIVER TRUST FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Swan River Trust at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Trust provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended 30 June 2006.

Scope

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

D D R PEARSON
AUDITOR GENERAL
25 September 2006

Certification of financial statements for the year ended 30 June 2006

The accompanying financial statements of the Swan River Trust have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2006 and the financial position as at 30 June 2006.

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



Brendan O'Neil
Chief Finance Officer
11 August 2006



Charles Welker
Chairman
11 August 2006



Rod Willox
Member
11 August 2006

SWAN RIVER TRUST

Income Statement for the year ended 30 June 2006

	Note	2006 \$	2005 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	4	2,520,797	2,187,639
Supplies and services	5	4,301,104	3,274,052
Depreciation expense	6	93,208	82,266
Finance costs	7	9,149	10,036
Accommodation expenses	8	13,310	9,781
Grants and subsidies	9	1,871,508	2,159,860
Capital user charge	10	127,800	139,440
Loss on disposal of non-current assets	16	-	4,530
Other expenses	11	320,950	355,727
Total cost of services		9,257,826	8,223,331
Income			
Revenue			
User charges and fees	12	214,861	97,767
Commonwealth grants	13	140,000	-
Interest revenue	14	-	1,622
Other revenue	15	-	17,777
Total Revenue		354,861	117,166
Gains			
Gain on disposal of non-current assets	16	53,955	-
Total Gains		53,955	-
Total income other than income from State Government		408,816	117,166
NET COST OF SERVICES		8,849,010	8,106,165
INCOME FROM STATE GOVERNMENT			
Service appropriation	17	8,870,000	8,358,000
Resources received free of charge	17	4,589	1,160
Total Income from State Government		8,874,589	8,359,160
SURPLUS/DEFICIT FOR THE PERIOD		25,579	252,995

See also **note 38** 'Schedule of Income and Expenses by Service'

The Income Statement should be read in conjunction with the accompanying notes.

SWAN RIVER TRUST

Balance Sheet for the year ended 30 June 2006

	Note	2006 \$	2005 \$
ASSETS			
Current Assets			
Cash and cash equivalents	27	23,242	879,601
Restricted cash and cash equivalents	18, 27	10,000	10,000
Receivables (a)	19	1,006,714	136,488
Amounts receivable for services	20	100,000	100,000
Total Current Assets		1,139,956	1,126,089
Non-Current Assets			
Amounts receivable for services	20	240,000	179,000
Property, plant and equipment	21	621,467	641,339
Total Non-Current Assets		861,467	820,339
TOTAL ASSETS		2,001,423	1,946,428
LIABILITIES			
Current Liabilities			
Payables	23	119,394	68,555
Borrowings	24	53,441	56,770
Other liabilities	25	78,852	41,589
Total Current Liabilities		251,687	166,914
Non-Current Liabilities			
Borrowings	24	81,583	86,940
Total Non-Current Liabilities		81,583	86,940
Total Liabilities		333,270	253,854
NET ASSETS		1,668,153	1,692,574
EQUITY			
Contributed equity	26	100,000	92,000
Reserves		-	58,000
Accumulated surplus/(deficiency)		1,568,153	1,542,574
TOTAL EQUITY		1,668,153	1,692,574

(a) In accordance with AASB1.36A and Treasurer's Instruction 1101 the recognition, measurement and disclosure of line items accounted for under AASB 139 will remain on the existing AGAAP basis as at the date of transition on 1 July 2004 and for the comparative period ending 30 June 2005. The date of transition date for these items will be 1 July 2005.

The Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2006

	Note	2006 \$	2005 \$
Balance of equity at start of period	39	1,692,574	1,395,579
CONTRIBUTED EQUITY	26		
Balance at start of period		92,000	84,000
Capital contribution		8,000	8,000
Balance at end of period		<u>100,000</u>	<u>92,000</u>
RESERVES			
Asset Revaluation Reserve	26		
Balance at start of period		58,000	22,000
Restated balance at start of period		58,000	22,000
Gains/(losses) from asset revaluation		(58,000)	36,000
Balance at end of period		<u>-</u>	<u>58,000</u>
ACCUMULATED SURPLUS (RETAINED EARNINGS)	26		
Balance at start of period		1,542,574	1,289,579
Net adjustment on transition to AIFRS	39	-	-
Restated balance at start of period		1,542,574	1,289,579
Surplus/(deficit) or profit/(loss) for the period		25,579	252,995
Balance at end of period		<u>1,568,153</u>	<u>1,542,574</u>
Balance of equity at end of period		<u>1,668,153</u>	<u>1,692,574</u>
Total income and expense for the period (a)		(32,421)	288,995

a) The aggregate net amount attributable to each category of equity is: surplus of \$25,579 less loss from asset revaluation decrement of \$58,000 (2005: surplus \$252,995 plus gains from asset revaluation increment of \$36,000).

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement for the year ended 30 June 2006

	Note	2006 Inflows/(Outflows) \$	2005 Inflows/(Outflows) \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		8,709,000	8,197,000
Capital contributions		8,000	8,000
Holding account drawdowns		100,000	100,000
Net cash provided by State Government		8,817,000	8,305,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(2,473,674)	(2,206,288)
Supplies and services		(4,309,678)	(3,263,921)
Finance costs		(9,091)	(9,997)
Capital User Charge		(127,800)	(139,440)
Accommodation		(13,577)	(9,781)
Grants and subsidies		(2,528,457)	(2,138,332)
GST payments on purchases		(382,473)	(327,361)
GST payments to taxation authority		(21,506)	-
Other payments		(193,541)	(355,727)
Receipts			
User fees and charges		214,861	125,880
Interest revenue		-	1,622
GST receipts on sales		28,198	10,295
GST receipts from taxation authority		316,446	332,370
Net cash provided by/(used in) operating activities	27	(9,500,292)	(7,980,680)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		80,000	9,545
Purchase of non-current physical assets		(244,381)	(42,122)
Net cash provided by/(used in) investing activities		(164,381)	(32,577)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(8,686)	(8,497)
Net cash provided by/(used in) financing activities		(8,686)	(8,497)
Net increase/(decrease) in cash and cash equivalents		(856,359)	283,246
Cash and cash equivalents at the beginning of period		889,601	606,355
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27	33,242	889,601

The Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 30 June 2006

1 FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

This is the Trust's first published financial statements prepared under the Australian Equivalents to International Financial Reporting Standards (AIFRS).

Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005, the financial statements of the Trust had been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the preparation and presentation of financial statements, Australian Accounting Standards and the Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by Treasurer's Instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information is prepared under the AIFRS basis.

Early adoption of standards

The Trust cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards'; AASB 2005-3 'Amendments to Australian Accounting Standards' [AASB 119], AASB 2005-4 'Amendments to Australian Accounting Standards' [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038], and AASB 2005-6 'Amendments to Australian Accounting Standards' [AASB 3] to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 July 2004 and 30 June 2005 are provided at note 39 'Reconciliations explaining the transition to AIFRS'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Treasurer's Instructions may modify or clarify their application, disclosure, format and wording to provide certainty and to ensure consistency and to ensure consistency and appropriate reporting across the public sector.

The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Notes to the Financial Statements for the year ended 30 June 2006

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars rounded to the nearest dollar.

(c) Reporting Entity

The reporting entity comprises the Trust and entities listed and note 36 'Related bodies'.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 26 'Equity'.

(e) Income

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of Goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

Rendering of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion.

Interest

Revenue is recognised when the interest accrues.

Notes to the Financial Statements for the year ended 30 June 2006

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Trust gains control of the appropriated funds. The Trust gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at the Department of Treasury and Finance (See note 17 'Income from State Government').

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Trust obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpected portion of the borrowings. Other borrowing costs are expensed when incurred.

(g) Property, Plant and Equipment and Infrastructure

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$1,000 are immediately expensed direct to the Income Statement (other than when they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and the cost model for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Notes to the Financial Statements for the year ended 30 June 2006

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie the depreciated replacement cost. Where the fair value of buildings is dependant on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

The revaluation of land and buildings is provided independently on an annual basis by the Department of Land Information (Valuation Services).

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market evidence of value is available. Land under infrastructure is included in land reported under Property, plant and equipment. Independent valuations are obtained annually.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to note 21 'Property, plant and equipment' for further information on revaluations.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Plant and Equipment	5-20 years
Information Technology Assets	3 years
Furniture and Fittings	7-10 years

(h) Impairment of Assets

Property, plant and equipment and infrastructure assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and it is written down to the recoverable amount and an impairment loss is recognised. As the Trust is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of asset's fair value less costs to sell and depreciated replacement cost.

Notes to the Financial Statements for the year ended 30 June 2006

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Refer to note 22 'Impairment of assets' for the outcome of impairment reviews and testing.

(i) Financial Instruments

The Trust has two categories of financial instrument:

- Loans and receivables (cash and cash equivalents, receivables); and
- Non-trading financial liabilities (payables).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or fair value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is immaterial.

(j) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(k) Accrued Salaries

Accrued salaries (see note 25 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Trust considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(l) Amounts Receivable for Services (Holding Account)

The Trust receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 17 'Income from State Government' and note 20 'Amounts receivable for services'.



Notes to the Financial Statements for the year ended 30 June 2006

(m) Receivables

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The provision for uncollectible amounts (doubtful debts) is raised when there is no objective evidence that the Trust will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 33 'Financial Instruments' and note 19 'Receivables'.

(n) Payables

Payables are recognised at the amounts payable when the Trust becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 33 'Financial Instruments' and note 23 'Payables'.

(o) Borrowings

All loans are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method. See note 34 'Financial Instruments' and note 23 'Borrowings'.

(p) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance date.

Employee benefits

All employees performing the functions of the Trust are employees of either the Department of Environment or the Water and Rivers Commission. Therefore the Trust has no liability in relation to employee benefits. Liability for employee entitlements rests with the relevant Department.

(q) Superannuation Expense

The following element is included in calculating the superannuation expense in the Income Statement:

- Defined contribution plans - Employer contributions paid to the Goldstate Superannuation Scheme (GSS) and the West State Superannuation Scheme (WSS).

(r) Resources Received Free of Charge or for Nominal Consideration

Resources received free of charge or for nominal value that can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

(s) Comparative Figures

Comparative figures have been restated on the AIFRS basis except for financial instruments, which have been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB1, paragraph 36A and Treasurer's Instruction 1101.

Notes to the Financial Statements for the year ended 30 June 2006

3 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

The Trust cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 1, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Trust has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of the Trust's risks, enhanced disclosure about components of a financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.
2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Trust does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.
3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At the reporting date, the Trust has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.



Text the year ended 30 June 2006

	2006	2005
	\$	\$
4 EMPLOYEE BENEFITS EXPENSE		
Wages and Salaries (a)	2,332,104	2,003,671
Superannuation - defined contribution plans (b)	188,693	183,968
	<u>2,520,797</u>	<u>2,187,639</u>
(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component		
(b) Defined contribution plans include WestState and Gold State (contributions paid)		
Employment on-costs such as workers compensation insurance are included at note 11 'Other expenses'.		
5 SUPPLIES AND SERVICES		
Communications	19,254	26,135
Consultants and contractors	3,962,753	3,000,231
Consumables	54,613	42,433
Materials	14,149	5,968
Travel	3,803	3,205
Other	246,532	196,080
	<u>4,301,104</u>	<u>3,274,052</u>
6 DEPRECIATION		
Furniture and fittings	1,448	1,331
Computer hardware and software	9,137	6,795
Plant, machinery & equipment	82,623	74,140
	<u>93,208</u>	<u>82,266</u>
7 FINANCE COSTS		
Interest paid	9,149	10,036
8 ACCOMMODATION EXPENSES		
Repairs and Maintenance	5,525	2,331
Cleaning	7,785	7,450
	<u>13,310</u>	<u>9,781</u>

Notes to the Financial Statements for the year ended 30 June 2006

	2006 \$	2005 \$
9 GRANTS AND SUBSIDIES		
RECURRENT		
Armadale Gosnells Landcare Group	30,498	75,878
Bannister Creek Catchment Group	-	12,453
Campbell Management Services	-	11,500
City of Bayswater	-	68,006
City of Belmont	105,046	7,895
City of Canning	21,350	237,803
City of Fremantle	20,650	-
City of Gosnells	42,791	34,900
City of Melville	8,660	97,803
City of Nedlands	19,599	-
City of Perth	825,231	-
City of South Perth	22,616	-
City of Subiaco	18,391	35,555
City of Swan	14,996	-
Curtin University of Technology	-	3,136
Department of Agriculture	135,000	200,000
Department of Conservation and Land Management	29,522	18,500
Eastern Metropolitan Regional Council	59,081	157,967
Ellen Brockman Integrated Catchment Group	36,053	81,175
Friends of Attadale Foreshore	13,191	4,773
Garden Gurus	-	20,400
Landcare Solutions	-	75,000
North Metro Catchment Group	56,194	80,018
South East Regional Centre for Urban Landcare	149,478	363,249
Swan Catchment Council	109,000	350,000
The National Trust	10,000	-
Town of Bassendean	40,447	-
Town of Claremont	-	10,672
Town of East Fremantle	95,543	36,000
Town of Mosman Park	-	10,164
Town of Vincent	-	72,952
Two Rivers Catchment Group	-	41,768
WA Planning Commission	-	36,670
Wilson Wetlands	8,171	5,593
Other	-	10,030
Expenses incurred for the year	1,871,508	2,159,860

Notes to the Financial Statements for the year ended 30 June 2006

	2006 \$	2005 \$
10 CAPITAL USER CHARGE		
Capital User Charge	127,800	139,440
The Government applies a levy for the use of its capital for the delivery of services. It is applied at 8% per annum on the net assets of the Trust, excluding exempt assets, and is paid to the Department of Treasury and Finance quarterly.		
11 OTHER EXPENSES		
Building and infrastructure maintenance	1,476	54,524
Equipment repairs and maintenance	93,328	163,598
Employment on-costs (a)	124,646	124,105
Other (b)	14,500	13,500
Asset revaluation decrements (c)	87,000	-
	320,950	355,727
(a) Includes workers' compensation insurance and other employment on-costs.		
(b) Audit fees, see note 35 'Remuneration of auditor'.		
(c) The Valuer General revalued a parcel of land owned by the Trust down by \$145,000 in 2006. The net effect has been to reduce the Asset Revaluation Reserve for Land down by \$58,000 to \$nil and to recognise an Asset revaluation decrement expense of \$87,000.		
12 USER CHARGES AND FEES		
User charges	214,861	97,767
13 COMMONWEALTH GRANTS AND CONTRIBUTIONS		
The Natural Heritage Trust	140,000	-
14 INTEREST REVENUE		
Australian Taxation Office (GST Holding)	-	1,622
15 OTHER REVENUE		
Hire of assets and other sundry revenue	-	17,777
16 NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
<u>Costs of Disposal of Non-Current Assets</u>		
Plant, equipment and vehicles	26,045	14,075
<u>Proceeds from Disposal of Non-Current Assets</u>		
Plant, equipment and vehicles	80,000	9,545
Net gain/(loss)	53,955	(4,530)

See also note 21 'Property, Plant and Equipment'.

Notes to the Financial Statements for the year ended 30 June 2006

	2006 \$	2005 \$
17 INCOME FROM STATE GOVERNMENT		
Appropriation received during the year:		
Service appropriation (a)	8,870,000	8,358,000
	<u>8,870,000</u>	<u>8,358,000</u>
 Resources received free of charge (b)		
Determined on the basis of the following estimates provided by agencies:		
State Solicitor's Office	4,589	1,160
	<u>4,589</u>	<u>1,160</u>
 Total Income from State Government	<u>8,874,589</u>	<u>8,359,160</u>
 (a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.		
(b) Where assets or services have been received free of charge or for nominal cost, the Trust recognises revenues (except where the contribution of assets or services are in the nature of contributions by owners in which case the Trust shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.		
18 RESTRICTED CASH AND CASH EQUIVALENTS		
Current		
Developer Bonds (a)	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
 (a) The cash held in this account is to be used in repaying bond monies.		
19 RECEIVABLES		
Current receivables	154,000	-
GST receivable	187,256	127,921
	<u>341,256</u>	<u>127,921</u>
 See also note 2(m) 'Receivables'		
Prepayments	665,458	8,567
Total current receivables	<u>1,006,714</u>	<u>136,488</u>

Notes to the Financial Statements for the year ended 30 June 2006

	2006 \$	2005 \$
20 AMOUNTS RECEIVABLE FOR SERVICES		
Current	100,000	100,000
Non-current	240,000	179,000
	340,000	279,000
Represents the non-cash component of service appropriations (see note 2(l) 'Amounts receivable for services (Holding Account)'). It is restricted in that it can only be used for asset replacement or payment of leave liability.		
21 PROPERTY, PLANT AND EQUIPMENT		
Freehold land at fair value (a)	125,000	270,000
	125,000	270,000
Plant and equipment at cost	639,881	635,081
Accumulated depreciation	(182,172)	(297,109)
	457,709	337,972
Information Technology Assets	53,093	71,620
Accumulated Depreciation	(18,915)	(44,281)
	34,178	27,339
Furniture and Fittings	10,139	11,584
Accumulated Depreciation	(5,559)	(5,556)
	4,580	6,028
Total property, plant and equipment	621,467	641,339

(a) Freehold land and buildings was revalued during the year ended 30 June 2006 by the Department of Land Information (Valuation Services). The effective date of the valuation is 1 July 2005.

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below.

Notes to the Financial Statements for the year ended 30 June 2006

2006	Furniture and Fittings \$	IT Assets \$	Plant and Equipment \$	Freehold Land \$	Total \$
Carrying amount at start of year	6,028	27,339	337,972	270,000	641,339
Additions	-	13,169	231,212	-	244,381
Disposals	-	-	(26,045)	-	(26,045)
Transfers in/(out)	-	2,807	(2,807)	-	-
Revaluation decrements	-	-	-	(145,000)	(145,000)
Depreciation	(1,448)	(9,137)	(82,623)	-	(93,208)
Carrying amount at end of year	4,580	34,178	457,709	125,000	621,467

2005	Furniture and Fittings \$	IT Assets \$	Plant and Equipment \$	Freehold Land \$	Total \$
Carrying amount at start of year	6,259	20,064	399,235	234,000	659,558
Additions	1,100	14,070	26,952	-	42,122
Disposals	-	-	(14,075)	-	(14,075)
Transfers in/(out)	-	-	-	-	-
Revaluation decrements	-	-	-	36,000	36,000
Depreciation	(1,331)	(6,795)	(74,140)	-	(82,266)
Carrying amount at end of year	6,028	27,339	337,972	270,000	641,339

2006
\$2005
\$**22 IMPAIRMENT OF ASSETS**

There were no indications of impairment of property, plant and equipment as at 30 June 2006.

The Trust held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2006 have either been classified as assets held for sale or written off.

23 PAYABLES

Current		
Trade payables	119,394	68,555
	<u>119,394</u>	<u>68,555</u>

Notes to the Financial Statements for the year ended 30 June 2006

24 BORROWINGS

Current

Borrowings from WA Treasury Corporation

53,441 56,770

Non-current

Borrowings from WA Treasury Corporation

81,583 86,940

135,024 143,710

25 OTHER LIABILITIES

Current

Accrued expenses

21,729 31,589

Accrued salaries

47,123 -

Developer bonds

10,000 10,000

78,852 41,589

26 EQUITY

Equity represents the residual interest in the net assets of the Trust. The Government holds the equity interest in the Trust on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity

Balance at start of year

92,000 84,000

Contributions by owners

Capital contributions

8,000 8,000

Balance at end of year

100,000 92,000

Reserves**Asset revaluation reserve:**

Balance at start of year

58,000 22,000

Net revaluation increments/(decrements):

Land

(58,000) 36,000

Balance at end of year

- 58,000

Accumulated surplus

Balance at start of year

1,542,574 1,289,579

Result for the period

25,579 252,995

Balance at end of year

1,568,153 1,542,574

Notes to the Financial Statements for the year ended 30 June 2006

	2006 \$	2005 \$
27 NOTES TO THE CASH FLOW STATEMENT		
<u>Reconciliation of cash</u>		
Balance Sheet as follows:		
Cash and cash equivalents	23,242	879,601
Restricted cash and cash equivalents (refer to note 18 'Restricted cash and cash equivalents')	10,000	10,000
	33,242	889,601
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(8,849,010)	(8,106,165)
Non-cash items:		
Depreciation expense	93,208	82,266
Resources received free of charge	4,589	1,160
Revaluation decrement	87,000	-
Net (gain)/loss on sale of non-current assets	(53,955)	4,530
(Increase)/decrease in assets:		
Current receivables	(154,000)	10,336
Other current assets	(656,891)	(8,133)
Increase/(decrease) in liabilities:		
Current payables	40,979	20,242
Other current liabilities	47,123	-
Net GST receipts/(payments)	294,940	15,304
Change in GST in (receivables)/payables	(354,275)	(220)
Net cash used in operating activities	(9,500,292)	(7,980,680)

Non-cash financing and investing activities

During the financial year, there were no assets/liabilities transferred/assumed from other government agencies not reflected in the Cash Flow Statement.

At the reporting date, the Trust had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

Notes to the Financial Statements for the year ended 30 June 2006

28 RESOURCES PROVIDED FREE OF CHARGE

During the year there were no resources provided to other agencies free of charge for functions outside the normal operations of the Trust.

29 COMMITMENTS

The Trust has no commitments of expenditure at 30 June 2006.

30 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Trust has no contingent liabilities and contingent assets at 30 June 2006.

31 EVENTS OCCURRING AFTER REPORTING DATE

No events have occurred after reporting date which would materially impact on the financial statements.

32 EXPLANATORY STATEMENTS

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% and \$200,000.

Significant variances between estimated and actual result for 2006.

Cost of Services	Notes	2006 Estimate \$'000	2006 Actual \$'000	Variance \$'000	Variance %
Employee benefits expense	(a)	1,416	2,521	1,105	78%
Supplies and services	(b)	5,276	4,301	(975)	(18%)
Grants and sibsidiies	(c)	1,000	1,872	872	87%
Other expenses	(d)	1,063	321	(742)	(70%)
Income					
User charges and fees	(e)	-	215	215	100%
Other revenue	(f)	272	-	(272)	(100%)

(a) Employee benefits expense

Higher than anticipated expenditure was due to additional staff associated with the Swan-Canning Cleanup Program, the Drainage Nutrient Intervention Program and the Riverbank - Foreshore Protection and Rehabilitation Program. This was mainly due to the Trust allocating funds converted from Capital to Recurrent to these programs.

(b) Supplies and services

Variation was mainly due to the Trust originally anticipating employing contractors rather than taking on permanent staff. This resulted in additional employee expense being incurred.

Notes to the Financial Statements for the year ended 30 June 2006

- (c) Grants and subsidies
Actual reflects funds paid to local authorities for the *Riverbank* - Foreshore Protection and Rehabilitation Program which was higher than estimated due to the scope of works commissioned and completed.
- (d) Other expenses
Variation was mainly due to change in expenditure classification between Other Expenses and Supplies and Services.
- (e) User charges and fees
Variation was mainly due to a change in expenditure classification.
- (f) Other revenue
Variation was mainly due to a change in expenditure classification.

Significant variances between actual results for 2005 and 2006

Details and reasons for significant variations between actual results with corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% and \$200,000.

Cost of Services

	Notes	2006 Actual \$'000	2005 Actual \$'000	Variance \$'000	Variance %
Employee benefits expense	(a)	2,521	2,188	333	15%
Supplies and services	(b)	4,301	3,274	1,027	31%
Grants and subsidies	(c)	1,872	2,160	(288)	(13%)

- (a) Employee benefits expense
Additional expenditure in 2005-06 was mainly associated with additional funding the Trust has allocated to the Swan-Canning Cleanup Program, the Drainage Nutrient Intervention Program and the *Riverbank* - Foreshore Protection and Rehabilitation Program. This was as result of transferring \$2.0m from Capital to Recurrent.
- (b) Supplies and services
Actual for 2005-06 includes carryover expenditure of \$0.89m associated with the Swan-Canning Cleanup Program, the Drainage Nutrient Intervention Program and the *Riverbank* - Foreshore Protection and Rehabilitation Program.
- (c) Grants and subsidies
Actual for 2005-06 reflects a reduction in payments to local authorities for the *Riverbank* - Foreshore Protection and Rehabilitation Program which was dependant on the amount of work done and participation of local authorities.

Notes to the Financial Statements for the year ended 30 June 2006

33 FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Trust are cash and cash equivalents, loans, finance leases, Treasurer's advances and receivables and payables. The Trust has limited exposure to financial risks. The Trust's overall risk management program focuses on managing the risks identified below.

Credit risk

The Trust trades only with recognised, credit worthy third parties. The Trust has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Trust has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Trust's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations. The Trust's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Otherwise, the Trust is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing) and finance leases (fixed interest rate).

(b) Financial Instrument disclosures

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. See also note 2(s) 'Comparative figures'.

Interest Rate Risk Exposure

The following table details the Trust's exposure to interest rate risk as at the reporting date:

Fixed interest rate maturities

	Weighted average effective interest rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
2006							
Financial Assets							
Cash assets		-	-	-	-	23	23
Restricted cash assets		-	-	-	-	10	10
Receivables		-	-	-	-	1,007	1,007
		-	-	-	-	1,040	1,040
Financial Assets							
Payables		-	-	-	-	119	119
WATC/Bank loans	6.13	-	53	51	31	-	135
		-	53	51	31	119	254

Notes to the Financial Statements for the year ended 30 June 2006

Remuneration of Senior Officers

The number of senior officers, other than senior officers reported as members of the Trust, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	\$		2006	2005
110,001	-	120,000	0	1
120,001	-	130,000	1	0

The total remuneration of senior officers is: 127,284 115,682

The total remuneration includes the superannuation expense incurred by the Trust in respect of senior officers other than senior officers reported as members of the Trust.

No senior officers are members of the Pension Scheme.

35 REMUNERATION OF AUDITOR

Remuneration to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators 15,950 14,850

36 RELATED AND AFFILIATED BODIES

The Trust does not provide any assistance to other agencies which would deem them to be regarded as related or affiliated bodies under the definitions included in Treasurer's Instruction 951.

2006	2005
\$	\$

37 SUPPLEMENTARY FINANCIAL INFORMATION

Write Offs

The Trust did not write off any bad debts, revenue, debts due to the State, public or other property during the financial year.

Losses through theft, defaults and other causes

The Trust had no losses through theft, defaults and other causes during the financial year.

Gifts of Public Property

The Trust had no gifts of public property during the financial year.

Notes to the Financial Statements for the year ended 30 June 2006

38 SCHEDULE OF INCOME AND EXPENSES BY SERVICE

	Collect Water Information to Support State Planning, Agencies and community		Regulate Riverside Development		Management Plans		Protection of Waterways and Foreshores		Total	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
COST OF SERVICES										
Expenses										
Employee benefits expenses	83	121	416	429	425	357	1,597	1,281	2,521	2,188
Supplies and services	867	980	139	131	142	127	3,153	2,036	4,301	3,274
Depreciation expense	10	11	6	6	6	5	71	60	93	82
Finance costs	1	1	1	1	1	1	6	7	9	10
Accommodation expenses	-	-	-	-	-	-	13	10	13	10
Grants and subsidies	-	-	-	20	-	-	1,872	2,140	1,872	2,160
Capital user charge	14	19	9	11	9	9	96	100	128	139
Loss on disposal of non-current assets	-	1	-	-	-	-	-	3	-	4
Other expenses	13	11	49	44	51	36	208	265	321	356
Total cost of services	988	1,144	620	642	634	535	7,016	5,902	9,258	8,223
Income										
Revenue										
User charges and fees	56	13	-	8	-	6	159	71	215	98
Commonwealth Grants	15	-	9	-	10	-	106	-	140	-
Interest revenue	-	-	-	-	-	-	-	1	-	1
Other revenue	-	3	-	1	-	1	-	13	-	18
Total Revenue	71	16	9	9	10	7	265	85	355	117
Gains										
Gain on disposal of non-current assets	6	-	4	-	4	-	40	-	54	-
Total Gains	6	-	4	-	4	-	40	-	54	-
Total income other than income from State Government	77	16	13	9	14	7	305	85	409	117
NET COST OF SERVICES	911	1,128	607	633	620	528	6,711	5,817	8,849	8,106
INCOME FROM STATE GOVERNMENT										
Service appropriations	948	1,149	595	660	608	550	6,719	5,999	8,870	8,358
Resources received free of charge	-	-	-	-	-	-	5	1	5	1
Total Income from State Government	948	1,149	595	660	608	550	6,724	6,000	8,875	8,359
SURPLUS/(DEFICIT) FOR THE PERIOD	37	21	(12)	27	(12)	22	13	183	26	253

Notes to the Financial Statements for the year ended 30 June 2006

39 RECONCILIATIONS EXPLAINING THE TRANSITION TO AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 JULY 2004 (AASB 1.39 (a)(i))

Note	Previous AGAAP 1 July 2004 \$	Adjustments 39.1 \$	AIFRS 1 July 2004 \$	
ASSETS				
Current Assets				
(1)	Cash and cash equivalents	596,355	-	596,355
	Restricted cash and cash equivalents	10,000	-	10,000
	Receivables	153,341	434	153,775
(2)	Amounts receivable for services	100,000	-	100,000
	Other Assets	434	(434)	-
	Total Current Assets	860,130	-	860,130
Non-Current Assets				
(2)	Amounts receivable for services	118,000	-	118,000
	Property, plant and equipment	659,558	-	659,558
	Total Non-Current Assets	777,558	-	777,558
	TOTAL ASSETS	1,637,688	-	1,637,688
LIABILITIES				
Current Liabilities				
	Payables	79,902	-	79,902
(3)	Other borrowings	59,545	-	59,545
(4)	Other current liabilities	10,000	-	10,000
	Total Current Liabilities	149,447	-	149,447
Non-Current Liabilities				
(3)	Borrowings	92,662	-	92,662
	Total Non-Current Liabilities	92,662	-	92,662
	Total Liabilities	242,109	-	242,109
	NET ASSETS	1,395,579	-	1,395,579

Notes to the Financial Statements for the year ended 30 June 2006

39 RECONCILIATIONS EXPLAINING THE TRANSITION TO AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)
(Continued)

RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 JULY 2004 (AASB 1.39 (a)(i))

Note	Previous AGAAP 1 July 2004 \$	Adjustments 39.1 \$	AIFRS 1 July 2004 \$
EQUITY			
Contributed equity	84,000	-	84,000
Reserves	22,000	-	22,000
Accumulated surplus	1,289,579	-	1,289,579
TOTAL EQUITY	1,395,579	-	1,395,579

- (1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and Cash Equivalents')
- (2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')
- (3) Equivalent AGAAP line item 'Interest-bearing liabilities' (AIFRS 'Other borrowings', 'Borrowings')
- (4) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'other current liabilities')

Notes to the Financial Statements for the year ended 30 June 2006

RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 30 JUN 2005 (AASB 1.39 (a)(ii))

Note	Previous	Adjustments		AFFIRS	
	AGAAP 1 July 2004 \$	Repayments 39.1 \$	Accrued Expenses 1 July 2004 \$	1 July 2005 \$	
ASSETS					
Current Assets					
(1)	Cash and cash equivalents	879,601	-	-	879,601
	Restricted cash and cash equivalents	10,000	-	-	10,000
	Receivables	127,921	8,567	-	136,488
(2)	Amounts receivable for services	100,000	-	-	100,000
	Other assets	8,567	(8,567)	-	-
	Total Current Assets	1,126,089	-	-	1,126,089
Non-Current Assets					
(2)	Amounts receivable for services	179,000	-	-	179,000
	Property, plant and equipment	641,339	-	-	641,339
	Total Non-Current Assets	820,339	-	-	820,339
	TOTAL ASSETS	1,946,428			1,946,428
LIABILITIES					
Current Liabilities					
	Payables	100,144	-	(31,589)	68,555
(3)	Other borrowings	56,770	-	-	56,770
(4)	Other current liabilities	10,000	-	31,589	41,589
	Total Current Liabilities	166,914	-	-	166,914
Non-Current Liabilities					
(3)	Borrowings	86,940	-	-	86,940
	Total Non-Current Liabilities	86,940	-	-	86,940
	Total Liabilities	253,854	-	-	253,854
	NET ASSETS	1,692,574			1,692,574

Notes to the Financial Statements for the year ended 30 June 2006

RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 30 JUN 2005 (AASB 1.39 (a)(ii)) (Continued)

Note	Previous	Adjustments		AFFIRS	
	AGAAP 1 July 2004 \$	Repayments 39.1 \$	Accrued Expenses 1 July 2004 \$	1 July 2005 \$	
EQUITY					
	Contributed equity	92,000	-	-	92,000
	Reserves	58,000	-	-	58,000
	Accumulated surplus	1,542,574	-	-	1,542,574
	TOTAL EQUITY	1,692,574	-	-	1,692,574

- (1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and Cash Equivalents')
(2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')
(3) Equivalent AGAAP line item 'Interest-bearing liabilities' (AIFRS 'Other borrowings' , 'Borrowings')
(4) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'other current liabilities')

RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.39 (b))

Note	AGAAP 30 June 2005 \$	Adjustments				TOTAL \$	AIFRS 30 June 2005 \$
		Employee Benefits AASB 119 39.3 \$	Audit Cost 39.4 \$	Asset Disposal 39.5 \$	Other 39.6 \$		
COST OF SERVICES							
Expenses							
(1)	Employee benefits expenses	2,303,275	(115,636)	-	-	(115,636)	2,187,639
	Supplies and services	3,523,924	(8,469)	(13,500)	-	(227,903)	3,274,052
	Depreciation expense	82,266	-	-	-	-	82,266
(2)	Finance costs	10,036	-	-	-	-	10,036
	Accommodation costs	-	-	-	-	9,781	9,781
	Grants and subsidies	2,159,860	-	-	-	-	2,159,860
	Capital user charge	139,440	-	-	-	-	139,440
(3)	Carrying amount of non-current assets disposed of	14,075	-	-	(14,075)	(14,075)	-
(3)	Loss on disposal of non-current assets	-	-	-	4,530	-	4,530
(4)	Other expenses	-	124,105	13,500	-	218,122	355,727
	Total cost of services	8,232,876	-	-	(9,545)	(9,545)	8,223,331

Notes to the Financial Statements for the year ended 30 June 2006

RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.39 (b)) (Continued)

Note	AGAAP 30 June 2005 \$	Adjustments				TOTAL \$	AIFRS 30 June 2005 \$
		Employee Benefits AASB 119 39.3 \$	Audit Cost 39.4 \$	Asset Disposal 39.5 \$	Other 39.6 \$		
Income							
Revenue							
User fees and charges	-	-	-	-	97767	97,767	97,767
Interest revenue	-	-	-	-	1,622	1,622	1,622
Grants and contributions	74,601	-	-	-	-74601	(74,601)	-
(3) Proceeds from disposal of non-current assets	9,545	-	-	(9,545)	-	(9,545)	-
(5) Other revenue	42,565	-	-	-	(24,788)	(24,788)	17,777
Total income other than income from State Government	126,711	-	-	(9545)	-	(9545)	117,166
NET COST OF SERVICES	8,106,165	-	-	-	-	-	8,106,165
INCOME FROM STATE GOVERNMENT							
Service appropriations	8,358,000	-	-	-	-	-	8,358,000
Resources received free of charge	1,160	-	-	-	-	-	1,160
Total Income from State Government	8,359,160	-	-	-	-	-	8,359,160
(6) SURPLUS/(DEFICIT) FOR THE PERIOD	252,995	-	-	-	-	-	252,995

(1) Equivalent AGAAP line item 'Employee expenses' (AIFRS 'Employee benefits expense')

(2) Equivalent AGAAP line item 'Borrowing costs expense' (AIFRS 'Finance costs')

(3) Disposals are treated on the net basis under AIFRS

(4) Equivalent AGAAP line item 'Other expenses from ordinary activities' (AIFRS 'Other expenses')

(5) Equivalent AGAAP line item 'Other revenues from ordinary activities' (AIFRS 'Other revenue')

(6) Equivalent AGAAP line item 'Change in net assets' (AIFRS 'Surplus/(deficit)')

Notes to the Financial Statements for the year ended 30 June 2006

RECONCILIATION OF CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.40)

Note	Adjustments				TOTAL	AIFRS 30 June 2005
	AGAAP 30 June 2005	AASB 119 39.2	Audit Cost 39.4	Other 39.6		
	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriations	8,197,000	-	-	-	-	8,197,000
Capital contributions	8,000	-	-	-	-	8,000
Holding account drawdowns	100,000	-	-	-	-	100,000
Net cash provided by State Government	8,305,000	-	-	-	-	8,305,000
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
(1) Employee benefits	(2,321,924)	115,636	-	-	115,636	(2,206,288)
Supplies and services	(3,513,793)	8,469	13,500	227,903	249,872	(3,263,921)
(2) Finance costs	(9,997)	-	-	-	-	(9,997)
Capital user charge	(139,440)	-	-	-	-	(139,440)
Accommodation	-	-	(9,781)	(9,781)	-	(9,781)
Grants and subsidies	(2,138,332)	-	-	-	-	(2,138,332)
GST payments on purchases	(327,361)	-	-	-	-	(327,361)
Other payments	-	(124,105)	(13,500)	(218,122)	(355,727)	(355,727)
Receipts						
Sale of goods and services	52,901	-	(52,901)	(52,901)	-	-
User fees and charges	-	-	125,880	125,880	-	125,880
Interest revenue	-	-	1,622	1,622	-	1,622
Grants and contributions	74,601	-	(74,601)	(74,601)	-	-
GST receipts on sales	10,295	-	-	-	-	10,295
GST receipts from taxation authority	332,370	-	-	-	-	332,370
Net cash used in operating activities	(7,980,680)	-	-	-	-	(7,980,680)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current physical assets	9,545	-	-	-	-	9,545
Purchase of non-current physical assets	(42,122)	-	-	-	-	(42,122)
Net cash used in investing activities	(32,577)	-	-	-	-	(32,577)

Notes to the Financial Statements for the year ended 30 June 2006

RECONCILIATION OF CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005 (AASB 1.40) (Continued)

Note	Adjustments				TOTAL	AIFRS 30 June 2005 \$
	AGAAP 30 June 2005 \$	AASB 119 39.2 \$	Audit Cost 39.4 \$	Other 39.6 \$		
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of borrowings	(8,497)					(8,497)
Net cash used in financing activities	(8,497)	-	-	-	-	(8,497)
Net increase in cash and cash equivalents	283,246	-	-	-	-	283,246
Cash and cash equivalents at the beginning of period	606,355	-	-	-	-	606,355
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	889,601	-	-	-	-	889,601

- (1) Equivalent AGAAP line item 'Employee costs' (IFRS 'Employee benefits')
(2) Equivalent AGAAP line item 'Borrowing costs expense' (IFRS 'Finance costs')

Notes to the Financial Statements for the year ended 30 June 2006

39 NOTES TO THE RECONCILIATIONS**39.1 Prepayments**

Prepayments are included in 'Other assets' under AGAAP, and under 'Receivables' under AIFRS. Adjustments have been made to re-classify prepayments in the 2004 and 2005 Equity Statements.

39.2 Accrued Expenses

Accrued expenses are included in 'Payables' under AGAAP, and under 'Other current liabilities' under AIFRS. Accrued expenses of \$31,589 have been re-classified from 'Payables' to 'Other current liabilities'.

39.3 Employee Benefits

Employment on-costs are not included in 'Employee benefits' under AGAAP or AIFRS. However, under AGAAP 'Employee benefits' and 'On-costs' are disclosed together on the face of the Income Statement as 'Employee costs'. Under AIFRS 'Employee benefits' is the equivalent item disclosed on the face. On-costs totalling \$124,105 have been transferred to 'Other expenses'.

Under AIFRS expenses relating to fringe benefits are included in 'Employee expenses'. \$8,649 from 'Supplies and services' has been re-classified to 'Employee expenses'.

39.4 Audit Cost

Audit fees are included in 'Supplies and services' under AGAAP, and under 'Other expenses' under AIFRS. Audit costs of \$13,500 have been re-classified from 'Supplies and services' to 'Other expenses'.

39.5 Asset Disposals

Under AIFRS, either a net gain from the disposal of assets or a net loss from the disposal of assets is recognised. This varies from the AGAAP treatment where proceeds from the disposal of assets are recognised as a revenue item and the carrying amount of assets disposed is recognised as an expense item.

'Proceeds from the disposal of non-current assets' of \$9,545 and 'Carrying amount of non-current assets disposed' of \$14,075 have been re-classified as one line item 'Loss on disposal of non-current assets'.

39.6 Other

Re-classifications from AGAAP to comply with AIFRS of the following expenses have occurred:

Type of expense	Amount	From	To
Building and vehicle related	\$218,122.00	Supplies and Services	Other Expenses
Accommodation related	\$9,781.00	Supplies and Services	Accommodation
Grant related	\$74,601.00	Grants and Contributions	User Fees and Charges
Recoups from other Government Departments	\$52,901.00	Sale of Goods and Services	User Fees and Charges
Interest Revenue	\$1,622.00	Sale of Goods and Services	Interest Revenue



Customer service charter

In delivering its services, the Trust seeks to:

- involve stakeholders and the community;
- be professionally objective on the basis of the best scientific information and professional advice available;
- make sure our services are cost effective;
- respond to enquiries promptly and courteously;
- return calls within 24 hours if telephone enquiries cannot be dealt with immediately;
- meet deadlines for responses to statutory referrals;
- maintain an average development application processing time of no more than 80 days;
- ensure people reporting pollution and making complaints are advised of the outcome of their complaint;
- ensure that all information is, to the best of our knowledge, accurate and up-to-date;
- uphold the *Freedom of Information Act 1992*; and
- consider the needs of people with disabilities and other special needs.

Back cover photograph: Students from Attadale Primary School planting native trees at Attadale foreshore.

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Swan River Trust

Level 1
20 Terrace Road
East Perth WA 6004

PO Box 6740
Hay Street
East Perth WA 6892

Phone: (08) 9278 0900
Fax: (08) 9325 7149

Email: info@swanrivertrust.wa.gov.au
Web: www.swanrivertrust.wa.gov.au

After hours contact number: 0419 192 845

