

Swan River Trust Annual Report 2006–07



Caring for the Swan and Canning rivers



Annual Report Swan River Trust 2006–07
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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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Overview - strategic approach

The Swan River Trust was established in 1989 with planning, protection and management functions for the Swan and Canning rivers and associated land.

This year the Department of Environment and the Department of Conservation and Land Management merged to form the Department of Environment and Conservation (DEC). As a consequence, under the current legislation the Trust secures staff and services from DEC, and separately receives under its legislation technical services from the Department of Water.

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 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.

In September 2006, the Western Australian Parliament passed the *Swan and Canning Rivers Management Act 2006* and the *Swan and Canning Rivers (Consequential and Transitional Provisions) Act 2006*. These Acts are expected to come into effect late 2007.

The new legislation will strengthen the role of the Trust and enhance coordination across Government and community efforts to protect the rivers.

The principles and values in the Swan River Trust Strategic Plan 2006-09 are based on:

Swan River Trust Vision

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

Swan River Trust Mission

To work with 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.

Swan River Trust desired outcomes

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

Figure 1 Swan Avon Catchment



The Swan Avon Catchment is about 125,000 square kilometres, which includes the Swan Canning Catchment of 2,126 square kilometres

Government goals and strategic outcomes

The Trust operates in accordance with the Government's goals, priorities and policy direction. The Government presented a revised vision in September 2006, *Better Planning: Better Futures – A Framework for the Strategic Management of the Western Australian Public Sector*.

Government vision

The best opportunities for current and future generations. Western Australia will be a creative, sustainable and economically successful State that embraces the diversity of its people and values its rich natural resources. The Western Australia public sector will work towards providing the best opportunities for current and future generations to live better, longer and healthier lives.

It is the responsibility of the public sector to make decisions for tomorrow, not just for today.

Government goals

- 1 Better Services
- 2 Jobs and Economic Development
- 3 Lifestyle and the Environment
- 4 Regional Development
- 5 Governance and Public Sector Improvement

The Trust's work contributes to Government Goal 3 – Lifestyle and the Environment, protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.

The Trust's new performance management framework contributes to the Government's strategic outcome – impacts on the environment are responsibly and sustainably managed (see pages 33–41).



Letter to the Minister for the Environment

To the Hon. David Templeman MLA
Minister for the Environment; Climate Change; Peel

I have pleasure in submitting the 19th Annual Report on the Operations of the Swan River Trust for the period 1 July 2006 to 30 June 2007, in accordance with the *Swan River Trust Act 1988*, and the *Financial Management Act 2006*.



Charlie Welker
Chairman
10 September 2007



Swan River Trust chairman Charlie Welker (left) and the Hon. David Templeman MLA, at the Trust's Healthy Rivers Community Expo, Autumn River Festival 2007

Chairman's report

The Trust is at an important juncture. New enabling legislation will give the Trust greater jurisdiction to perform the tasks required to protect and manage the Swan and Canning rivers.

Under the new legislation, the Trust will have statutory responsibility – in partnership with others – for water quality and the public foreshores of the Swan and Canning rivers. The existing legislation has deficiencies which have caused difficulties in carrying out actions necessary to enhance and maintain the rivers' health. The new legislation will give the Trust the jurisdiction it needs to effectively address the many issues facing our rivers. Work in the river catchments, so vital to maintaining river health, will be recognised as essential to the Trust's work.

When the Swan Canning Riverpark is proclaimed it will vest the river beds of the Swan and Canning rivers with the Trust. This will provide the Trust with the capability required to better manage the many aspects of the waterways. The Trust will share responsibility for maintaining and restoring public foreshores with whoever has vesting, be it State or local government.

This year the Trust released a new Strategic Plan 2006-09, which clearly sets out how our daily work fits in with our long-term vision for the rivers. Improving water quality continues to be the major environmental challenge facing the upper reaches of the Swan and Canning rivers. High nutrient levels in the rivers and tributaries feed algal blooms. Low oxygen levels in the middle and upper reaches of the rivers put aquatic fauna at risk. Some fish and Swan River prawns have all but disappeared.

Our strategic plan reflects the complexity of the issues and interests involved in the rivers. More than ever, our approach is to foster partnerships with stakeholders and to take a leadership role in discussions regarding policy-making and management of the rivers.

In many ways the future of the Swan and Canning looks good but there are many issues yet to be resolved.

Climate change will have a significant but as yet unknown effect on the rivers' future. We have established a Technical Advisory Panel (TAP) to advise the Trust on issues such as climate change to help meet this challenge.

Vandalism of trees along the foreshore is a continuing if not worsening problem which the Trust will not tolerate, a position we believe is in line with broader community expectations. We also have to be careful about future developments on the rivers. We are conscious of the need for facilities but it is crucial that development does not degrade the very things that the community treasures about our rivers.

Securing adequate funding for the Trust to effectively deliver its business on behalf of Government is a serious concern to the Trust. Funds from the casino gaming levy directed at river projects will top up some Healthy Rivers Action Plan programs. However, developing the overarching River Protection Strategy will identify the full range of actions and resources needed during the long term to protect the rivers' ecological and community values.

At all levels, the Trust staff are a committed group of professionals, and I thank them all for their work during the year. We have a strong and capable senior management team, well placed to face the challenges of the new legislation.

This coming year will see a change in the Swan River Trust membership. With the new legislation, the existing members will vacate and a new group of members be appointed. I would like to thank my fellow Trust members for their dedication and professionalism.



Charlie Welker
Chairman
10 September 2007



Significant issues and trends

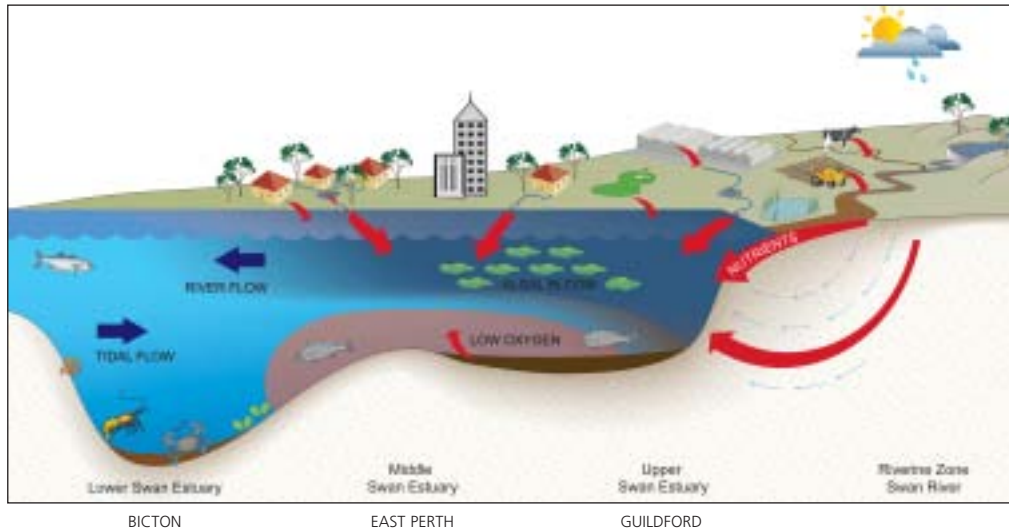


Figure 2a Health of the Swan Canning river system 2006-07

Excess nutrients, including nitrogen and phosphorus, flow into the rivers from the catchments and fuel algal blooms. When a bloom dies, its decomposition consumes oxygen. Low oxygen conditions can cause nutrients to be released from river sediments. These conditions favour toxic algal blooms. Low oxygen levels and toxic algal blooms may result in fish deaths. Low oxygen levels are exacerbated by reduced river flows, as seen in the upper Swan and Canning rivers during autumn.



Figure 2b Desired health of the Swan Canning river system

The goal of the Healthy Rivers Action Plan is to move towards a healthier system. Reducing nitrogen, phosphorus and organic carbon entering the rivers will reduce the incidence of algal blooms and low oxygen levels. Improved oxygen levels in the bottom waters can reduce nutrient release from sediments and favour beneficial algae. A healthier river system has greater resilience to withstand the pressures of an increasing population.

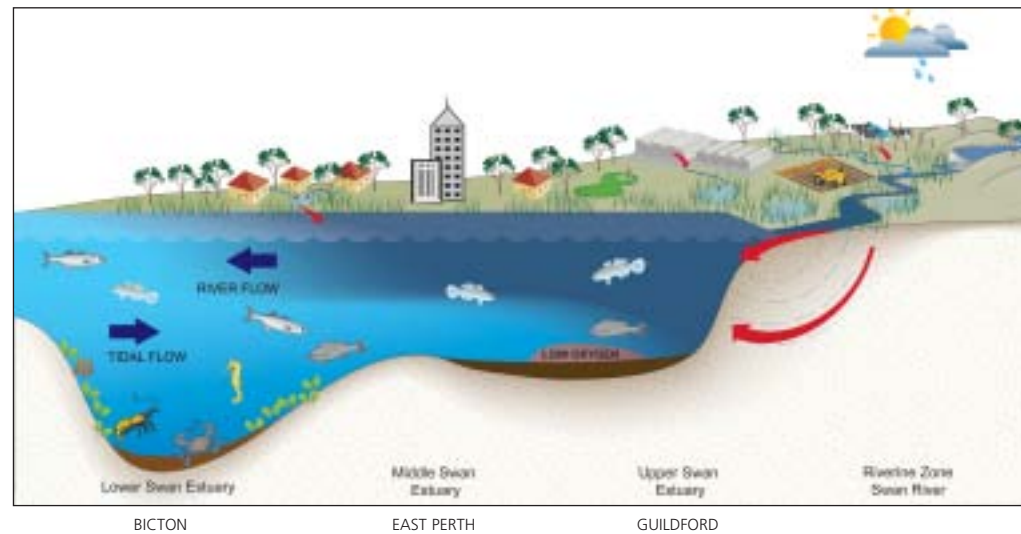


Table 1 Significant issues and trends

- The Swan Canning river system – Western Australia's first official heritage icon – is a wonderful social, environmental and scenic resource for all West Australians. However, like many waterways around the world, it is showing signs of environmental stress. Some fish and prawn species have all but disappeared from the rivers.
- Excess nutrients, such as phosphorus and nitrogen, enter the Swan Canning river system from our backyards, drains and rural lands. Nutrients feed algae, causing algal blooms. When a bloom dies, its decomposition reduces oxygen levels in the water, which favour toxic algal blooms and may lead to fish deaths and unhealthy conditions for recreation.
- The environmental condition of the Swan Canning varies from the Darling Scarp to the coast, and changes throughout the year. Seasonal changes in river flow, temperature and exchange with the ocean, affect the ability of the rivers to assimilate nutrients.
- Reducing nutrients is a priority throughout the river system. Problems due to nutrient enrichment are exacerbated by erosion and sedimentation, reduced river flow and historic loss of fringing vegetation and mudflats that can remove nutrients.
- To maintain and improve river health, nutrient inputs must be reduced by long-term action on many fronts. Oxygenation of parts of the rivers and river remediation will be required for some time to come.
- Demand for residential land in the metropolitan area continues to be high. Stormwater and groundwater from future residential areas need careful management to prevent more nutrients entering the river system.
- The community continues to place a very high value on the Swan and Canning rivers and demand for information about the rivers and opportunities for community involvement in their protection remains high.
- Population growth, accelerated by the vibrant economy, causes increased recreational pressure on the rivers, with activities such as recreational fishing and boating and on-river tourist-based development. The Trust has been under increasing pressure to support marina expansions, which may conflict with other community values for the rivers. Proposals for development and activities around the rivers must be assessed in a strategic context which has yet to be developed. We must ensure development around the rivers does not compromise the very attributes the community is seeking to enjoy.
- Management responses must be coordinated and comprehensive to ensure maximum effect. Key guiding initiatives include commencement of the *Swan and Canning Rivers Management Act 2006* during 2007, creation of the Swan Canning Riverpark, development of targets and the River Protection Strategy, and finalisation of the Healthy Rivers Action Plan.
- Actions include continued work in the catchment with community catchment groups, nutrient removal from drains and tributaries, foreshore restoration works, application of river-friendly fertilisers and riverside remediation in the waterways themselves. The Trust is working with planning authorities and local governments to ensure sound planning of riverfront development and that development in the catchment does not increase nutrient export to the rivers.



Organisational structure

Trust members

The Swan River Trust has eight members. The Minister for the Environment appoints four community members, who have areas of expertise identified as beneficial to the Trust. Two members are nominees from the Western Australian Local Government Association, one is a nominee from the Water and Rivers Commission Board and two are nominees from the Minister for Planning and Infrastructure, representing marine and planning sections.

The Trust meets monthly as do the Development and Regulation Committee and Park and Riverplan Committee. Finance and Audit Committee meetings are held throughout the year as required.

Charlie Welker BSc (Hons)

Chairman: Mr Welker has been managing director and principal of Strategen, an environmental consultancy company, since 1994. He 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. Mr Welker has been involved in environmental impact assessment management and the development of environmental legislation and policies. He is a certified lead environmental auditor by the Quality Society of Australasia. Charlie Welker is chairman of the Premier's Water Foundation.

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 chairman of the Mindarie Regional Council and chairman of the Department of Water Audit and Risk Management Committee. Col Willox is WA chairman of the National Order of Australia Association 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, and investigating 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, *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.

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 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

Member: Barbara Cook 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.



Swan River Trust members 2006-07: (left to right) Neil Foley; Pat Hart; Steve Jenkins; Barbara Cook; Jane Chambers; (sitting) Charlie Welker (chairman); Rod Willox (deputy chairman); and absent Jim Freemantle



Figure 3 Swan River Trust operational structure



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. Rod Hughes previously worked as a journalist in Western Australia and the Northern Territory.

Report on Operations

Strategic Policy and Planning

Strategic Policy and Planning officers guide and coordinate the strategic policy and planning framework for the Trust. They lead the review and development of strategic and operational policies in the framework of the River Protection Strategy and supporting management programs.

Legislative proclamation

In September 2006, the Western Australian Parliament passed the *Swan and Canning Rivers Management Act 2006* and the *Swan and Canning Rivers (Consequential and Transitional Provisions) Act 2006*. These Acts are expected to come into effect in 2007.

The legislation will provide powers for greater protection and more integrated management of the Swan and Canning rivers. It establishes the Swan Canning Riverpark as an icon similar to Kings Park and will enable coordinated management of rivers and adjacent parks and reserves.

Other important aspects of the new legislation include:

- development of environmental targets, a River Protection Strategy and associated management programs;
- more streamlined assessment of development applications;
- greater opportunities for public involvement in planning and decision-making;
- increased community membership of the Swan River Trust; and
- the option to use river protection notices to manage activities that affect the rivers.

The *Swan and Canning Rivers Management Act 2006* will replace the *Swan River Trust Act 1988*. Many existing provisions of the current *Swan River Trust Act 1988* have been included in the new legislation and continue to have the same effect.

Riverplan – River Protection Strategy

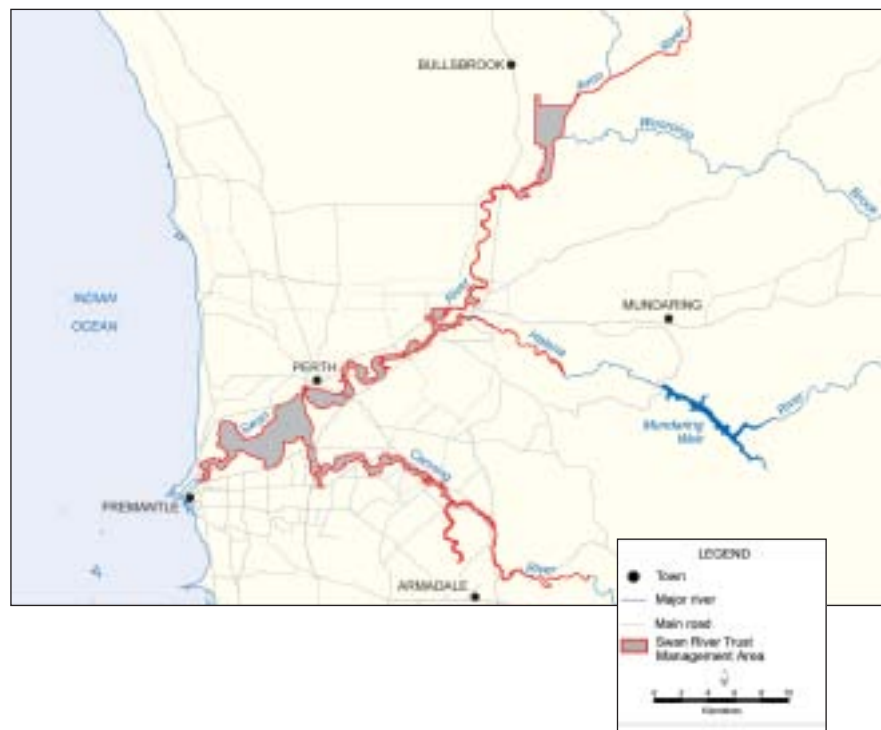
Riverplan was prepared in accordance with the requirements of the *Environmental Protection (Swan and Canning Rivers) Policy 1997* (EPP). The new *Swan and Canning Rivers Management Act 2006* requires the development of a strategy to coordinate the management arrangements necessary for protecting the ecological and community benefit and amenity of the rivers. This strategy must be agreed to by relevant Ministers. It will be developed with extensive community consultation. Work on the River Protection Strategy has begun. Until it is completed, Riverplan will remain in effect.

Riverplan is implemented by assessing the contribution of State and local government agencies to implement the EPP. It also relies on collecting spatial datasets and community information about current and future ecological and community values, to develop targets to apply in the Trust Management Area and the catchment.

The Trust and the City of Swan signed a partnership agreement in July 2006 to better protect and manage the Swan and Helena rivers. Reports were finalised assessing the contribution of the cities of Perth, Bayswater, Melville and Canning to implementing the EPP and Riverplan. Assessment reports from seven local governments were analysed to identify common activities, issues and gaps and to evaluate project methodology. Datasets were developed to prepare maps on the Trust's Geographical Information System (GIS) of significant biodiversity sites, important areas for boating navigation and landscape viewpoints.



Figure 4 Trust Management Area



Statutory Planning

Statutory Planning officers assess applications for development and spectator events in or near the Trust Management Area. These assessments are considered by the Trust which provides recommendations and advice to the Minister for the Environment, the WA Planning Commission or local governments as appropriate.

Statutory assessments

This year, 189 applications were assessed relating to development in and next to the Trust Management Area, including:

- 49 applications for Ministerial Determination under Part V of the *Swan River Trust Act 1988*;
- 50 Metropolitan Region Scheme Clause 30A applications for Ministerial Advice; and
- 90 statutory referrals to the Trust for advice in relation to applications for subdivision or development.

Sixty-five applications to hold spectator events in the Management Area were approved under Regulation 8 of the *Swan River Trust Regulations 1989*.

Statutory Planning officers continued to operate under a delegation notice that was gazetted on 21 March 2006. The delegation allows for non-controversial and minor issues to be dealt with more efficiently, saving time for proponents and the Trust. In 2006-07, 33 applications were processed under the delegation.

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

- construction of an Eco Education Centre on the Canning River near the Kent Street Weir;
- construction of several emergency sewage overflow tanks by the Water Corporation;
- foreshore refurbishment works, drainage, retaining wall restoration and landscaping near the Raffles Hotel site;

- construction of a middle school at Methodist Ladies College in Claremont; and
- restoration works on the Tranby foreshore at Ashfield Parade in Bassendean.

The Trust recommended refusal of two proposed private jetties, in accordance with the revised jetties policy, which was adopted during 2006-07.

The Trust recommended refusal for a commercial jet boat operation on the Swan River. The applicant lodged an appeal against the Trust recommendation. At the time of reporting it was being assessed by the Environmental Appeals Convenor.

In 2005-06, the Trust recommended against an application from the Royal Perth Yacht Club for a 24 per cent extension to its marina and riverbed lease area. In 2006-07 following advice from the Trust, the Minister for the Environment subsequently approved a modified proposal that included a 12 per cent expansion.

The Trust recognises that yacht clubs on the Swan River are under increasing pressure from their members to provide additional on and off-water accommodation for vessels. The Trust is likely to receive further applications for the expansion of existing yacht club marinas during the coming year. These applications will need to be carefully assessed against the rights of other competing interests, principles ensuring equitable access to the river for the broader community and significant alienation of the Riverpark.

This year three per cent of Trust recommendations attracted negative responses from the community. The average cost per application assessed was \$2,767 including appropriate corporate costs.

Planning policy and strategies

Statutory Planning officers began a review of the Trust's 27 statutory assessments policies. The policies were assessed to establish priorities for the review. Policy reviews were conducted and a public consultation process developed.

Four policies have been reviewed and the revised final policies adopted.

Two policies have been reviewed and adopted as draft policies. These will be subject to a three-month public consultation period, after which submissions will be considered and final policies adopted.

This year, a review of the model conditions that are applied to development approvals began. The Department of Water, Department of Environment and Conservation (Land and Water Quality) and Department for Planning and Infrastructure (Cycling Unit) were among the agencies consulted. The review will be completed next year and a review of subdivision conditions and conditions for spectator and entertainment events will begin.

Under the new *Swan and Canning Rivers Management Act 2006*, Statutory Planning officers will take responsibility for compliance audit functions to ensure conditions placed on development approvals are met. This will mean the same Trust officers will process applications from the initial assessment to the final clearance of conditions, making the process simpler for applicants.

Strategic planning

A program manager was appointed to implement the Land Use Planning Program of the Healthy Rivers Action Plan. This program will increase Trust input to land use planning and development in the Swan Canning priority sub-catchments, outside the Trust Management Area. The desired outcome is to reduce nutrient outputs from land developments. This will be achieved by improving planning schemes and policies, applying Water Sensitive Urban Design principles and using environmental offsets to reduce overall pressures of urban growth.

In 2006-07, 17 strategic plans, including metropolitan region and town planning scheme amendments, structure plans and outline plans for development, were assessed. Advice was provided to State and local government authorities consistent with the objectives of the draft Healthy Rivers Action Plan.

The *Swan and Canning Rivers Management Act 2006* will result in improvements to the Statutory Planning area. It will allow a more streamlined assessment of development applications and will provide greater opportunities for public involvement in planning and decision-making. A natural resource management officer was appointed to finalise and implement the new statutory procedures in accordance with the Act.



River System Management

River System Management officers develop and implement Trust environmental programs for the Swan and Canning rivers. Key parameters of the river system are monitored and assessed, and management responses are developed and implemented in partnership with other river stakeholders.

Healthy Rivers Action Plan

The Swan-Canning Cleanup Program (SCCP) has been the major management strategy for improving the health of the Swan and Canning rivers. Consistent with the SCCP Action Plan, more than 20 science-based and community involvement projects have continued to focus on reducing nutrients entering the river system and decreasing the frequency and severity of algal blooms. The success of the Cleanup Program lies in partnerships that have been developed with the community, regional catchment groups, and State and local government.

The Cleanup Program has continued to deliver projects this year. The transition has been made to the draft Healthy Rivers Action Plan, which is the next step in improving water quality in the Swan and Canning rivers during the next five years.

The Healthy Rivers Action Plan will build on the work of SCCP, but will provide a more integrated approach for future river management and align with the Trust's new legislation. It aims to:

- reduce nutrient and other contaminant inputs;
- prevent sediment loads entering the rivers;
- increase oxygen levels in the rivers; and
- protect and rehabilitate the foreshore.

The draft Healthy Rivers Action Plan was open for public comment from December 2006 to April 2007. Submissions were considered and a final plan will be released by the Minister for the Environment. The draft plan focused on eight programs.

- Coordination
- Healthy Catchments
- Land Use Planning
- Drainage Nutrient Intervention
- *Riverbank*
- River Health
- River Guardians
- River Science

Implementation of the Healthy Rivers Action Plan is planned to begin in 2007-08.

Table 2 Healthy Rivers Action Plan summary

SUMMARY					
Goal					
To protect the environmental health and community benefits of the Swan and Canning rivers by improving water quality					
Catchment to coast approach					
Reduce input of contaminants at their sources in the catchments	Intercept pollutants as they travel through the tributaries, drains and groundwater	Apply river intervention techniques to improve water quality in the Swan and Canning rivers			
Action Areas – What needs to be done to improve water quality?					
Address nutrient and contaminant sources and set water quality targets	Improve land use planning and development processes	Achieve behaviour change through community involvement	Apply intervention techniques to improve river health	Monitor river health and report to the community	Identify and fill critical gaps in knowledge
Implementation – How are we going to improve water quality?					
<ul style="list-style-type: none"> • Coordination • Healthy Catchments • Land Use Planning • Drainage Nutrient Intervention • Riverbank • River Health • River Guardians • River Science 					

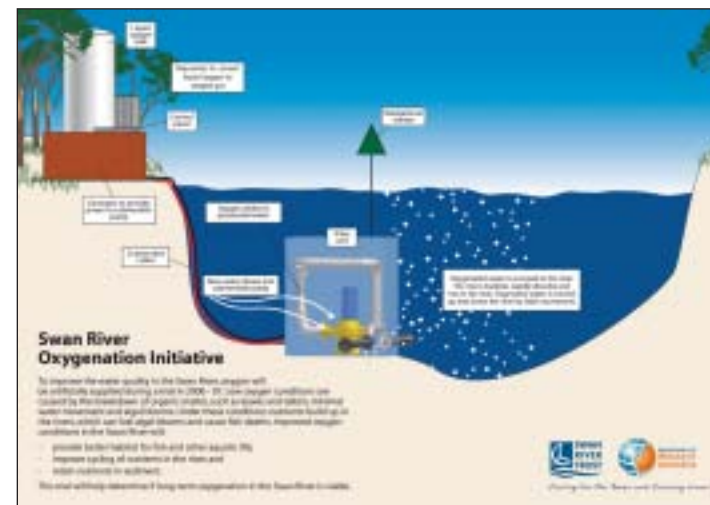
Oxygenation

Oxygenation of the Swan and Canning rivers aims to improve habitat for aquatic life and reduces the incidence of algal blooms. In 2006-07, the oxygenation project cost \$807,000, with \$140,000 spent on the Canning River and \$667,000 on the Swan River.

The Canning River oxygenation plant runs from October to June and has continued to improve oxygen levels in the river.

A land-based oxygenation unit was trialed for six months in the upper Swan River at Guildford Road Bridge. The results of this trial will help determine the viability of long-term oxygenation of the Swan River. Due to good conditions during summer and autumn, the oxygenation unit was used only 18 times. The trial was extended to 30 June 2007 to gather more information on the effectiveness and efficiency of oxygenating the Swan. The data collected to date demonstrate that the unit improves water quality, but only in a localised area.

Figure 5 Oxygenation diagram



Swan Alcoa Landcare Program

The Swan Alcoa Landcare Program (SALP) is administered by the Swan Catchment Council on behalf of the Trust and Alcoa of Australia Limited. The program funds community-led restoration projects.

In 2007 SALP funded 37 community groups who received \$610,000 for 90 projects. The Trust contributed \$350,000 this year, bringing the Trust's total contribution to \$2.05 million during a nine-year involvement.

The 2008 funding round was launched in February. Application kits were reformatted to allow projects to be better assessed against Trust criteria, enabling Trust funds to be directed into projects that meet long-term goals. Mapping of past project locations has increased understanding of Swan Alcoa Landcare Program funding across the Swan region. In future funding rounds, proposed project locations will be mapped to help direct funds to priority sub-catchments.

Local Government Natural Resource Management (NRM) Support

The Local Government NRM Support project is a partnership between the Trust and Eastern Metropolitan Regional Council to help local government achieve SCCP objectives. The project aims to improve decision-making and operations, land use planning and management, and operations such as managing parks, reserves and stormwater.

Work on this project has involved producing manuals and providing forums to guide local government, land developers and builders. A project reference group has provided assistance and direction for developing policy and guidelines. The Trust partnership with the Eastern Metropolitan Regional Council will continue, albeit in a new direction, under the Healthy Rivers Action Plan.

Environmental monitoring

The Swan Canning estuary is monitored weekly, with data collected on nutrient and chlorophyll concentrations, physical parameters and phytoplankton groups. Compliance with water quality targets for chlorophyll-a and dissolved oxygen is also tested.

Under the monitoring program:

- data are verified and loaded into a central database;
- environmental conditions are reported weekly on the Trust website;
- a weekly Algae Activity Report is reported on the Trust website, *Channel Nine News* and *The West Australian* (Saturday edition);
- a weekly phytoplankton report is made available internally for the Trust, as supplied to the Department of Health and Department of Fisheries, as conditions dictate.

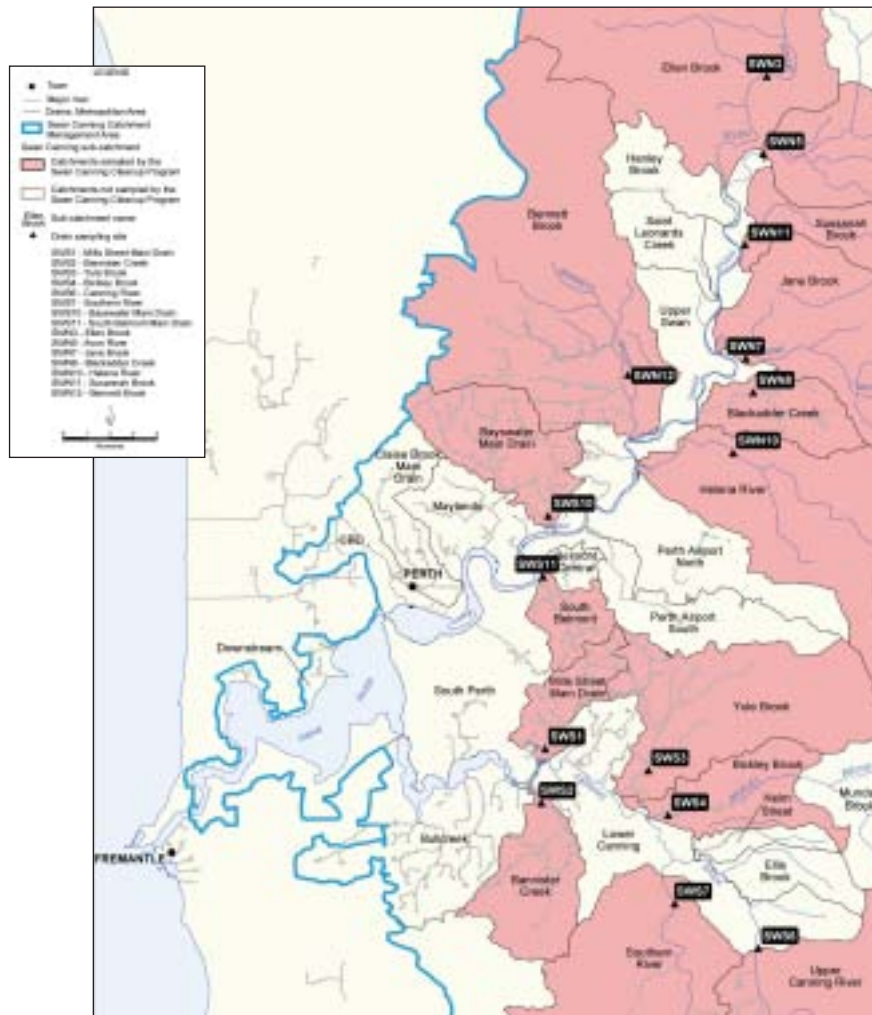
Data on nutrients, temperature and conductivity are collected fortnightly for the Swan Canning Catchment. Compliance with SCCP water quality targets for total nitrogen and phosphorus water quality targets is tested.

This \$575,000 project is funded by the Trust and is delivered by the Department of Water.

Figure 6 Swan and Canning rivers monitoring sites



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



Drainage Nutrient Intervention Program

The Drainage Nutrient Intervention Program implements onground work throughout the Swan Canning drainage system to improve the quality of water flowing into the rivers. Habitat and landscape are also improved. Works are done in collaboration with local government authorities, drainage service providers and NRM groups.

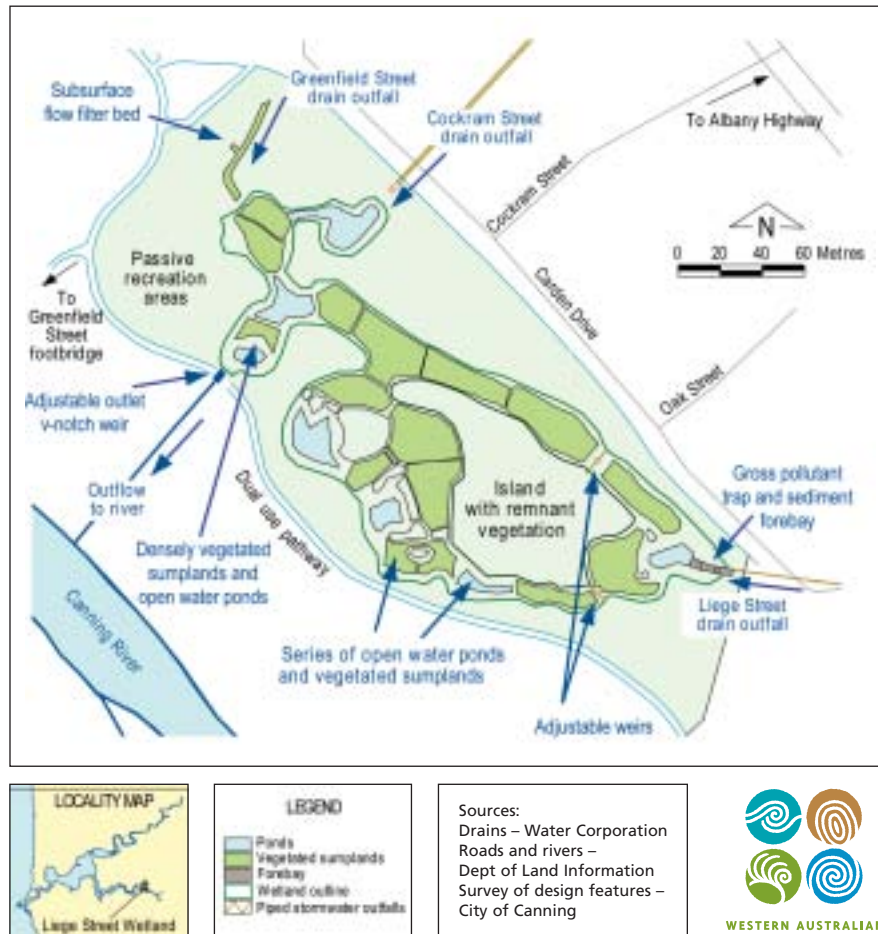
A significant project to date has been the construction of the Liege Street Wetland in Cannington, which won two awards in 2006. Monitoring of the wetland began in late 2004, aiming to increase knowledge of how well constructed wetlands improve water quality.

Intervention designs have been developed for two sites in Cannington and work is underway for sites in Belmont and Ascot. The Trust is working with the City of Swan and the local NRM group to restore Blackadder Creek and wetlands in Viveash.

In 2006-07, the Trust received an extra \$1.44 million to expand the Drainage Nutrient Intervention Program into the Ellen Brook Catchment. The funds will be spent in the catchment during the next four years supporting catchment management activities and demonstrating nutrient stripping techniques.

Ellen Brook is the only monitored tributary in the Swan Canning Catchment that does not meet the short-term phosphorus target. To date the Trust has strengthened relationships and begun collaborating with the Ellen Brockman Integrated Catchment Group, Shire of Chittering, City of Swan and Department of Defence.

Figure 8 Liege Street Wetland diagram



Sub-regional Support Program

The sub-regional program supports four sub-regional NRM groups in the Swan region to work with the community to deliver catchment management water quality outcomes. It complements the Swan Catchment Council's Natural Heritage Trust (NHT) Program.

In 2006-07 the four sub-regional groups received a total of \$589,654.

Figure 9 Swan Canning Catchment sub-regional support and SALP funding



Non-nutrient Contaminants Program

From August to October 2006, preliminary testing of river-based clubs and marinas with slipways along the Swan River, revealed elevated levels of tributyltin (TBT) and heavy metals at some sites. Letters were issued to the yacht clubs in December 2006 advising that immediate action was required to stop the contamination reaching the river. A media statement was released.

In January 2007, an independent environmental consultant was contracted to review the sampling, monitoring and interpretation of the data against guidelines. Some limitations in the data were highlighted, although high levels of several contaminants were confirmed.

The Trust engaged a consultant to undertake further sampling to verify data from the first snapshot to allow assessment against environmental and human health guidelines. This work is funded through the Non-nutrient Contaminants Program and will help inform the next phase of this program.

The yacht clubs are working cooperatively on a complementary sampling program and are taking steps to upgrade site management where required.

Feral fish

A feral cichlid species, *Geophagus brasiliensis*, was first observed in Bennett Brook in March 2006. The Trust is part of the taskforce, led by the Department of Fisheries, responsible for implementing the emergency incident management plan to control the feral fish. Electrofishing and net surveys have established the known distribution. Control activities in Bennett Brook were completed in May 2007, but ongoing surveillance and management will be required.

Climate change

This year the Technical Advisory Panel was established to provide guidance and assistance to the Trust for better decision-making and management of the Swan and Canning rivers. As a first priority, the Technical Advisory Panel is developing a paper on the potential impacts of climate change on the rivers.

Sedimentation study

The Trust contributed to a sedimentation study of the lower Avon River. Sediment has accumulated from soil erosion in the catchment and alterations to the river channel for flood mitigation. A cost-benefit analysis of removing marketable sediment from river pools showed sediment extraction was likely to have economic, social and environmental benefits.

Coastal Catchments Initiative

In June 2006 the Federal Government's Coastal Catchments Initiative identified the Swan Canning river system as a hotspot for water quality issues. The Trust is responsible for preparing the Water Quality Improvement Plan for the Swan Canning river system.

The Water Quality Improvement Plan will provide a framework for reducing nutrient levels in the river system using scientific models and decision-support tools prepared under this new initiative. It aims to guide investment to reduce nutrient input during the next seven years. The framework will be based on nutrient load targets and identifying the most cost-effective management practices to reduce nutrient inputs.

The Water Quality Improvement Plan will draw on knowledge gained through interim projects, such as:

- predictive modelling (undertaken by Department of Water);
- development and implementation of agricultural best management practice and Decision Support System (Department of Agriculture and Food; Department of Water); and
- a framework for implementing Water Sensitive Urban Design (WA Local Government Association; Department of Planning and Infrastructure; Department of Water).

The Trust coordinates the inter-agency steering committee established for the Coastal Catchments Initiative in the Swan Canning.



Riverpark Management

Riverpark officers focus on the day-to-day management of the river system. This is a new program, replacing the previous waterways management function, designed to meet the additional statutory responsibilities of the Riverpark.

Swan Canning Riverpark

The *Swan and Canning Rivers Management Act 2006* and the *Swan and Canning Rivers (Consequential and Transitional Provisions) Act 2006* will establish the Swan Canning Riverpark.

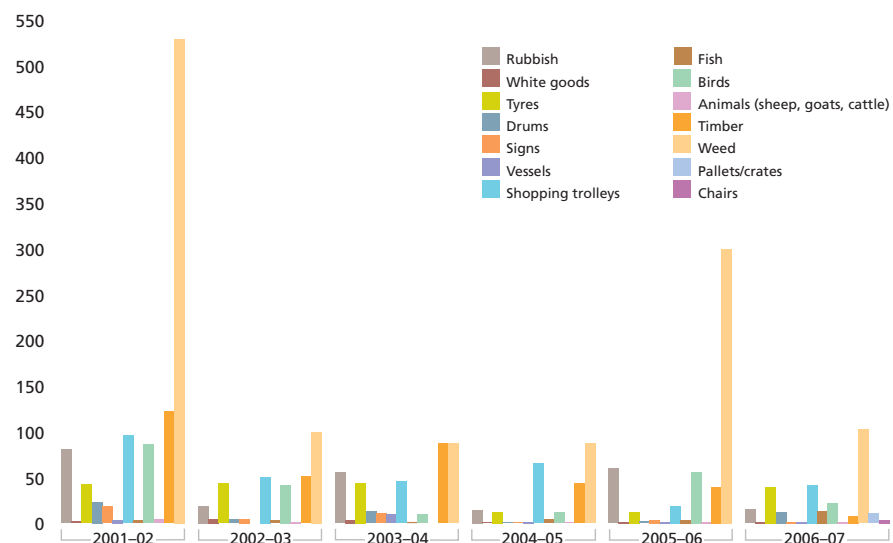
Park operations

The Trust is responsible for 45 river beaches and 358 km of foreshores in the Swan, Canning, Helena and Southern rivers. Beach cleaning and removal of debris from waterways and foreshores are essential to maintaining the rivers' amenity.

The Trust employs one senior resource management officer and five waterways officers and attention is directed to high priority areas. Regular maintenance is conducted at 33 public beaches and about 146 km of shoreline. The remaining 12 beaches are visited periodically, depending on need and available resources.

Regular inspections are carried out by boat and floating logs, litter and debris removed. Shorelines are accessed by vehicle. Anything impeding water flow, such as fallen trees, is noted during inspections and scheduled for re-alignment, removal or relocation. Shopping trolleys continue to be a particular problem in the Canning and Southern rivers.

Table 3 Summary of materials removed from waterways and foreshores



Materials	Unit	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Rubbish	Tonne	77	22	55.5	20.1	58.77	20.5
White goods	Each	3	8	5	1	2	4
Tyres	Each	46	47	34	16	18	34
Drums	Each	31	7	18	1	4	18
Signs	Each	22	8	12	1	7	2
Vessels	Each	7	0	9	3	1	2
Shopping trolleys	Each	92	51	45	69	22	32
Fish	Tonne	4	4.5	2.2	5.8	6.6	18.5
Birds	Each	83	41	9	14	54	24
Animals (sheep, goats, cattle)	Each	7	3	0	1	3	2
Timber	Tonne	121	53	85	34	39	8
Weed	Tonne	529	101	85	85	300	107
Pallets/crates	Each						12
Chairs	Each						7



Riverbank

The *Riverbank* program began in 2002 and continues to provide a vehicle for the Trust to work with local and State Government agencies on foreshore restoration and protection projects.

In 2006-07, 20 projects with a total value of \$920,291 (excluding GST) were funded. Projects were widely distributed throughout the Swan Canning and include:

- weed control and replacement of native vegetation along the Canning River in the City of Armadale;
- planning projects, such as developing a concept plan for restoration of Success Hill Reserve in the Town of Bassendean; and
- replacing and repairing river walling along Mounts Bay Road in the City of Perth.

Future investments through *Riverbank* will increasingly focus on environmental and public amenity priorities. They will be in line with the Healthy Rivers Action Plan, such as protecting and rehabilitating an area equivalent to 10 per cent of the Swan Canning foreshore each year. Achieving this ambitious target is a priority for 2007-08.

Figure 10 Riverbank Program funding map

Code	Applicant	Description	Approved funding (Ex GST)
07AR01	City of Armadale	Foreshore rehabilitation works on the Canning River at four locations	\$20,115
06BW01	City of Bayswater	Foreshore rehabilitation on the Swan River near Tranby House, Maylands	\$73,064
03CN02	City of Canning	River wall replacement and foreshore rehabilitation works on the Canning River at Wilson	\$50,000
06GN01	City of Gosnells	Control of Taro on the Canning River and tributaries	\$9,400
07GN01	City of Gosnells	Foreshore rehabilitation works on the Canning River at two locations	\$22,996
07MV01	City of Melville	Foreshore rehabilitation works on the Swan River foreshore at Bicton	\$18,206
06PE01	City of Perth	River wall replacement on the Swan River at Crawley	\$101,483
06SW02	City of Swan	Foreshore rehabilitation works on the Swan River foreshore, Viveash	\$30,000
07CLM01	Department of Environment and Conservation	Foreshore rehabilitation works in the Canning River Regional Park at five locations	\$82,000
07BS01	Town of Bassendean	Development of a foreshore management plan for the Success Hill foreshore	\$35,258
06BS02	Town of Bassendean	Foreshore rehabilitation on the Swan River at Ashfield Parade, Ashfield	\$292,846
07VC01	Town of Vincent	Foreshore rehabilitation on the Swan River at Banks Reserve, East Perth	\$172,059
07PE01	Swan River Trust	Engineering assessment of Mounts Bay Road riverwall gabion baskets	\$12,864
			(Ex GST) \$920,291



Foreshore Assessment Project

The Foreshore Assessment Project is a joint initiative between the Swan River Trust and the Swan Catchment Council. It aims to improve understanding of the conditions and pressures affecting the foreshores to enable better management, protection and rehabilitation.

The Foreshore Assessment Project involved assessing vegetation communities and the physical attributes of the Swan, Canning, Avon, Helena and Southern rivers. The study area extends upstream from the Fremantle Traffic Bridge to Moondyne Brook on the Avon River, to the Lower Diversion Dam on the Helena River, along the Southern River to the Allen Road crossing and the Canning River to the Stinton Creek confluence. In all, data were collected for the entire 358 km of foreshore and 7,000 ha Trust Management Area.

A Foreshore Management Strategy has been released for stakeholder comment.

Each spring, the Trust works to replenish eroded beaches and level major beaches to remove gullies caused by stormwater discharge from drains and runoff flowing over beaches. Beach sand is recycled from accumulation sites to help restore eroded public beaches. Beaches requiring restoration are assessed and problems discussed with relevant local governments. Required works are done collaboratively.

The Trust manages Ron Courtney Island, located in the Swan River at Redcliffe, and carries out maintenance four times a year. The maintenance program includes mowing weeds and removing undergrowth. Anecdotal evidence suggests that an ongoing revegetation program is increasing bird numbers.

The Trust manages the annual removal and installation of 'stop boards' at the Kent Street Weir on behalf of the Department of Water. The stop boards allow normal river flow during winter and prevent saltwater flowing upstream during summer. During 2006-07, the stop boards and fittings for the weir were renewed.

The Trust continued its program to control the noxious weed hydrocotyle, which blanketed extensive areas of the Canning River in 1993. During 2006-07, two outbreaks of hydrocotyle occurred. There were also two outbreaks of another noxious weed, parrot feather. Plants were sprayed before the infestations could spread and the areas were monitored to ensure early detection of re-occurrence.

Events and incidents

The Trust provides approvals for, and sometimes support for, major spectator events on the Swan and Canning rivers. This year, the Trust approved the Avon Descent, and approved and supported the Red Bull Air Race and Australia Day Skyshow. Trust support included attending pre-event meetings, providing facilities at its operations facility on the river in Victoria Park, and having Trust officers on stand-by on the day.

In February 2007 Riverpark officers responded to an oil spill occurring when an electrical substation transformer filled with about 3,600 litres of transformer oil under Mt Lawley subway. The oil entered the stormwater system and discharged via Walters Creek at Banks Reserve. Trust officers worked with the Pollution Response Unit, State Pollution Response Team members and private contractors to contain and cleanup the oil in Walters Creek.

In March 2007 Riverpark officers responded when a motor cruiser caught alight during engine repairs at a Royal Freshwater Bay Yacht Club service jetty. The cruiser was pushed into the river to avoid the fire spreading to the jetty and other vessels, then pulled into the shallows to stop it sinking. The Fire and Emergency Services Authority responded to the incident, fighting the fire with foam and booming the boat off. Trust officers deployed booms and absorbent pads on the river to mop up spilt fuel and oil.

In May 2007 a wooden cabin cruiser began sinking on its mooring and spilling unleaded fuel into Bull Creek Inlet. Trust officers positioned booms to contain further leakage and informed other Government departments, local government authorities and community stakeholders. Trust officers were on stand-by during salvage operations.



Audit and enforcement

Riverpark officers have the responsibility to record and, where necessary, investigate complaints and incidents in the Trust Management Area. The Trust continued to work very closely with the DEC Environmental Enforcement Unit. Trust officers followed up 263 complaints compared to 257 last year. Sixty-eight complaints were referred to other agencies.

The reported incidence of tree damage, removal and suspected poisoning increased this year, with 40 complaints about vegetation destruction compared to 11 in 2005-06.

The Swan and Canning rivers are vulnerable to contamination from accidental and deliberate discharge of pollutants. To fulfil its statutory responsibility the Trust maintains a rapid response capability to contain pollutants and, depending on the quantities and level of hazard, undertakes or assists with cleanup. This year, officers investigated 35 reported fuel or oil spills and where appropriate undertook measures to contain or remove spilled materials.

Seven warning letters were issued regarding unauthorised discharge, unauthorised developments, litter and destruction of vegetation.

Table 4.1 Pollution complaints

Nature of complaint	Number
Oil slicks/spills	35
Offensive odour	10
River discolouration	3
Industrial discharge/dewatering	11
Sewage discharge	10
Herb/pesticide spraying	1
Chemical spills	4
Waste dumping	13
Foaming	1
TOTAL	88

Table 4.2 Other complaints

Nature of complaint	Number
Watercraft nuisance	19
Algal blooms	6
Aquatic deaths	10
Destruction of vegetation	40
Unauthorised development	13
General complaints	87
TOTAL	175

Compliance

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 these responsibilities were met as part of the Trust's responsibility for protection of the Management Area.

Riverpark officers undertook compliance audits against 39 Part V development approvals this year. These included: an extensive riverwalling project along Mounts Bay Road; foreshore refurbishment; drainage and walling works at the Raffles Hotel site in Applecross; widening of Mount Henry Bridge for the Perth to Mandurah railway; Tranby House foreshore restoration; widening of the Narrows Bridge for the Perth to Mandurah railway project; and Barrack Square Hotel development. In addition to compliance audits of approved development, officers investigated instances of unauthorised development in the Trust Management Area.

Prosecutions

In February 2007 a demolition company was issued with a \$250 infringement notice under the *Environmental Protection (Unauthorised Discharges) Regulations 2004* for allowing sediment to enter the Swan River during demolition of a swimming pool.

In November 2006 a company was issued with a \$250 infringement notice under the *Environmental Protection (Unauthorised Discharges) Regulations 2004* for allowing sediment to enter the Swan River during earthworks and dewatering.

In December 2006 Mr Ian Han of Applecross was prosecuted under the *Swan River Trust Regulations 1989*, fined \$200 and ordered to pay \$105 in court costs for damaging a mature tuart tree on the Applecross foreshore.

In May 2007 officers investigated the removal of 26 trees on private property in the Trust Management Area. The owners were new to Australia and were unaware that they would require approval to remove trees. No charges were laid, however the owners were advised of their obligations and responsibilities in the Trust Management Area.

There are several ongoing investigations into removal of trees in the Trust Management Area. Investigations into several tree deaths in Rossmoyne, Mosman Park and Sir James Mitchell Park did not result in offenders being identified.

Due to the number of recent tree damage incidents, the Trust is seeking to facilitate a more consistent response to this issue. The Trust wrote to local government authorities with responsibilities in the Management Area proposing a standard approach of investigation, replanting and signage where trees have been damaged. The Trust will be pursuing this issue further in the next year.

Plant equipment and replacement

Capital asset management plans enable the Trust to provide a long-term management framework for its assets. They also provide assurance to stakeholders that Trust assets are being managed capably, that life cycle costs have been optimised, and risk and liability are identified and managed.

This year, the heavy lift jetty at the Trust's operations facility in Victoria Park, originally built in the early 1950s, was upgraded. A contractor was engaged to upgrade the walkway, and clean, paint and overhaul the heavy lift jetty. It is anticipated that this work will extend the jetty's life by 25 years.

Hire out of plant and equipment

The Trust operates one articulated wheel loader. It is primarily used for heavy construction work, weed removal, major cut and fill projects, and excavation of materials throughout the Trust Management Area. During the past three years, the loader has been hired to the Department of Water (Kwinana Peel) to remove weed in the Peel region. The hire fees received from Department of Water help with repairs and will assist with replacement costs. The loader will need to be replaced after five years as the salt water environment in which it is used causes excessive wear.



Communications

Communications officers provide services across the organisation to address stakeholder issues and media management and to ensure community involvement and education opportunities are maximised. They produce promotional materials and organise events in line with the annual Strategic Communications Plan and major Trust programs and activities.

Corporate and Media Relations Program

The corporate and media relations program aims to ensure the Trust and the rivers receive positive media coverage. It builds on relationships with stakeholders and the media.

Communications officers release media statements on behalf of the Trust and prepare statements and events on behalf of the Minister. This year more than 55 media statements were prepared, with 265 river media stories generated and 80 media queries answered.

More than 20,000 environmental education resources were produced. This included leaflets, brochures, calendars, posters, postcards, calico bags and the Trust quarterly newsletter, Riverview.

In February 2007 a second Mayoral forum was co-hosted with the City of Swan, to discuss relevant river issues. Twelve Corporate Care days were held throughout the year with 220 volunteers assisting catchment community groups to plant 19,000 native seedlings and sedges. These provide a team-building experience for community and corporate staff, while helping catchment groups achieve important onground outcomes.

Publicity associated with the draft Healthy Rivers Action Plan included draft document production, launch and distribution of promotion materials.

In-kind support was provided to a range of community activities and clubs, including: the National Cherub Sailing Championships; City of Perth's Australia Day celebrations; Leighton Offshore Invitational Yacht Race; and Swan Canoe Club Rod Fry Memorial Race.

A new thrust this year has been writing feature articles for outside publications, including: Wetlands Australia; Landscape; WA Coastlines and Flourish magazines, and; four Fertilise Wise articles in the Garden Gurus newspaper.

Behaviour Change Program

The Trust seeks to work beyond raising community awareness and towards behaviour change. This area will receive additional emphasis in the future as the Trust works with the Technical Advisory Panel to develop a Strategic Behaviour Change Framework following the catchment to the coast approach, in accordance with the Healthy Rivers Action Area 3 – "Achieve behaviour change through community involvement".

The Trust supports the annual Autumn River Festival, which attracts thousands of people to the Swan River from Maylands to Belmont and Bayswater. The eighth festival was held on 1 April 2007, during which the Trust hosted the first Healthy Rivers Community Expo in Bayswater. In a survey conducted on site, 74 per cent of participants indicated they knew the Trust helped care for rivers. Other survey results indicated a high percentage of people knew that certain activities, such as using phosphorus fertilisers, and allowing detergent, leaves or debris to go down stormwater drains, were harmful to the rivers. However, 14 per cent of these participants still allowed these activities to happen at home while 31 per cent said they did not.

The Trust actively supports the Great Gardens workshop program, a series of free, three-hour workshops teaching gardeners river-friendly practices, such as reducing water and nutrient leakage from their urban properties. Since its inception in 2003, more than 12,000 people have attended the workshops in the Swan Canning Catchment. Evaluations show that 79 per cent of participants had never attended a workshop before and 78 per cent rated the workshop as 'very useful'. A pilot series integrating rural and urban Great Gardens workshops was delivered in the Ellen Brook Catchment in June 2007.

The Trust supports the Small Rural Landholders Support Project which provides education and raises awareness of best land use practices for the rural environment. It was delivered by the Department of Agriculture and Food WA in 2006-07 and focused on the high-priority Ellen Brook Catchment.

This year the Trust was represented in an inter-agency Government expert workshop series investigating the potential for a household sustainability pilot program to more effectively work together for long-term environmental behaviour change in Western Australia.

River Guardians is a new community involvement program being developed by the Trust. The Gaming Community Trust will provide \$250,000 to develop and implement the proposed program in 2007-08. The Gaming Community Trust will also fund Trust support of the Sustainable Gardens Program WA for the first time in 2007-08.

The Swan Region Ribbons of Blue Program moved to the Trust from the Swan Catchment Centre in January 2007. Ribbons of Blue delivers environmental education to community groups and schools to raise awareness and understanding, develop skills and promote behaviour change through water quality monitoring.

As part of Ribbons of Blue's ongoing support to teachers and community organisations, training sessions were held and resources provided. These included distributing quarterly newsletters to 350 individuals and groups and presenting 11 professional development days for teachers. For the first time, two catchment activity days were held in Bayswater and Ellen Brook, with 650 primary school students from 16 local schools attending. The 12th Annual Snapshot was held in September 2006, with 33 groups and 1,200 individuals participating.

The Phosphorus Action Group, supported by the Trust, raises awareness of the health of the Swan and Canning rivers and wetlands in the Perth metropolitan area. The Phosphorus Action Group distributes information and represents the Trust at various forums, including the Perth Royal Show, Trek the Trail in Mundaring, Garden Week, Science Fair, ABC Gardening Australia Expo and Belmont Autumn River Festival.

The Trust also supports community training programs, including the Skills for Nature Conservation Training Program, on topics related to Trust priorities.

Business Management

A chief finance officer and administration officers support the Trust, general manager and officers in the daily running of the authority and during Trust meetings. They manage reporting requirements and corporate governance.

Three-year strategic plan

The Trust Strategic Plan 2006-09 was finalised during 2006-07. The plan responds to the changing environmental and community challenges and new legislative and administrative framework in 2006-07. The Trust monitored its progress against planned three-year achievements outlined in the Strategic Plan and used this as a basis for developing the annual Business Plan 2007-08.

Business plan

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

New Key Performance Indicators

Last year the 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 forms the basis of this year's reporting.

Reporting requirements

Under Section 31 of the *Swan River Trust Act 1988*, DEC provides the Trust with staff, facilities and corporate services. It is envisaged that this will continue with the commencement of the *Swan and Canning Rivers Management Act 2006*.



As staff working at the Trust are provided by DEC, the department's outcomes for disability access and inclusion, equal employment opportunity, substantive equality, cultural diversity and language services, corruption prevention, youth, compliance with public sector standards and ethical codes are applicable to the Trust. These outcomes can be found in the DEC Annual Report 2006-07.

Conflict of interest

The Trust has procedures for identifying, preventing and resolving conflicts of interest. The procedures are outlined in the DEC 2007 Code of Conduct.

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 required to declare conflicts of interest. This year, Trust members declared a conflict of interest in 14 items.

Freedom of information

Under the provisions of the *Freedom of Information Act 1992*, there was one request this year relating to the Royal Perth Yacht Club. For the purposes of the *Freedom of Information Act*, the Swan River Trust is a 'related agency' to DEC.

Record keeping

DEC provides record keeping support services to the Trust. The department has a record keeping practices program for staff. A record keeping practice module has been incorporated into the DEC induction system. The Trust, through trained staff, has taken on and maintains some of its own record keeping practices.

Advertising and marketing

Expenditure incurred by the Trust in 2006-07 in relation to Section 175ZE of the *Electoral Act 1907*.

Table 5 Advertising and marketing expenditure

Class of expenditure	Supplier	Expenditure \$
Print advertising and production agency	Marketforce	\$8,983
Government Media Office advertising and production agency	Media Decisions	\$12,557
Market research organisations	Research Solutions	\$48,070
Direct mail organisations	Northside Logistics	\$3,344
TOTAL		\$72,954

Public comment

The Trust encouraged public comment on issues throughout the year using the media and advertising. It sought public opinion on draft regulations to support the *Swan and Canning Rivers Management Act 2006*, one development application, one Trust amended regulation policy and the draft Healthy Rivers Action Plan before assessment.

Table 6 Public comments received for development, regulation applications and management plans advertised in newspapers

Item for public comment	Letters	Emails	Petition/ signature	Total
Draft Healthy Rivers Action Plan	28	3		31
Draft Swan and Canning Rivers Management regulations	12	3		15
Crawley Bath Public Art		18	In favour	16
			Partially supported	2
Jetty Policy	3	5		8

Corporate Governance

Trust compliance, remuneration and attendance

The Trust operates in accordance with the *Public Sector Management Act 1994*, the DEC Code of Conduct 2007, and the Trust Meeting Procedures 1996.

Ministerial approval was given for the following remuneration levels effective as of 1 January 2007.

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 14 Trust meetings during 2006-07.

Table 7 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	14	14			5	5		
Ms Barbara Cook	13	14	3*	10				
Mr Neil Foley	13	14	9	10				
Mr Jim Freemantle	11	14			3	5	4	5
Cr Pat Hart	14	14	10	10	5	5		
Mr Steve Jenkins	12	14						
Mr Charlie Welker	14	14	9	10	4	5	5	5
Col Rod Willox	12	14	9	10			4	5

Not members

* Barbara Cook joined the Trust mid-year

Sustainability

The Trust complies with the State Government's Energy Smart Policy through a commitment by DEC. Information about energy consumption including waste paper recycling is available in the DEC Annual Report 2006-07. The Trust supports the DEC internal greening the workplace initiatives, TravelSmart and Eco Office, and is represented on the Eco Office Committee. The Trust's vehicle fleet, as part of the overall State Government initiative, is carbon neutral.

The Trust supports the DEC 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 supported 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.

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. It is hoped to employ a graduate trainee in the DEC Indigenous Traineeship Program.

Internal audit

The Trust relied on the internal audit of the Department of Water and DEC financial records for assurance of compliance with the *Financial Administration and Audit Act 1985*, *Financial Management Act 2006*, Regulations and Treasurer's Instructions. Under service provision arrangements yet to be finalised, the chief finance officer function previously provided by the Department of Water will now be provided by a Trust officer.



Asset management

The carrying value of Trust property, plant and equipment is \$713,989. 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 Trust approach to risk management is guided by DEC risk management policies and strategies. The Trust developed a risk register in 2005-06 which was used during the past year to inform a Strategic Audit Plan to assess key identified risks during a four-year period. The Strategic Audit Plan was approved by the Trust Finance and Audit Committee. The audit process is being conducted by independent consultants, Stamfords. The audit will include issues such as the Trust's management of grants, provision of technical advice, incident response and public liability.

Performance monitoring and reporting

Trust officers provide written monthly reports on activities and financial statements to the Trust and its committees. Performance against the strategic and business plans is evaluated quarterly. Annual performance is reported in the Trust Annual Report to the Minister for the Environment and Parliament.

A new performance management framework, approved in 2006, established two outcomes and four services for the Trust, with associated effectiveness and efficiency indicators. It was fully implemented in 2006-07.

Compliance with Public Sector Standards and Ethical Codes

Trust officers operate under the DEC 2007 Code of Conduct, as required by the Western Australian Public Sector Code of Ethics. All officers have access to the Code of Conduct on the DEC 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 three Ministerial directions this year: Royal Perth Yacht Club; Riversdale Parks and Recreation Reserve; and Riverside Gardens Caravan Perth Home Estate.

Delegations

Section 26 of the *Swan River Trust Act 1988* allows for the delegation of Trust 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, chairman, Development and Regulation Committee, and Park and Riverplan Committee. The delegations provide powers to make decisions in relation to development applications and project payments.

Industrial agreements

Trust officers are provided by DEC and are subject to industrial agreements negotiated with these bodies. Executive remuneration is paid in accordance with public service conditions, and reflects the department's industrial agreements.

Workers' compensation statistics

As Trust officers are provided by DEC, workers' compensation statistics are included in the DEC Annual Report 2006-07.



Compliance with legislation

The Trust complied with the following written laws.

Commercial Arbitration Act 1985

Contaminated Sites Act 2003

East Perth Redevelopment Act 1991

Environmental Protection Act 1986

Financial Administration and Audit Act 1985

Financial Management Act 2006

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 Interest Disclosure Act 2003

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
10 September 2007

Rod Hughes
General Manager
10 September 2007



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SWAN RIVER TRUST
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR
THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Swan River Trust.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. 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 key 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 key performance indicators.

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 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Trust provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Trust are relevant and appropriate to help me assess the Trust's performance and fairly represent the disclosed performance for the year ended 30 June 2007.

COLIN MURPHY
AUDITOR GENERAL
24 September 2007

Performance Management

Key Performance Indicators for the year ended 30 June 2007

Certification of key performance indicators

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

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 2007.

Rod Willox
Deputy Chairman
Accountable Authority
10 September 2007

Jim Freemantle
Member
Accountable Authority
10 September 2007

Key Effectiveness Performance Indicators

Performance framework

In 2005-06 the Trust approved a new performance framework with a stronger focus on outcomes. The framework was endorsed by the Office of the Auditor General (OAG) and the Department of Treasury and Finance (DTF) in March 2006. This is the first year the Trust has reported against this new performance framework.

Key effectiveness performance indicator

The extent to which management water quality targets are achieved in the Swan and Canning rivers 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; and
- 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 reduce the frequency of algal blooms and prevent further deterioration of estuarine water quality. In recognition of the long timeframes required for catchment management to affect nutrient levels in tributaries, short and long-term targets have been developed.

Table 8 Swan River Trust outcomes, services and performance structure

Government Goal			
Lifestyle and the Environment, protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment			
Government Strategic Outcome			
Impacts on the environment are responsibly and sustainably managed			
Desired outcomes	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
	Percentage 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	Percentage 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
	Percentage of development recommendations which have attracted negative responses from the community	Statutory assessment of development proposals	Average cost per application assessed
	Percentage of developments audited in full compliance with approval conditions	Waterways management	Average cost of audit compliance
			Average cost per tonne of waste removed



The Swan Canning Catchment targets

Table 9 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 were sampled each fortnight from June to November (many tributaries only flow during the winter/spring months). The calculation of the 2007 catchment target compliance incorporated three years of data up to and including October 2006, giving a total of around 30 samples for each catchment. Some catchments remained dry in the early winter months of 2006 resulting in fewer than 30 samples for compliance testing.

If a tributary had met the short-term target then it was assessed against the long-term target. If the tributary passed short and long-term targets then it was assessed to ensure that water quality had not deteriorated.

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

For interpretation of catchment tables see page 36.

Table 10 Compliance of monitored tributaries discharging into the Swan Canning river system with short and long-term nitrogen targets

Tributary	2003	2004	2005	2006	2007
Ellen Brook	(12) 11	(12) 30	(11) 30	(11) 32	(10) 29
Mills Street Main Drain	(12) 28	(12) 25	(12) 22	(12) 25	(12) 25
Bannister Creek	(12) 29	(12) 27	(12) 27	(12) 29	(12) 29
Bayswater Main Drain	(12) 24	(12) 21	(11) 21	(12) 21	(12) 20
Southern River	(12) 22	(12) 22	(12) 26	(12) 28	(12) 20
Bickley Brook	(12) 17	(12) 18	(12) 20	(12) 23	(12) 18
Bennett Brook	(12) 22	(12) 23	(12) 27	(12) 27	(11) 22
Yule Brook	(12) 14	(12) 15	(12) 12	(21) 15	(21) 14
Blackadder Creek	(12) 12	(21) 13	(21) 15	(21) 18	(20) 15
Canning River	(21) 6	(21) 7	(21) 6	(21) 6	(21) 2
Helena River	(10) 10	(19) 10	(19) 6	(21) 9	(20) 8
South Belmont Main Drain	(21) 4	(21) 6	(21) 4	(21) 7	(21) 5
Avon River	(21) 4	(21) 4	(21) 5	(21) 10	(21) 8
Susannah Brook	(18) 5	(19) 3	(19) 4	(21) 8	(18) 8
Jane Brook	(20) 6	(21) 7	(21) 8	(21) 8	(19) 6
Short-term target met (%)	100	100	100	100	100
Long-term target met (%)	47	47	53	53	53

Table 11 Compliance of monitored tributaries discharging into the Swan Canning river system with short and long-term phosphorus targets

Tributary	2003	2004	2005	2006	2007
Ellen Brook	(12) 28	(12) 29	(11) 29	(11) 31	(10) 27
Mills Street Main Drain	(12) 26	(12) 27	(12) 27	(12) 29	(12) 26
Southern River	(12) 29	(12) 30	(12) 32	(12) 32	(12) 23
South Belmont Main Drain	(12) 17	(12) 15	(12) 15	(12) 17	(12) 14
Bannister Creek	(12) 12	(21) 7	(21) 2	(21) 3	(21) 5
Yule Brook	(21) 11	(21) 6	(21) 3	(21) 2	(21) 9
Bayswater Main Drain	(21) 7	(21) 3	(21) 2	(21) 2	(21) 4
Bickley Brook	(21) 7	(21) 7	(21) 5	(21) 4	(21) 3
Blackadder Creek	(21) 3	(21) 2	(21) 2	(21) 1	(20) 1
Jane Brook	(20) 1	(21) 0	(21) 0	(21) 0	(19) 0
Avon River	(21) 1	(21) 1	(21) 2	(21) 2	(21) 2
Bennett Brook	(21) 1	(21) 1	(21) 2	(21) 2	(21) 3
Canning River	(21) 1	(21) 2	(21) 2	(21) 2	(21) 1
Helena River	(19) 0	(19) 0	(19) 0	(21) 0	(20) 0
Susannah Brook	(18) 0	(19) 0	(19) 0	(21) 0	(18) 0
Short-term target met (%)	93	93	93	93	93
Long-term target met (%)	73	73	73	73	73

Interpretation of the catchment tables

The colour of the cells in the tables indicates the target that the catchment was 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 had previously passed the short-term target but failed the long-term target and was therefore being assessed against the long-term target. A **green** cell means that the tributary had passed both targets, and the data were used to make sure that the tributary continued to meet the long-term target. The number inside the brackets indicates the maximum number of 'high' samples permitted to occur if the target was met (derived statistically). The number outside the bracket was the actual number of samples from the tributaries that had higher concentrations of nitrogen or phosphorus than the target levels shown in Table 9. If the number outside the bracket was higher than the number inside the bracket the Trust concluded that the target had not been achieved.

Compliance decisions

The maximum allowable excursion rate (e max) is statistically derived using the binomial distribution curve and is dependant on the percentile used (median for TN and TP – see next paragraph) and the hypothesis tested (compliance or breach).

The data are collected at intervals, rather than continuously, and consequently the true rate of excursion above a target value can only be estimated. Decision rules were developed using a 90 per cent confidence interval around the sample excursion rate. Samples above the 90 per cent confidence interval were determined to breach the target, whereas those below the 90 per cent confidence interval were determined to be compliant. Using this information, decision rules were developed (see Table 12).



Table 12 Examples of decision rules for catchment nutrient median targets using 30 samples

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

Catchment results

Total nitrogen concentration

In 2003, 100 per cent of the tributaries achieved the short-term target, a trend which has continued to 2007.

The number of tributaries passing the long-term target has improved since 2003. In 2003, 47 per cent of tributaries passed the long-term target. Further progress was made in the condition of the monitored tributaries in 2006 and 2007 with 53 per cent long-term target compliance.

Total phosphorus concentration

From 2003 to present, 93 per cent of tributaries met the short-term target. Ellen Brook was the only tributary where P concentrations were higher than the short-term target.

In 2003, 73 per cent of tributaries met the long-term P target. No further improvement has been noted in subsequent years up to and including 2007.

Summary

The nitrogen and phosphorus concentrations in the Swan Canning tributaries are low to moderate and have fallen during the 2003 to 2007 reporting period.

These results are encouraging, however it is likely that the data may have been influenced by the reduction of total annual rainfall in the last five years. This impact of climate change has most likely reduced the transport of nutrients to the Swan

Canning tributaries from the catchments. The trend is likely to continue, with predictions of significantly less rainfall in the Swan Canning Catchment and further reduction of flow in the short term (20 years) and longer term (70 years).

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 is likely to have a significant influence on phytoplankton growth in the middle and upper basins of the Swan estuary. The 2007 data suggest that Ellen Brook is unlikely to meet the short-term target soon (27 of 29 samples having TP concentrations greater than 0.2mg/L).

Swan Canning estuary targets

Key performance indicators are chlorophyll-a and dissolved oxygen concentrations in the surface one metre of water (Table 13). 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 13 Chlorophyll-a and dissolved oxygen targets for the Swan Canning estuary

Estuary basin	Chl-a Target (µg/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. This results in the collection of about 20 samples in each basin per year. These are pooled with the previous two years of data to provide a total of about 60 samples with which to test compliance.

Key to interpreting estuary performance indicator results in Tables 14 and 15

- Target not met
- Target met

Table 14 Chlorophyll-a concentration in the basins of the Swan Canning estuary compared to the targets

Basin	2004	2005	2006	2007
Upper Swan	(3) 17	(3) 10	(3) 24	(3) 25
Middle Swan	(3) 13	(3) 13	(3) 21	(3) 25
Lower Swan Canning	(10) 2	(10) 4	(10) 7	(10) 8
Middle Canning	(3) 6	(3) 6	(3) 14	(3) 14

Table 15 Dissolved oxygen saturation in the basins of the Swan Canning estuary compared to the targets

Basin	2004	2005	2006	2007
Upper Swan	(1) 16	(1) 12	(1) 9	(1) 23
Middle Swan	(1) 6	(1) 6	(1) 7	(1) 11
Lower Swan Canning	(6) 4	(6) 5	(6) 3	(6) 3
Middle Canning	(1) 5	(1) 8	(1) 6	(1) 12

In tables 14 and 15 the first number (in brackets) is the maximum allowable number of samples that can exceed the target before failing. The second number is the actual number of samples that exceed the target.

Results

Chlorophyll-a concentration

The lower basin of the Swan Canning estuary met the chlorophyll-a target in all four years (Table 14). The middle and upper basin of the Swan estuary and the middle basin of the Canning estuary failed to meet the target in all four years.

Oxygen saturation

The lower basin of the Swan Canning estuary met the dissolved oxygen target in every year evaluated (Table 15). The upper and middle Swan, and the middle Canning, failed to meet the dissolved oxygen targets in all four years.

Water quality in the lower estuary basin was generally good. The targets for the lower estuary were developed so they could be met under current conditions, and a failure to meet the target would indicate the water quality had deteriorated. Water quality in the middle basins of the Swan and Canning estuary and the upper basin of the Swan estuary needs improving. Specific management actions such as oxygenating the Swan and Canning rivers are designed to improve water quality. The target and compliance scheme are generally meeting expectations and performing well.

Algal biomass and dissolved oxygen concentrations in the summer are primarily influenced by the seasonal and long-term store of nutrients in the estuarine sediments. A reduction in algal blooms and the restoration of bottom water dissolved oxygen levels in the estuary will largely depend on the capacity to reduce the sediment store of nutrients. Consequently, there will most likely be a time lag between implementing catchment works, achieving 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 shown in Table 13. There are only two possible outcomes, pass or fail. Blue cells indicate that the target was not met, whereas green cells indicate that the target was achieved (Tables 14 and 15). 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 had a lower concentration than the target.

Key effectiveness performance indicator

Table 16 Percentage of foreshores protected and rehabilitated in relation to total area

2005-06 Actual	2006-07 Target	2006-07 Actual
17%	10%	86%

The Trust has an important role facilitating foreshore protection and rehabilitation through the provision of operational work capacity, technical expertise and grant funding for foreshore plans and rehabilitation projects undertaken by local governments in partnership with community groups. This work contributes significantly to the mitigation of riverbank erosion, restoration of foreshore vegetation and protection of associated ecological, aesthetic and social values.

This indicator measures the percentage of the total foreshore area that has been subject to management effort during the year. The total foreshore area is 22,282,128m². In 2006-07, Trust management of the foreshore covered an area of 19,150,607m² equating to 86 per cent of the total area.

Funding in 2006-07 included a foreshore assessment, begun in 2005-06, that covered a large area of the Swan Canning rivers at low cost. Without inclusion of the foreshore assessment as a discrete project, the expected foreshore area subject to direct protection and rehabilitation project works is likely to be around 10 per cent per year of the total area.

Key effectiveness performance indicator

Table 17 Percentage of people attending environmental education programs who change their behaviours as a result

2005-06 Actual	2006-07 Target	2006-07 Actual
77%	80%	75%

Trust environmental education programs provide the Perth community with the tools and information to change their behaviour to protect the Swan Canning river system. The Great Gardens workshop program is the most effective of these. By evaluating every workshop participant, the program is able to clearly identify positive behaviour changes.

The 2006-07 program delivered presentations at a number of community events in addition to targeted workshops. While the program was presented to more people this year, effective data cannot be captured for these additional events. As a result, figures show a decrease in the percentage of people changing their behaviours after taking part in this program.

Key effectiveness performance indicator

Table 18 Percentage of development recommendations which have attracted negative responses from the community

2005-06 Actual	2006-07 Target	2006-07 Actual
3%	3%	3%

Figures based on Trust recommendations to the Minister posted on the Trust website.

As a practice, Trust reports and recommendations to the Minister are posted on the Trust website and submissions from any member of the community are invited. If negative submissions are received, the report and submissions are referred to the Environmental Appeals Convenor for further consideration and additional advice to the Minister.

This indicator tests the alignment of Trust decisions against community expectations and is an appropriate measure because the majority of Trust recommendations to the Minister are either on land that is owned by the Crown, reserved for Parks and Recreation, or on land that abuts the waterways.

Submissions from proponents, although considered and dealt with by the Environmental Appeals Convenor, are not included in the measure because they could not be viewed as an impartial indicator of community attitudes.

Key effectiveness performance indicator

Table 19 Percentage of developments audited in full compliance with approval conditions

2005-06 Actual	2006-07 Target	2006-07 Actual
n/a	100%	100%

Protection of the rivers' amenity through placing conditions on approved development works, under Part V applications, depends largely on proponents satisfactorily meeting these conditions. The Trust audits compliance of pre-conditions, works conditions and ongoing conditions. Effectiveness of the approval conditions is measured as the per cent audited in full compliance with approval conditions.

In 2006-07 all of the 39 Part V development audits undertaken were in full compliance with approval conditions with no adverse impact on the environment or loss of community benefit caused through non-compliance with approval conditions.

Key Efficiency Performance Indicators

Key efficiency performance indicators

The Trust's new performance management framework was fully implemented for the first time in 2006–07. It sets a new benchmark for annual comparison in the future. Costs include appropriated corporate costs and other costs not directly attributed to the specific service.

Table 20 Key efficiency performance indicators

Desired outcomes	Services	Key efficiency performance indicators	2005-06 Actual \$	2006-07 Target \$	2006-07 Actual \$	Note
The ecological health of the Swan Canning river system is protected and enhanced	Development and implementation of environmental management programs	Average cost of river monitoring per kilometre of river managed (approximately 156 km)	211	239	421	Increased funds are attributed to this service for new Government initiatives – Oxygenation and Ellen Brook projects.
		Average cost per square metre of foreshore undergoing protection and rehabilitation works	1.40	2.29	0.25	Target was incorrectly calculated. A comprehensive foreshore assessment of the Swan and Canning rivers was completed at low cost.
	Communication of environmental information	Average cost per person attending an environmental education program	338	343	320	Increase in attendance has improved efficiency measure.
The long-term community benefit of the Swan Canning river system is protected and enhanced	Statutory assessment of development proposals	Average cost of application assessed	3,167	4,254	2,725	Application process maintained in the short term, despite limited ability to attract suitably skilled staff.
	Waterways management	Average cost of audit compliance	n/a	3,458	9,636	Increased number of more complex Part V audits completed. The number of audits is, in some measure, driven by external demand.
		Average cost per tonne of waste removed	1,515	1,533	4,608	Effort reallocated to other Riverpark priorities, such as regulatory offence follow up.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**SWAN RIVER TRUST
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR
THE YEAR ENDED 30 JUNE 2007**

I have audited the accounts, financial statements, controls and key performance indicators of the Swan River Trust.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. 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 key 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 key performance indicators.

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 2007 and its financial performance at cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Trust provide reasonable assurance that the receipt expenditure and investment of money, the acquisition and disposal of property, at the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Trust are relevant and appropriate to help use assess the Trust's performance and fairly represent the indicated performance for the year ended 30 June 2007.

COLIN MURPHY
AUDITOR GENERAL
24 September 2007

Financial Statements

Disclosures and Legal Compliance for the year ended 30 June 2007

Certification of financial statements

The accompanying financial statements of the Swan River Trust have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2007 and the financial position as at 30 June 2007.

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

Steve Gray
A/Chief Finance Officer
10 September 2007

Rod Willox
Deputy Chairman
Accountable Authority
10 September 2007

Jim Freemantle
Member
Accountable Authority
10 September 2007



Income Statement for the year ended 30 June 2007

	Note	2007 \$	2006 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	4	2,786,417	2,615,998
Finance costs	5	8,088	9,149
Supplies and services	6	4,672,218	4,111,214
Depreciation expense	7	97,816	93,208
Accommodation expenses	8	257,507	231,757
Capital user charge	9	126,000	127,800
Other expenses	10	39,992	197,192
Grants and subsidies	11	2,017,389	1,871,508
Total cost of services		<u>10,005,427</u>	<u>9,257,826</u>
Income			
Revenue			
User charges and fees	12	59,645	31,411
Commonwealth grants and contributions	13	84,636	140,000
Other revenue	14	458,645	183,450
Total revenue		<u>602,926</u>	<u>354,861</u>
Gains			
Gain on disposal of non-current assets	15	–	53,955
Total Gains		<u>–</u>	<u>53,955</u>
Total income other than income from State Government		<u>602,926</u>	<u>408,816</u>
NET COST OF SERVICES		<u>9,402,501</u>	<u>8,849,010</u>
INCOME FROM STATE GOVERNMENT			
	16		
Service appropriation		10,873,000	8,870,000
Resources received free of charge		8,335	4,589
Total income from State Government		<u>10,881,335</u>	<u>8,874,589</u>
SURPLUS FOR THE PERIOD		<u><u>1,478,834</u></u>	<u><u>25,579</u></u>

See also note 37 'Schedule of Income and Expenses by Service'.

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

Balance Sheet as at 30 June 2007

	Note	2007 \$	2006 \$
ASSETS			
Current Assets			
Cash and cash equivalents	26	2,622,641	23,224
Restricted cash and cash equivalents	17	131,354	10,000
Receivables	18	1,092,394	1,006,714
Amounts receivable for services	19	150,000	100,000
Total Current Assets		<u>3,996,389</u>	<u>1,139,938</u>
Non-current Assets			
Amounts receivable for services	19	251,000	240,000
Property, plant and equipment	20	713,984	621,467
Total Non-current Assets		<u>964,984</u>	<u>861,467</u>
TOTAL ASSETS		<u>4,961,373</u>	<u>2,001,405</u>
LIABILITIES			
Current Liabilities			
Payables	22	1,668,005	188,228
Borrowings	23	9,028	6,643
Other current liabilities	24	10,000	10,000
Total Current Liabilities		<u>1,687,033</u>	<u>204,871</u>
Non-current Liabilities			
Borrowings	23	119,353	128,381
Total Non-current Liabilities		<u>119,353</u>	<u>128,381</u>
Total Liabilities		<u>1,806,386</u>	<u>333,252</u>
NET ASSETS		<u>3,154,987</u>	<u>1,668,153</u>
EQUITY			
Contributed equity	25	108,000	100,000
Accumulated surplus		<u>3,046,987</u>	<u>1,568,153</u>
TOTAL EQUITY		<u>3,154,987</u>	<u>1,668,153</u>

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



Statement of Changes in Equity for the year ended 30 June 2007

	Note	2007 \$	2006 \$
Balance of equity at start of period		1,668,153	1,692,574
CONTRIBUTED EQUITY	25		
Balance at start of period		100,000	92,000
Capital contribution		8,000	8,000
Balance at end of period		<u>108,000</u>	<u>100,000</u>
RESERVES	25		
Asset revaluation reserve			
Balance at start of period		–	58,000
(Losses) from asset revaluation		–	(58,000)
Balance at end of period		<u>–</u>	<u>–</u>
ACCUMULATED SURPLUS (RETAINED EARNINGS)	25		
Balance at start of period		1,568,153	1,542,574
Surplus for the period		1,478,834	25,579
Balance at end of period		<u>3,046,987</u>	<u>1,568,153</u>
Balance of equity at end of period		<u>3,154,987</u>	<u>1,668,153</u>
Total income and expense for the period (a)		<u>1,478,834</u>	<u>(32,421)</u>

(a) The aggregate net amount attributable to each category of equity is: surplus \$1,478,834 plus (loss)/gain from asset revaluation nil. The gain from asset revaluation of \$28,000 is included as a reversal of a prior year decrement. (2006: surplus \$25,579 minus revaluation reserve loss \$58,000. A revaluation decrement of \$87,000 is included in the surplus).

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

Cash Flow Statement for the year ended 30 June 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		10,712,000	8,709,000
Capital contributions		8,000	8,000
Holding account drawdowns		100,000	100,000
Net cash provided by State Government		<u>10,820,000</u>	<u>8,817,000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(2,789,322)	(2,473,674)
Supplies and services		(3,354,639)	(4,309,678)
Finance costs		(6,341)	(9,091)
Grants and subsidies		(1,851,431)	(2,296,700)
Capital user charge		(126,000)	(127,800)
Accommodation		(257,507)	(245,334)
GST payments on purchases		(287,322)	(382,473)
GST payments to the taxation authority		–	(21,506)
Other payments		(37,042)	(193,541)
Receipts			
User charges and fees		59,645	31,411
Commonwealth grants and contributions		211,000	–
GST receipts on sales		5,912	28,198
GST receipts from the taxation authority		398,612	316,446
Other receipts		104,182	183,450
Net cash (used in) operating activities	26	<u>(7,930,253)</u>	<u>(9,500,292)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of non-current physical assets		–	80,000
Purchase of non-current physical assets		(162,333)	(244,381)
Net cash (used in) investing activities		<u>(162,333)</u>	<u>(164,381)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(6,643)	(8,686)
Net cash (used in) financing activities		<u>(6,643)</u>	<u>(8,686)</u>
Net increase/(decrease) in cash and cash equivalents		2,720,771	(856,359)
Cash and cash equivalents at the beginning of period		<u>33,224</u>	<u>889,583</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	26	<u><u>2,753,995</u></u>	<u><u>33,224</u></u>

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



Notes to the Financial Statements for the year ended 30 June 2007

1 AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

General

The Trust's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Trust has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Trust cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Trust for the annual reporting period ended 30 June 2007.

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 Financial Management 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.

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

(c) Reporting Entity

The reporting entity comprises the Trust and entities listed at note 35 'Related and Affiliated 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 Treasurer's Instruction (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 25 Equity*.

(e) Income

Revenue recognition

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 and can be measured reliably.

Notes to the Financial Statements for the year ended 30 June 2007

Rendering of services

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

Interest

Revenue is recognised as the interest accrues.

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 Department of Treasury and Finance (DTF). See note 16 '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 balance sheet 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 unexpended 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 \$1,000 or more 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 where 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 for 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.

Where market-based 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-based 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, i.e. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.



Notes to the Financial Statements for the year ended 30 June 2007

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

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-based evidence of value is available. Land under infrastructure is included in land reported under Property, plant and equipment. Independent valuations are obtained every 3 to 5 years.

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 and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. See note 20 '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 using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Plant and equipment	4 to 10 years
Information technology assets	4 years
Furniture and fittings	10 years

(h) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each balance sheet 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 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 an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. 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.

(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, WATC loan).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face 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 not material.

(j) Cash and Cash Equivalents

For the purpose 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 22 'Payables') 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 its net fair value.

Notes to the Financial Statements for the year ended 30 June 2007

(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 note 16 'Income from State Government' and note 19 'Amounts receivable for services'.

(m) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is 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 2(i) 'Financial Instruments' and note 18 '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 2(i) 'Financial Instruments' and note 22 '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 2(i) 'Financial Instruments' and note 23 'Borrowings'.

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date.

Provisions - Employee Benefits

All employees performing the functions of the Trust are employees of the Department of Environment and Conservation (DEC). Therefore the Trust has no liability in relation to employee benefits. Liability for employee entitlements rests with DEC.

(q) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

Defined contribution plans - employer contributions paid to the Gold State Superannuation Scheme (GSS), the WestState Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

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

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

(s) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES**Initial application of an Australian Accounting Standard**

The Trust has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

1. 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 currently undertake these types of transactions, resulting in no financial impact in applying the Standard.
2. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005. 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 balance sheet date, the Trust has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.



Notes to the Financial Statements for the year ended 30 June 2007

3. UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, the Trust has not entered into any contracts as specified in the Interpretation, resulting in no impact in applying the Interpretation.

The following Australian Accounting Standards and Interpretations are not applicable to the Trust as they have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

2005-1	'Amendments to Australian Accounting Standard' (AASB 139 – Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	'Amendments to Australian Accounting Standards [AASB 121]'
2006-3	'Amendments to Australian Accounting Standards [AASB 1045]'
2006-4	'Amendments to Australian Accounting Standards [AASB 134]'
2007-2	'Amendments to Australian Accounting Standards arising from
AASB	Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraph 9
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'
UIG 8	'Scope of AASB 2'

Voluntary changes in Accounting Policy

Future impact of Australian Accounting Standards not yet operative

The Trust cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Trust has not applied the following Australian Accounting Standards and Australian Accounting 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 considered to result in increased disclosures, both quantitative and qualitative of the Trust's exposure to risks, enhanced disclosure regarding components of the Trust's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Trust does not expect any 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 2007.
2. 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)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Trust does not expect any 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 2007.
3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Trust is a not-for-profit entity and consequently does not expect any 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 2007.

Notes to the Financial Statements for the year ended 30 June 2007

4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
5. AASB 2007-5 'Amendment to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Trust does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
6. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Trust has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, 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 2008.
7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the

application of the Interpretation to the Trust if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Trust has not entered into any public-to-private service concession arrangements 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 2008.

8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Trust has not entered into any public-to-private service concession arrangements 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 2008.

The following Australian Accounting Standards and Interpretations are not applicable to the Trust as they will have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

AASB 8	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraphs 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 – Group and Treasury Share Transactions'



Notes to the Financial Statements for the year ended 30 June 2007

	2007	2006
	\$	\$
4 EMPLOYMENT BENEFITS EXPENSE		
Wages and salaries (a)	2,708,076	2,612,847
Superannuation – defined contribution plans (b)	78,341	3,151
	<u>2,786,417</u>	<u>2,615,998</u>
<p>(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.</p> <p>(b) Defined contribution plans include WestState and Gold State (contributions paid).</p> <p>Employment on-costs such as workers' compensation insurance are included at note 10 'Other expenses'. Officers are employed by DEC. All entitlements are now provided for within DEC.</p>		
5 FINANCE COSTS		
Interest paid	<u>8,088</u>	<u>9,149</u>
6 SUPPLIES AND SERVICES		
Consultants and contractors	4,395,173	3,830,941
Travel	10,758	3,364
Materials	118,697	69,239
Audit fees	14,500	14,500
Communications	17,082	27,086
Other	116,008	166,084
	<u>4,672,218</u>	<u>4,111,214</u>
7 DEPRECIATION EXPENSE		
Office fixtures and fittings	1,445	1,448
Computer hardware	12,380	9,137
Plant, machinery and equipment	83,991	82,623
	<u>97,816</u>	<u>93,208</u>

Notes to the Financial Statements for the year ended 30 June 2007

	2007	2006
	\$	\$
8 ACCOMMODATION EXPENSES		
Lease rental	155,760	140,184
Power expenses	17,915	16,124
Other lease expenses	83,832	75,449
	<u>257,507</u>	<u>231,757</u>
9 CAPITAL USER CHARGE	<u>126,000</u>	<u>127,800</u>
10 OTHER EXPENSES		
Repairs and maintenance	67,992	102,603
Asset revaluation decrements (a)	(28,000)	87,000
Employment on-costs (b)	–	7,589
	<u>39,992</u>	<u>197,192</u>

(a) The Valuer General revalued down by \$145,000 in 2005–06 a parcel of land owned by the Trust but has now revalued the land up by \$28,000. The decrement in 2005–06 was \$87,000 now offset in 2006–07 by \$28,000 revaluation increment.

(b) Includes workers' compensation insurance and other employment on-costs. Officers are employed by DEC. All entitlements are now provided for within DEC.



Notes to the Financial Statements for the year ended 30 June 2007

	2007	2006
	\$	\$
11 GRANTS AND SUBSIDIES		
<u>Recurrent</u>		
Armadale Gosnells Landcare Group	–	30,498
Campbell Management Services	14,000	–
City of Armadale	20,115	–
City of Bayswater	70,100	–
City of Belmont	–	105,046
City of Canning	57,500	21,350
City of Fremantle	–	20,650
City of Gosnells	32,396	42,791
City of Melville	18,206	8,660
City of Nedlands	–	19,599
City of Perth	101,483	825,231
City of South Perth	–	22,616
City of Subiaco	–	18,391
City of Swan	70,218	14,996
Department of Agriculture	–	135,000
Department of Environment and Conservation	99,888	29,522
Eastern Metropolitan Regional Council	85,000	59,081
Ellen Brockman Integrated Catchment Group	110,267	36,053
Friends of Attadale Foreshore	–	13,191
Garden Gurus	8,000	–
North Metro Catchment Group	85,000	56,194
South East Regional Centre for Urban Landcare	394,853	149,478
Swan Catchment Council	350,000	109,000
The National Trust	–	10,000
Town of Bassendean	328,104	40,447
Town of East Fremantle	–	95,543
Town of Vincent	172,059	–
Wilson Wetlands	–	8,171
Other	200	–
Expenses incurred for the year	<u>2,017,389</u>	<u>1,871,508</u>
12 USER CHARGES AND FEES		
User charges	<u>59,645</u>	<u>31,411</u>

Notes to the Financial Statements for the year ended 30 June 2007

	2007	2006
	\$	\$
13 COMMONWEALTH GRANTS AND CONTRIBUTIONS		
The Natural Heritage Trust	71,000	140,000
Department of Environment and Water Resources (Canberra)	13,636	–
	<u>84,636</u>	<u>140,000</u>
14 OTHER REVENUE		
Sundry revenue and contributions	<u>458,645</u>	<u>183,450</u>
15 GAIN ON DISPOSAL OF NON-CURRENT ASSETS		
<u>Costs of Disposal of Non-current Assets</u>		
Plant and equipment	–	26,045
<u>Proceeds from Disposal of Non-current Assets</u>		
Plant and equipment	–	80,000
Net gain	<u>–</u>	<u>53,955</u>
16 INCOME FROM STATE GOVERNMENT		
Appropriations received during the year		
Service appropriation (a)	10,873,000	8,870,000
Resources received free of charge (b)		
Determined on the basis of the following estimates provided by agencies:		
State Solicitors Office	8,335	4,589
	<u>10,881,335</u>	<u>8,874,589</u>

(a) Service appropriations are accrual amounts reflecting the full 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 contributions 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. It does so where such assets and/or services 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.

Notes to the Financial Statements for the year ended 30 June 2007

	2007 \$	2006 \$
17 RESTRICTED CASH AND CASH EQUIVALENTS		
Current		
Funds under contract (a)	121,354	–
Developer bonds (b)	10,000	10,000
	<u>131,354</u>	<u>10,000</u>

(a) Amount held in the account is to be used only for the purposes defined under contractual arrangements.

(b) The cash held in this account is to be used in fulfilling the condition of preparing foreshore management plans.

18 RECEIVABLES

Current		
Receivables	374,215	154,000
Accrued revenues	44,085	–
GST receivable	174,594	187,256
	<u>592,894</u>	<u>341,256</u>

See note 2(m) 'Receivables'.

Prepayments	499,500	665,458
	<u>1,092,394</u>	<u>1,006,714</u>

19 AMOUNTS RECEIVABLE FOR SERVICES

Current	150,000	100,000
Non-current	251,000	240,000
	<u>401,000</u>	<u>340,000</u>

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.

Notes to the Financial Statements for the year ended 30 June 2007

	2007 \$	2006 \$
20 PROPERTY, PLANT AND EQUIPMENT		
Freehold land at fair value (a)	153,000	125,000
	<u>153,000</u>	<u>125,000</u>
Plant and equipment at cost	785,829	639,881
Accumulated depreciation	(266,163)	(182,172)
	<u>519,666</u>	<u>457,709</u>
Information technology assets	69,478	53,093
Accumulated depreciation	(31,295)	(18,915)
	<u>38,183</u>	<u>34,178</u>
Furniture and fittings	10,139	10,139
Accumulated depreciation	(7,004)	(5,559)
	<u>3,135</u>	<u>4,580</u>
	<u>713,984</u>	<u>621,467</u>

(a) Freehold land and buildings were revalued during the year ended 30 June 2007 by the Western Australian Land Information Authority (Valuation Services). The effective date of valuation was 1 July 2006.

Notes to the Financial Statements for the year ended 30 June 2007

Reconciliation of property, plant and equipment

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

2007	Furniture and Fittings	IT Assets	Plant and Equipment	Freehold Land	Total
	\$	\$	\$	\$	\$
Carrying amount at start of year	4,580	34,178	457,709	125,000	621,467
Additions	–	16,385	145,948	–	162,333
Revaluation increments/(decrements)	–	–	–	28,000	28,000
Depreciation	(1,445)	(12,380)	(83,991)	–	(97,816)
Carrying amount at end of year	<u>3,135</u>	<u>38,183</u>	<u>519,666</u>	<u>153,000</u>	<u>713,984</u>

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 increments/(decrements)	–	–	–	(145,000)	(145,000)
Depreciation	(1,448)	(9,137)	(82,623)	–	(93,208)
Carrying amount at end of year	<u>4,580</u>	<u>34,178</u>	<u>457,709</u>	<u>125,000</u>	<u>621,467</u>

Notes to the Financial Statements for the year ended 30 June 2007

	2007 \$	2006 \$
21 IMPAIRMENT OF ASSETS		
There were no indications of impairment of property, plant and equipment as at 30 June 2007.		
The Trust held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.		
All surplus assets at 30 June 2007 have either been classified as assets held for sale or written-off.		
22 PAYABLES		
Current		
Trade payables	1,092,078	119,394
Accrued expenses	544,484	21,711
Accrued salaries	31,443	47,123
	<u>1,668,005</u>	<u>188,228</u>
See note 2(n) and note 32 'Financial Instruments'.		
23 BORROWINGS		
Current		
Borrowings from WA Treasury Corporation (WATC)	9,028	6,643
Non-current		
Borrowings from WATC (a)	119,353	128,381
	<u>128,381</u>	<u>135,024</u>
(a) Capital contributions have been provided in the current budget estimates to retire this debt in 2007-08. This arrangement is yet to be finalised.		
24 OTHER CURRENT LIABILITIES		
Developer bonds	<u>10,000</u>	<u>10,000</u>



Notes to the Financial Statements for the year ended 30 June 2007

	2007 \$	2006 \$
25 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	100,000	92,000
Contributions by owners		
Capital contributions	8,000	8,000
Balance at end of year	<u>108,000</u>	<u>100,000</u>
Reserves		
Asset revaluation reserve		
Balance at start of year	–	58,000
Net revaluation increments/(decrements):		
Land	–	(58,000)
Balance at end of year	<u>–</u>	<u>–</u>
Accumulated surplus (retained earnings)		
Balance at start of year	1,568,153	1,542,574
Result for the period	1,478,834	25,579
Balance at end of year	<u>3,046,987</u>	<u>1,568,153</u>

26 NOTES TO THE CASH FLOW STATEMENTReconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	2,622,641	23,224
Restricted cash and cash equivalents		
<i>See note 17 'Restricted cash and cash equivalents'.</i>	131,354	10,000
	<u>2,753,995</u>	<u>33,224</u>

Notes to the Financial Statements for the year ended 30 June 2007

	2007 \$	2006 \$
26 NOTES TO THE CASH FLOW STATEMENT <i>(continued)</i>		
<u>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u>		
Net cost of services	(9,402,501)	(8,849,010)
Non-cash items:		
Depreciation expense	97,816	93,208
Resources received free of charge	8,335	4,589
Revaluation decrement	(28,000)	87,000
Net gain on disposal of non-current assets	–	(53,955)
(Increase) in assets:		
Current receivables	(98,342)	(810,891)
Increase in liabilities:		
Current payables (III)	1,479,777	40,979
Other current liabilities	–	47,123
Net GST receipts (I)	117,202	294,940
Change in GST in receivables and payables (II)	(104,540)	(354,275)
Net cash (used in) operating activities	<u>(7,930,253)</u>	<u>(9,500,292)</u>

(I) This is the net GST paid/received, ie. cash transactions.

(II) This reverses out the GST in receivables and payables.

(III) Note that ATO receivable/payable in respect of GST and receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they are not reconciling items.

Non-cash financing and investment activities

During the year there were no assets 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 2007

27 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.

28 COMMITMENTS

The Trust has no commitments of expenditure as at 30 June 2007.

29 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Trust has no contingent liabilities and contingent assets as at 30 June 2007.

30 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

31 EXPLANATORY STATEMENT

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

(i) Significant variances between estimated and actual results for 2007

Cost of Services	Note	2007 Estimate \$'000	2007 Actual \$'000	Variation \$'000
Employee benefits expense	(a)	2,359	2,786	(427)
Supplies and services	(b)	6,439	4,672	1,767
Accommodation expenses	(c)	8	258	(250)
Grants and subsidies	(d)	1,000	2,017	(1,017)

(a) Employee benefits expense
Increased staff costs associated with establishing the Swan Canning Riverpark and the Healthy Rivers Action Plan.

(b) Supplies and services
Time taken to receive approvals limited amounts being spent.

(c) Accommodation expenses
Estimate did not reflect the expected expenditure for the year.

(d) Grants and subsidies
Estimate did not account for all external projects receiving grants and subsidies.

Notes to the Financial Statements for the year ended 30 June 2007

31 EXPLANATORY STATEMENT *(continued)***(ii) Significant variances between actual results for 2006 and 2007**

	Note	2007 \$'000	2006 \$'000	Variance \$'000
Supplies and services	(a)	4,672	4,111	(561)
Other revenue	(b)	459	183	276

(a) Supplies and services

First year of new funding received for new Government initiatives – Oxygenation and Ellen Brook projects.

(b) Other revenue

Increase mainly due to additional external funding for communications education based projects.

32 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 below.

Credit risk

The Trust trades only with creditworthy 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 is no significant concentration of credit risk.

Liquidity risk

The Trust has appropriate procedures to manage cash flows by monitoring forward cash flows to ensure sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Trust's exposure to market rates for changes in interest rates relate primarily to the long-term debt obligations. The Trust's borrowings are obtained through the WATC 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 has no borrowings other than the Treasurer's advance (non-interest bearing) and finance leases (fixed interest rate).



Notes to the Financial Statements for the year ended 30 June 2007

32 FINANCIAL INSTRUMENTS (continued)**b) Financial instrument disclosures**

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

Fixed Interest Rate Maturity						
	Weighted Average Effective Interest Rate	Within 1 Year \$000	1 to 5 Years \$000	More than 5 Years \$000	Non- Interest Bearing \$000	Total \$000
2007	%					
Financial Assets						
Cash assets		–	–	–	2,623	2,623
Restricted cash assets		–	–	–	131	131
Receivables		–	–	–	1,092	1,092
		–	–	–	3,846	3,846
Financial Liabilities						
Payables		–	–	–	1,668	1,668
WATC loan	6.20	9	47	72	–	128
		9	47	72	1,668	1,796
2006	%					
Financial Assets						
Cash assets		–	–	–	23	23
Restricted cash assets		–	–	–	10	10
Receivables		–	–	–	1,007	1,007
		–	–	–	1,040	1,040
Financial Liabilities						
Payables		–	–	–	188	188
WATC loan	6.13	7	44	84	–	135
		7	44	84	188	323

Net Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Notes to the Financial Statements for the year ended 30 June 2007

2007
\$ **2006**
\$

33 REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

Remuneration of members of the accountable authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, and other benefits for the financial year, fall within the following bands are:

\$	2007	2006
0 - 10,000	1	1
10,001 - 20,000	3	3
20,001 - 30,000	1	1

The total remuneration of members of the accountable authority is

73,931 73,196

The total remuneration includes the superannuation expense incurred by the Trust in respect of members of the Trust.

No members of the accountable authority are members of the Pension Scheme.

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, and other benefits for the financial year, fall within the following bands are:

\$	2007	2006
120,001 - 130,000	-	1
130,001 - 140,000	1	-

The total remuneration of senior officers is

130,175 127,284

The superannuation included here represents 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.



Notes to the Financial Statements for the year ended 30 June 2007

2007	2006
\$	\$

34 REMUNERATION OF AUDITOR

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

Auditing the accounts, financial statements and performance indicators	14,500	14,500
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35 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.

36 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 or 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 2007

37 SCHEDULE OF INCOME AND EXPENSES BY SERVICE

	Statutory Assessment of Development Proposals		Waterways Management		Development and Implementation of Environmental Management Programs		Communication of Environmental Information		Total	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000
COST OF SERVICES										
Expenses										
Employee benefits expense	424	204	622	299	1,335	1,783	406	330	2,787	2,616
Finance costs	–	1	1	1	6	6	1	1	8	9
Supplies and services	91	321	381	469	3,536	2,802	664	519	4,672	4,111
Depreciation expense	5	7	10	11	72	63	11	12	98	93
Accommodation expenses	14	18	27	27	188	158	28	29	257	232
Capital user charge	6	10	13	15	93	87	14	16	126	128
Other expenses	2	15	3	22	30	135	5	25	40	197
Grants and subsidies	–	146	–	214	1,975	1,276	42	236	2,017	1,872
Total cost of services	542	722	1,057	1,058	7,235	6,310	1,171	1,168	10,005	9,258
Income										
User charges and fees	–	1	60	28	–	–	–	2	60	31
Commonwealth grants and contributions	–	5	–	18	84	109	–	8	84	140
Other revenue	–	7	–	–	40	167	419	10	459	184
Gain on disposal of non-current assets	–	2	–	7	–	42	–	3	–	54
Total income other than income from State Government	–	15	60	53	124	318	419	23	603	409
NET COST OF SERVICES	542	707	997	1,005	7,111	5,992	752	1,145	9,402	8,849
INCOME FROM STATE GOVERNMENT										
Service appropriation	810	709	1,413	1,006	7,391	6,005	1,259	1,150	10,873	8,870
Resources received free of charge	–	–	1	1	6	3	1	1	8	5
Total income from State Government	810	709	1,414	1,007	7,397	6,008	1,260	1,151	10,881	8,875
SURPLUS FOR THE PERIOD	268	2	417	2	286	16	508	6	1,479	26



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