Victorian Regional Channels Authority

ANNUAL REPORT 2012/13

Victorian Regional Channels Authority
Annual Report 2012 – 2013

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Our vision

By employing the world's best practices, we aim to:

- Provide customer focussed navigation services.
- Enhance overall port performance.
- Provide safe and secure management of port waters.
- Ensure environmentally responsible marine operations.

Our mission

To provide safe, secure and environmentally responsible navigation services to the users and operators of Victoria's regional commercial ports.

Scope of operations

The Victorian Regional Channels Authority (VRCA) is established under the *Transport Integration Act 2010* to manage channels in the port waters of Geelong, and oversee channel operations in the Port of Portland and Hastings. It began operations on 1 April 2004.

The principal functions of the VRCA, as provided in Part 6 of Division 3B of the *Transport Integration Act 2010*, are to:

- establish, manage, dredge and maintain the channels in port waters and provide and maintain navigation aids in port waters in accordance with standards of the Director of Marine Safety;
- provide general direction and control of the movement of vessels within port waters in accordance with the *Marine Safety Act 2010*;
- provide technical advice and support to port managers about the management and operation of port waters and channels in port waters; and
- assist port managers, at their request, and with the approval of the Minister, with integrated planning, development, management and promotion activities for the port.

The VRCA is directly responsible for shipping control in the port waters of Geelong and contracts the shipping control and navigation channel services for the Port of Portland and the Port of Hastings to the operators of these ports.

The VRCA has numerous stakeholders, including agents and owners of vessels who use its services. These owners and agents are charged according to the Gross Tonnage (GT) of their vessels for the use of channels, navigation aids, shipping control and other associated services. Income is derived almost entirely from this charge.

Additional responsibilities of the VRCA in relation to preparation of the Port Development Strategy are contained in Part 6B of the *Port Management Act 1995.* This responsibility came into effect in 2012.

The VRCA reports to the Minister for Ports with respect to industry policy and to the Treasurer with respect to shareholder and governance matters. The VRCA has a three-member Board of Directors and an establishment of six employees.

Chairman's report

It is my pleasure to report on another successful year of operations for the Victorian Regional Channels Authority (VRCA).

I would like to begin by thanking our outgoing Director, Mr Lindsay Ward, for his valuable contribution to the Board, and welcome Mr Peter Dorling, who joined the Board in August 2012, bringing a wealth of experience with him. I would also like to express our gratitude to Ms Merran Kelsall for her continued outstanding service to the Board.

Over the past year we have continued to see growth in vessel movements through the Port of Geelong. The port had a total of 770 ships visiting during 2012/13, an increase of 140 ship visits (22 per cent) from the previous year. This is the highest number of ship visits since the VRCA commenced operations in 2004.

At 16.3 million gross tons, the total gross tonnage of ships entering the port was also the highest since we commenced operations, with the most significant cargo types remaining crude oil, petroleum products, woodchips, fertiliser and grain.

I am pleased to note that, despite the extra shipping movements, the VRCA's shipping control functions and channel infrastructure met the same standards of efficiency and safety as previous years.

The port of Geelong is Victoria's most important bulk cargo port, providing a major transport hub for southwest Victoria. Given this significance, the efficiency and reliability of the port, including its marine infrastructure, is a key factor in the economic performance of the region.

Since joining the Board in 2011, I have seen the VRCA take an increasingly important role in supporting the port of Geelong. Through its readiness to provide leadership on a range of port issues – and its status as an independent body - it has become the recognised lead agency in Geelong for the port related co-ordination of safety, security and environmental issues as well as for providing a focal point for stakeholder and community involvement.

The year saw the successful auditing of the Port of Geelong's safety and Environmental Management Plan (SEMP), which was prepared jointly by VRCA, GeelongPort Pty. Ltd. and Graincorp Limited and the development of the Port of Geelong Development Strategy. We have also continued work on the channels safety adjustment project.

Throughout the past year the VRCA has continued to work closely with local community groups. These include the Geelong Chamber of Commerce, G21, the City of Greater Geelong, the Geelong Manufacturing Council and the Committee for Geelong as well as community service organisations and local residents.

We have also continued our commitment to improving understanding and appreciation of the port through our Port Education Program. Since its commencement in 2006, this program has provided port-related education experiences to more than 6,000 secondary school students. We were particularly excited to expand our on-line education portal this year, providing interactive learning activities and video presentations on the role of Geelong's channels, berths and port facilities.

Throughout 2012/13, the VRCA has built on its strengths, with a commitment to continuously improve both its day-to-day shipping control and channel management functions and its and its contribution to the planning, development and operation of the port in the wider context.

I would like to congratulate my fellow directors and the staff of the VRCA on a very successful year of operations. We can look forward to further achievements and productive collaboration in the year to come.

Kenneth E Jarvis
Chair

Chief Executive Officer's report

The VRCA's financial results for 2012/13 exceeded budget expectations with the VRCA posting a before tax profit of $4.4 million based on a total turnover of $9.1 million. Operating expenses for the year amounted to $4.7 million and were in line with budget expectations.

The 2012/13 operating profit was the highest achieved by the VRCA since its establishment. While grain shipments were down five per cent – after the bumper season the previous year – fertiliser throughput increased by nine per cent, and liquid bulk imports and exports increased by about ten per cent, with particular growth in petroleum products, crude oil, sulphuric acid and bitumen.

It was pleasing to see a steady increase in the number of ship visits and gross tonnage to the port over the past ten years.

I am pleased to report another successful year of incident - free channel operations in 2012/13. Safety and efficient marine operations remain at the forefront of all our endeavours.

Throughout the year we also maintained our public awareness campaign targeting recreational port users who operate small craft in the port of Geelong. This campaign promotes safe boating practices, including the need to keep clear of commercial shipping in the Geelong channels. It was delivered through print and electronic media and through personal visits to community groups and boating organisations by VRCA staff.

Improved accessibility and risk minimisation in the Geelong channels is also one of the VRCA's highest priorities. We have identified the need for channel improvement and realignment works to improve manoeuvrability at the bend radius at Hopetoun Channel and are ready to commence an EOI process. We are in the final stages of reaching approval for this project under the *Coastal Management Act 1995*.

Once approved, the VRCA will be in a position to proceed with the detailed design of both the channel improvements and the processes required for managing any environmental effects of these works.

Throughout the year, the VRCA has continued to meet its responsibilities regarding the oversight of channel operations at Portland and Hastings.

In terms of our strategic activities, the main focus has been the continued co-ordination of the Port of Geelong Development Strategy, which has progressed well and will be published before the end of 2013.

Developed in consultation with port users and the broader community, the Port of Geelong Development Strategy addresses specific issues faced by the port, including those arising from its location within Geelong. In particular, given the general shortage of space available for development, the strategy has a strong focus on the need for better connections between parcels of port-related land.

As part of the planning process, the VRCA extended our port capacity simulation model to include analysis of landside infrastructure, including road and rail connections to the port, as well as availability of stockpiles and other storage capacity. Our latest Economic Impact Study and recent shipping study also provided important data for the Strategy.

A key output of the Port Development Strategy is a detailed analysis of the economic impacts of projected future trade and port-related activity over the next 10 to 20 years. These projections will significantly aid port users and decision makers in their future planning.

To conclude I would like to thank our customers and stakeholders for their continued support, which has been crucial to the safe and successful operations of the port as a whole.

I would also like to extend my gratitude to the Chairman and Directors of the VRCA Board for their contribution and support over the last 12 months. We bid a grateful farewell to outgoing Director, Mr Lindsay Ward, and extend a warm welcome to new Director, Mr Peter Dorling.

Finally, I thank my fellow staff members for their unstinting commitment and achievements throughout the year. I look forward to working with them to achieve a safe and successful year ahead.

Captain Peter McGovern
Chief Executive Officer

Executive summary

Highlights of the year:

- Continuing leadership and coordination of the Geelong Port Development Strategy, a major collaborative strategic planning process involving representatives from all of the major operators in the port.
- Continuing implementation of a formal industry consultation and meeting program for the above Port Development Strategy
- Extension of the VRCA's Port Capacity Simulation modelling to include landside transport connections and port related storage capacity.
- Implementation of a cargo movement study and detailed economic impact analysis associated with the Port Development Strategy.
- Completion of the 2013 audit of the Port of Geelong Safety and Environmental Management Plan (SEMP).
- Completion of the navigation simulation work undertaken with the Port Phillip Sea Pilots to test vessel transits in the Geelong channels under a variety of sea conditions and vessel operating parameters.
- Detailed simulation and capacity modelling for potential berth extensions at Corio Quay South and Lascelles Wharf.
- Completion of the annual hydrographic survey to determine the maintenance of channel depths and to assess the extent of works required to improve access to the port.
- Review of risks and risk controls in the VRCA Risk Management Register
- Continuation of the awareness campaign warning small craft of risks associated with channel usage.
- Continuation of the Port Educational Program for Year 9 to 11 students from Geelong and surrounding regions.
- Completion of an expanded education portal that features interactive learning activities and video presentations.
- Expansion of the VRCA education program to participate in the 'Northern Futures' education and training program for disadvantaged adults in the region.

Ongoing provision of key services and facilities:

- 24-hour commercial shipping management service.
- Liaison with pilot services, tugs, lines boats, lines men, quarantine services and customs.
- Planning and supervision of tasks for the provision and maintenance of all navigation aids for commercial shipping.
- Oversight of channel operations at the Port of Portland and at the Port of Hastings.
- Provision of professional maritime advice about ships, cargoes and operations in port waters.
- Undertaking research and the collection of information on shipping industry trends.
- Strategic planning for future needs of commercial shipping in regional commercial channels.
- Provision of regular industry briefings.
- Provision of support for port consultative groups.

Establishment and functions

The VRCA is defined as a Transport Corporation under the *Transport Integration Act 2010* with the responsibility of managing the shipping channels in the Port of Geelong and overseeing the channels in the Port of Portland and the Port of Hastings.

Objectives of the VRCA

The principal objective of the VRCA is to ensure that port waters and channels in port waters are managed on a fair and reasonable basis.

In pursuit of this objective, the VRCA aims to:

- Operate a safe and secure channel operations business;
- Exhibit a culture of sustainability including demonstrated social and environmental responsibility;
- Provide the State with a reasonable return on investment;
- Provide a quality service to its customers at a reasonable charge;
- Manage all assets and liabilities on a prudent basis; and
- Be a good employer by adopting and applying appropriate personnel policies.

Profiles of Geelong piers and wharves

Geelong is the largest regional port in Victoria, handling 25 per cent of Victoria's bulk cargoes, most of which are raw materials like petroleum products, fertiliser, grain and woodchips.

The port hosts a number of separate piers and wharves including:

- Point Henry Pier
- Bulk Grain Pier
- Corio Quay
- Lascelles Wharf
- Refinery Pier
- Point Wilson Explosives Pier
- Cunningham Pier
- Rippleside

Aside from the Point Wilson Explosives Pier, Cunningham Pier and the new Bulk Grain Pier, Geelong Port is managed by GeelongPort Pty. Ltd., which has owned most of the land-based infrastructure since the port was privatised in July 1996.

Point Henry Pier

The facility is owned by GeelongPort Pty. Ltd. but operated and managed by Alcoa Australia Limited.

Berth	Max LOA	Max Draft	Remarks
Point Henry Pier	209m	11.4m	Alcoa – alumina unloading

Bulk Grain Pier

The 'old' bulk grain pier is owned by GeelongPort Pty. Ltd. It is used as a tug berth and lay-up berth. The 'new' bulk grain pier is owned and operated by GrainCorp Ltd for export of bulk grain and woodchips.

Berth	Max LOA	Max Draft	Remarks
Bulk Grain Pier 1	210m	9.9m	Berth facilities used by Svitzer for their towage operations
Bulk Grain Pier 2	192m	11.6m	Lay up berth
Bulk Grain Pier 3	225m	11.6m	GrainCorp – dedicated grain/woodchip

Corio Quay

Corio Quay comprises Corio Quay North and Corio Quay South. The facility forms the nucleus of GeelongPort Pty Ltd's operations in Geelong.

Berth	Max LOA	Max Draft	Remarks
Corio Quay 1 & 2 North	375m	10.4m	Woodchip (priority)/dry bulk/general cargo
Corio Quay 3 North	166m	10.4m	General cargo
Corio Quay 4 North	230m	10.4m	Woodchip
Corio Quay 1 South	180m	10.4m	General cargo

Lascelles Wharf

Lascelles Wharf is owned and managed by GeelongPort Pty. Ltd. for receipt and dispatch of general cargo.

Berth	Max LOA	Max Draft	Remarks
Lascelles Wharf 1, 2 & 3	621m	11.6m	Dry bulk cargo

Refinery Pier

This facility is owned by GeelongPort Pty. Ltd. but is operated by Shell Australia Ltd and Terminals Ltd for receival and, in some cases, the export of oil products and chemicals.

Berth	Max LOA	Max Draft	Remarks
Refinery Pier 1 & 2	185m	11.6m	Petroleum and chemical products
Refinery Pier 3	230m	11.6m	Petroleum products and VCM
Refinery Pier 4	265m	11.6m	Crude oil and VCM

Point Wilson Explosives Pier

Point Wilson is located north east of Corio Bay. The channels leading to the pier are serviced by the VRCA. The site was used by the Australian Defence Industries as an explosives depot. It has been closed to shipping until further notice.

Berth	Max LOA	Max Draft	Remarks
Point Wilson Jetty North	168m	8.5m	Explosives
Point Wilson Jetty South	168m	8.5m	Explosives

Cunningham Pier

This privately owned facility is included under Victoria's declared port waters. The pier provides berthing for occasional visits by naval vessels.

Berth	Max LOA	Max Draft	Remarks
Cunningham Pier East	186m	7.9m	Cruise and naval vessels
Cunningham Pier West	186m	7.9m	Cruise and naval vessels

Rippleside

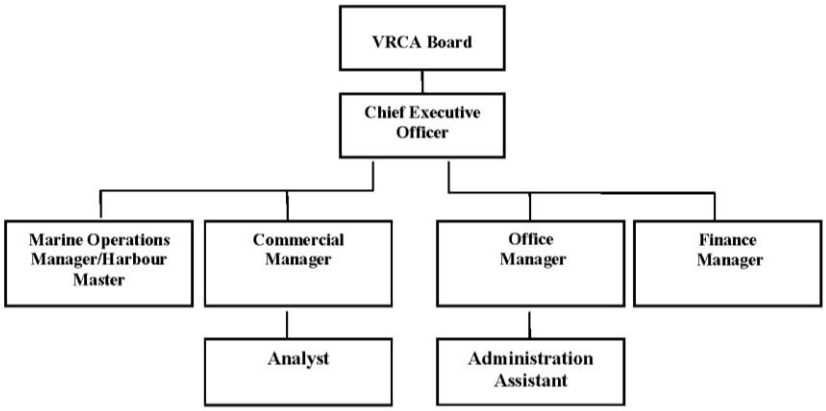
Currently not in operation pending development of the area.

Staff establishment

The VRCA has a Board of Directors of three and an establishment of seven staff. Six staff members are permanent, while the Finance Manager is on contract.

Given the small establishment size, the role of the VRCA is essentially one of oversight and management of contracts and projects. Key functions such as shipping control, hydrographic survey, dredging and maintenance of navigation aids are outsourced and contracted to third parties.

Organisational structure



Income and pricing

The VRCA is a self-funded transport corporation, obtaining income from a tonnage charge levied on commercial shipping using the port waters of Geelong. Additional revenue is derived from contracts with Shell and Alcoa arising from the underwriting of a channel deepening project and from a surcharge levied upon itinerant users of the deeper draught waters within the Geelong Channel.

The VRCA does not gain any revenue from:

- Passenger cruise liners and naval vessels using channels or services under the VRCA's control; or
- Commercial shipping using the Ports of Hastings or Portland.

Primary revenue

The basis for shipping charges

The VRCA sets prices for its tonnage charges on shipping based on a gross tonnage measure which is related to the internal volume of the vessel accessing the port.

The VRCA reviews its pricing annually and fixes prices for a year in advance. The 2012/2013 Channel Usage Charge was 32 cents per gross ton.

Details of tariffs are issued to customers annually by letter and can be downloaded from the VRCA website (www.regionalchannels.vic.gov.au).

Additional revenue

Geelong Channel Improvement Program

The deepening of the Geelong Channels in May 1998 was underwritten by the Shell Company of Australia Ltd and Alcoa Australia Ltd under agreements entered into in 1995 with the Victorian Channels Authority.

As a result, both companies are required by contract to make an annual payment to the VRCA. The contract provides for annual increases equivalent to 75 percent of the CPI movement over the previous twelve months.

The agreements with Shell and Alcoa will remain in effect for 30 and 50 years respectively from the date of commencement.

Itinerant use

A charge is levied on itinerant users of the deepened Geelong channels for vessels other than those of Shell and Alcoa, for using water deeper than 10.5 metres. The charge is based on a scale per centimetre of draught over 10.5 metres as follows:

Vessel type	Vessel size (Gross Ton)	Rate
Handy	Up to 21,999	$171.00
Handymax	22,000 – 29,999	$182.50
Panamax	> 29,999	$216.00

Financial performance

Total turnover for VRCA for the 12 months ended 30 June 2013, incorporating revenue from non-operating activities, was $9.1 million. This was above expectations, and resulted in a before tax profit of $4.7 million. The reported profit after tax was $3.1 million which included an after tax expense of $1.3 million Operating expenses for year amounted to $4.4 million and were in line with budget expectations.

Dividend Distribution Targets

Dividend is as determined by the Treasurer in accordance with Section 41 of the PSA after discussion with the VRCA Board. During 2012/2013 the VRCA paid $2,105,000.

Operating expenses

Operating expenses for 2012/2013 amounted to $4.7 million. This represents minimal variation on spending from the previous year and was in line with budget expectations.

Special projects costs

Additional expenditure of $0.4 million was incurred to fund one-off items categorised as *special projects*. These are VRCA initiatives aimed at identifying and mitigating risks associated with the present port operations and at strategic planning for the Port of Geelong.

Operating performance

Gross tonnage handled

In 2012/2013 total gross tonnage of ships entering Geelong ports was 16.3 million gross tons; an overall increase of 0.3 million tons on the previous year.

As in previous years the significant cargo types passing through the port of Geelong were: crude oil and petroleum products, woodchips, fertiliser, and grain.

Grain exports decreased by 5 per cent compared with last year while fertiliser throughput has increased by 8 per cent compared to the previous year.

Bulk liquid imports and exports, including petroleum products, crude oil, sulphuric acid and bitumen, are up in terms of volumes of products by about 10% on last year.

Gross tonnage and number of ships

Gross tonnage and number of ships visiting Geelong ports for the last 10 years has risen as per table below.

Year	Gross tonnage handled	Ship visits
2002-2003	11.6 million	461
2003-2004	11.9 million	443
2004-2005	11.9 million	470
2005-2006	12.3 million	545
2006-2007	12.9 million	478
2007/2008	13.6 million	540
2008/2009	12.1 million	522
2009/2010	10.6 million	435
2010/2011	14.2 million	508
2011/2012	16.0 million	630
2012/2013	16.3 million	770

Key functions

Hydrographic survey and dredging

A key VRCA responsibility is to maintain shipping channels to the Port of Geelong to a declared depth of 12.3 metres at all times. Knowledge about the state of the channels is obtained by conducting annual hydrographic surveys of Port of Geelong channels, berths and anchorages. Since 2005 it has been established that maintenance dredging is unlikely to be needed for the foreseeable future.

Surveys conducted on behalf of the VRCA over the past five years by an independent team confirm this fact, and show that no significant shoaling or other hazards are evident in Geelong berths and channels. Accordingly, maintenance dredging will not be required before the next annual survey in 2014.

Port development and capacity studies

The VRCA has been requested by the Victorian State Government to take the lead role in the preparation of the Geelong Port Development Strategy. This is a statutory requirement under the *Port Management Act 1995* and a significant ongoing commitment for the VRCA with the Strategy to be updated every four years.

The VRCA's role in preparing the Port Development Strategy involves the co-ordination of multiple inputs including industry research and economic studies as well as considering advice gained directly from port operators, cargo owners and stakeholders.

Studies undertaken as part of the Port Development Strategy include those related to current and projected land use, cargo movements, ship size, channel capacity and land-side access as well as general port infrastructure. These studies include computer modelling and simulation undertaken in collaboration with port users.

Risk management

The Risk Management Register established by the VRCA in 2004 provides a framework within which the VRCA fulfils its responsibilities under the *Port Management Act (1995)* on behalf of customers and users of regional ports. The VRCA Risk Committee of the VRCA Board met once throughout this financial year to review the register. No significant revisions were made, as all major controls have been implemented and active for a number of years.

Safety and the environment

The provision of safe and secure port waters and assurance of environmentally responsible marine operations is a key indicator of performance for the VRCA. In 2012/2013 the Authority reported zero marine incidents of significance and undertook a number of initiatives to maintain the standards of navigation aids and facilities in port waters.

Marine pollution

Under the *Marine Safety Act 2010*, the Director (Marine Safety) Transport Safety Victoria is responsible for ensuring that there are adequate resources to respond effectively to marine pollution events in Victorian waters. The Director has designated the Port of Melbourne Corporation (PoMC) as the responsible regional control agency within the Port Phillip region, including Corio Bay.

Responsibility for investigating marine pollution incidents in Victorian waters belongs to the Victorian Environmental Protection Authority (EPA). The VRCA has a reporting and support role in relation to such incidents and cooperates with the PoMC, the EPA and emergency services organisations as required and as directed by the Director (Marine Safety) Transport Safety Victoria.

During 2012/2013 no major marine pollution incidents occurred in port waters.

Study of port environment and sediments

Department of Sustainability and Environment (DSE) protocols require that the VRCA conduct a survey of sea bed sediments in Geelong port waters every two years, and provide it with the results. Surveys have been conducted in 2005, 2007, 2009, 2011, and 2012 as part of the Channel Safety Adjustment Program.

The information collected from the surveys is used to inform long-term port planning and environmental assessment. Most importantly, it is incorporated into the VRCA Channel Improvement database to establish baselines for future comparison.

Port education program for local schools

In 2012/2013 the VRCA continued its Port Educational Program targeting Year 9 and 10 students in the Geelong region with the aim of raising public awareness of the importance of the port to the local community. Students were drawn from local, Geelong-based schools as well as schools in other regional areas near Geelong.

The VRCA also updated its on-line education portal this year, and extended its program into the 'Northern Futures' education and training program for disadvantaged adults in the region.

Continuation of the safety awareness campaign

In order to minimise the level of incidents involving small leisure craft in port channels, the Authority resumed the 'Keep Clear of Big Ships!' education and awareness program begun in 2007/2008.

A program of presentations by senior staff to community organisations was undertaken to spread the safety message as widely as possible. As in previous years, this was supported by local radio advertisements, newspaper advertising, and distribution of promotional flyers and merchandise.

Once again the VRCA launch George Molland was used by the Harbour Master to patrol port waters during peak periods and major yachting and boating events.

Stakeholder engagement

The VRCA maintains a program of regular contact with key customers and stakeholders. It actively participates in a wide variety of forums involving major stakeholders, including G21, the Geelong Chamber of Commerce, the Committee for Geelong, the City of Greater Geelong and the Geelong Manufacturing Council, the Channel User Group (whose members include Shell, GeelongPort Pty. Ltd. and Graincorp), Department of Transport Planning and Local Infrastructure, Department of Treasury and Finance and the Department of Environment and Primary Industries.

The VRCA is also involved in various committees focused on port security, safety and environmental issues.

Additional information

TRADING RESULTS

The Authority's profit / (loss) for the year was $3.1 million (2011/2012 $0.6 million) after allowing for an income tax expense / (benefit) of $1.3 million (20111/2012 $0.3 million). The results for 2011 – 2012 included additional expense associated with revaluation of infrastructure assets of $3.1 million with tax benefit of $0.9 million.

REPORTING

The Authority reports to the Minister for Ports, The Hon David Hodgett MP.

EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year the directors are not aware of any matter or circumstance not otherwise dealt with in this report, which has the potential to significantly affect the operations of the Authority, the results of those operations or the state of affairs of the Authority in subsequent financial years.

DIRECTORS' BENEFITS

No Director of the Authority has, since the end of the previous financial period, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors shown in the financial statements) by reason of a contract made by the Authority, a controlled entity or a related body corporate with a director or with a firm of which the director has a substantial financial interest.

INFORMATION ON DIRECTORS

Kenneth Jarvis OAM KSJ MAICD (Chairman) was appointed Chairman of the VRCA in April 2011. He was appointed a director of GMHBA Ltd in September 2004 and appointed chairman in June 2010. He is also a director of Gordon TAFE Ltd and ADAL Ltd (the company that runs the Avalon Air Show). He has had past extensive involvement with a range of community organisations, including being a director of Geelong College Ltd, President of the Geelong College Foundation Ltd, director of the Geelong Community foundation Ltd, Chairman of the Linton Appeal, Vice President and life member of the Geelong Hospital, Patron of Geelong Red Cross, and Patron of the Deakin Great Hall Appeal. He was also a former Mayor of the City of Greater Geelong from 1990 to 2001 and lead the revitalisation of Geelong through projects such as the upgrade of the Geelong to Melbourne Road and the upgrade of the Geelong waterfront. He has also sat on many other community boards in the Geelong area. He is currently managing Director of Aerolite Quarries Pty Ltd and has a number of other personal company interests. He has been CEO of a number of large private companies and has held senior executive roles in Alcoa Ltd and other public companies. He has qualifications in metallurgy, mathematics and engineering and has worked extensively in the mining industry across Australia. He is also a qualified commercial helicopter and fixed wing pilot.

Merran Kelsall (Deputy Chairman) began her career in Chartered Accountancy, becoming a partner in a major practice in 1987. She has worked as an independent director and consultant since 1996. Merran has considerable experience in highly regulated industries, especially financial services, health and utilities. Merran's current appointments include: Chairman Auditing and Assurance Standards Board and Australian Health Service Alliance Ltd., Director RACV Ltd, and Superpartners Pty. Ltd. Member of International Auditing and Assurance Standards Board and Commissioner of the Taxi Services Commission.

Peter Dorling (Director) was appointed a Director of the VRCA on 23 October 2012. Peter is the Business Manager for Avalon Airport Australia. Peter's role is to explore and harness local and International business development for the airport.

Peter's previous roles have been Executive Director for the Committee for Geelong and Manager, Strategic Development for Surf Coast Shire.

Peter holds a Masters Degree in Business Management from the Royal Melbourne Institute of Technology

Peter's affiliations include : Fellow of the Local Government Professionals, Member of the Institute of Water Administration of Victoria, Deputy Chair of Regional Development Australia Committee Barwon South West, Board Member of the Geelong Performing Arts Centre, Chairman Geelong Northern Futures Program and Member of Corio Advisory Committee.

DIRECTORS' MEETINGS

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director is:

Director	Number held	Number attended
Kenneth E Jarvis	5	5
Merran Kelsall	5	5
Peter Dorling	3	3

PECUNIARY INTERESTS

The directors, chief executive officer and senior managers have completed a statement of pecuniary interests.

AUDIT COMMITTEE MEMBERSHIP AND ROLE

The Audit Committee consists of all the members of the Board of the Authority, with Merran Kelsall as Chair.

The main responsibilities of the Audit Committee are to:

- Determine the scope of the internal audit function and ensure that its resources are adequate and used effectively including co-ordination with the external auditors;
- Oversee the effective operation of the risk management framework; and
- Review the Authority's internal control environment covering:
  - Effectiveness and efficiency of operations;
  - Reliability of financial reporting; and
  - Compliance with applicable laws and regulations.

FINANCE AND AUDIT COMMITTEE MEETINGS

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director is:

Director	Number held	Number attended
Kenneth E Jarvis	5	5
Merran Kelsall	5	5
Peter Dorling	3	3

RISK COMMITTEE MEMBERSHIP AND ROLE

Board members of the Authority constitute membership of the Committee, with Peter Dorling as Chairman.

The Risk Committee sits on a half yearly basis to review the risk register and progress in risk management procedures.

The main responsibilities of the risk committee are to:

- Ensure the continuing assessment of the risk environment;
- Oversee the review and audit of the risk register; and
- Ensure the reliable reporting of risks and operational controls.

RISK COMMITTEE MEETINGS

The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director is:

Director	Number held	Number attended
Kenneth E Jarvis	1	1
Merran Kelsall	1	1
Peter Dorling	1	1

EXECUTIVE OFFICER REMUNERATION

The number of executive officers whose total remuneration is $100,000 or more is shown below in their relevant income bands:

Income bands	2013 Number	2012 Number
$160,000 to 169,999	-	1
$170,000 to 179,999	2	1

INDEMNIFICATION OF OFFICERS

During the financial year, the Authority took out an agreement to indemnify directors and executive officers against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Authority) incurred in their position as director or executive officer unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

STATUTORY REQUIREMENTS

Freedom of Information Act

There were no requests under the Freedom of Information Act 1982 received during the year. The Authority has complied with the Act.

Building Act

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

Competitive Neutrality

The Authority complies with Victorian Government policy on competitive neutrality.

Occupational Health and Safety (OH&S)

The Authority had an Occupational Health and Safety (OH&S) committee in place that met on a regular basis to deal with any issues raised. The committee was made up of representatives from a cross section of the Authority.

The Authority reported no significant incidents or lost time injuries for the year.

Whistleblowers' Protection Act

The Authority is committed to the aims and objectives of the Whistleblowers' Protection Act 2001.

Since the commencement of the Act in January 2002, no disclosures have been received or investigations made by the Authority, and it has not referred any disclosures to the Ombudsman for any reasons. Neither has the Ombudsman referred any disclosures or made any recommendations to the Authority.

Disability Act

The Authority is committed to the aims and objectives of the Victorian Disability Act 2006 in regard to respecting the rights and needs of people with a disability.

Multicultural Awareness

The Authority is committed to promoting culturally appropriate policies, programs and strategies. With employees representing several nationalities, cultural sensitivities within the work environment is strongly encouraged.

Risk Attestation Statement

I, Kenneth Jarvis, certify that the Victorian Regional Channels Authority (VRCA) has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard AS/NZS 31000:2009.

The VRCA has in place an internal control system which enables the management of the VRCA to understand, manage and control risk exposures. In addition, the VRCA has a Risk Management Committee comprising all of the Board members of the Authority.

The Risk Committee sits on a half yearly basis to review the risk register and the progress of risk management procedures.

Annual Report

The Authority has complied with its statutory obligations in relation to the annual report. Information in relation to the Authority's following activities has been complied with and is available upon request:

- Declarations of pecuniary interests;
- Publications produced by the authority;
- Changes in prices, fees, charges, rates and levies;
- Major external reviews carried out;
- Overseas visits;
- Occupational health and safety; and
- Industrial accidents and disputes.

For and on behalf of the Board

Kenneth E Jarvis
Chair
Geelong

Merran Kelsall
Deputy Chair
Geelong

Victorian Regional Channels Authority

FINANCIAL STATEMENTS

For the year ended 30 June 2013

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VICTORIAN REGIONAL CHANNELS AUTHORITY
COMPREHENSIVE OPERATING STATEMENT
For the year ended 30 June 2013

	Note	2013 $'000	2012 $'000
Continuing operations			
Income			
Channel income		8,552	8,017
Other income	3	556	693
Total income		**9,108**	**8,710**
Expenses			
Employee benefits	4(a)	937	974
Depreciation and amortisation	4(b)	935	999
Other maintenance		226	195
Lease	4(c)	188	195
Insurance		172	162
Marine services		940	799
Vessel expenses		50	59
Consultancies and contractors		165	151
Waterway Management		137	139
Special projects		443	574
Revaluation write down	8	-	3,089
Loss on disposal of fixed assets		9	2
Other expenses		471	447
Total expenses		**4,673**	**7,785**
Profit/(loss) for the year before income tax expense/(benefit)		**4,435**	**925**
Income tax expense/(benefit)	5	1,333	280
Profit/(loss) for the year	**13**	**3,102**	**645**
Other comprehensive income			
Items that will not be reclassified to profit and loss		-	-
Items that may be reclassified subsequently to profit and loss		-	-
Total other comprehensive income		**-**	**-**
Total comprehensive income/(loss) for the year		**3,102**	**645**

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

VICTORIAN REGIONAL CHANNELS AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Note	2013 $'000	2012 $'000
Current assets			
Cash and cash equivalents	6	17,732	15,772
Prepayments		174	152
Trade and other receivables	7	776	775
Total current assets		**18,682**	**16,699**
Non-current assets			
Infrastructure, property, plant and equipment	8	22,443	23,104
Deferred tax assets	5(c)	851	1,093
Total non-current assets		**23,294**	**24,197**
Total assets		**41,976**	**40,896**
Current liabilities			
Trade and other payables	9	406	274
Provisions	10(a)	731	787
Total current liabilities		**1,137**	**1,061**
Non-current liabilities			
Provisions	10(b)	43	36
Total non-current liabilities		**43**	**36**
Total liabilities		**1,180**	**1,097**
Net assets		**40,796**	**39,799**
Equity			
Contributed capital	11	57,883	57,883
Reserves	12	505	505
Retained profit/(accumulated losses)	13	(17,592)	(18,589)
Total equity		**40,796**	**39,799**

The above statement of financial position should be read in conjunction with the accompanying notes.

VICTORIAN REGIONAL CHANNELS AUTHORITY
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013

	Contributed capital $'000	Reserves $'000	Retained profit/ (accumulated losses) $'000	Total equity $'000
Balance at 1 July 2011	**57,883**	**505**	**(17,504)**	**40,884**
Profit/(loss) for the year (refer note 13)	-	-	645	645
Total comprehensive income for the year	**-**	**-**	**645**	**645**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid (refer note 13)	-	-	(1,730)	(1,730)
	-	**-**	**(1,730)**	**(1,730)**
Balance at 30 June 2012	**57,883**	**505**	**(18,589)**	**39,799**
Profit/(loss) for the year (refer note 13)	-	-	3,102	3,102
Total comprehensive income for the year	**-**	**-**	**3,102**	**3,102**
Transactions with owners in their capacity as owners:				
Dividends provided for or paid (refer note 13)	-	-	(2,105)	(2,105)
	-	**-**	**(2,105)**	**(2,105)**
Balance at 30 June 2013	**57,883**	**505**	**(17,592)**	**40,796**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

VICTORIAN REGIONAL CHANNELS AUTHORITY
STATEMENT OF CASH FLOWS
For the year ended 30 June 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Receipts from trade and other debtors		9,374	8,972
Payments to trade creditors, other creditors and employees		(3,819)	(3,947)
Goods and services tax paid to the Australian Taxation Office		(584)	(519)
Interest received		588	687
Income tax paid (refer note 1(e))		(1,182)	(1,058)
Net cash inflow from operating activities	**22**	**4,377**	**4,135**
Cash flows from investing activities			
Payments for infrastructure, property, plant and equipment		(407)	(585)
Proceeds from sale of infrastructure, property, plant and equipment		95	89
Net cash (outflow) from investing activities		**(312)**	**(496)**
Cash flows from financing activities			
Dividends paid	13	(2,105)	(1,730)
Net cash (outflow) from financing activities		**(2,105)**	**(1,730)**
Net increase in cash and cash equivalents		**1,960**	**1,909**
Cash and cash equivalents at the beginning of the financial year		15,772	13,863
Cash and cash equivalents at the end of the financial year	**6**	**17,732**	**15,772**

The above statement of cash flows should be read in conjunction with the accompanying notes.

VICTORIAN REGIONAL CHANNELS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

Contents

Note 1. Summary of significant accounting policies

(a) Corporate information

Victorian Regional Channels Authority (VRCA) is a Government Business Enterprise established by the Victorian Government under the *Port Management Act 1995 (Vic)*. The financial statements cover VRCA as an individual reporting entity. The Board of VRCA is directly accountable to the Victorian Government through the Minister for Ports, Major Projects, Racing and Regional Cities and the Treasurer.

The principal activities of VRCA are outlined under Section 21 of the *Port Management Act 1995 (Vic)* and cover the management and maintenance of the Geelong shipping channels and direction and control of vessels within the Geelong port waters. The main objective of VRCA is to ensure that port waters and channels in port waters are managed for use on a fair and reasonable basis.

The financial statements incorporate all activities of VRCA.

(b) Statement of compliance

The financial statements of VRCA are a set of general purpose financial statements, which have been prepared on an accrual basis, with the exception of the Statement of Cashflows, in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) and Interpretations, including AASB 1049.

The annual financial statements were authorised for issue by the VRCA Board on 8 August 2013.

(c) Basis of accounting preparation and measurement

The financial statements have been prepared on an accruals and a historical cost basis, except for the revaluation of property, plant and equipment. Cost is based on the fair values of the consideration given in exchange for assets. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

VRCA has been assessed as a for-profit entity under *Financial Reporting Direction (FRD) 108*.

These financial statements are presented in Australian dollars, the functional and presentation currency of VRCA.

Compliance with International Financial Reporting Standards

The financial statements of VRCA also comply with IFRS as issued by the International Accounting Standards Board (IASB).

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented for the year ended 30 June 2012.

(d) Revenue

Revenue is measured at fair value of the consideration received or receivable.

VRCA recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to VRCA and specific criteria have been met for each of VRCA's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the income have been resolved. VRCA bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for each of VRCA's major activities as follows:

(i) Channel fees

Channel fees represents revenue earned from the levying of channel fees (use of shipping channels). These fees are recognised as revenue in the period in which the service has been consumed by the users.

(ii) Interest revenue

Interest revenue represents revenue received or receivable on at-call and short-term deposits invested by VRCA. It is recognised as the interest accrues to the net carrying amount of the financial assets using the effective interest rate method. At-call and short-term deposits are brought to account at fair value.

(iii) Sundry revenue

Sundry revenue is all other revenue earned by VRCA not dealt with above. Sundry revenue is recognised as revenue in the period in which the service has been provided.

Note 1. Summary of significant accounting policies *(continued)*

(e) Income tax

By direction of the Treasurer of Victoria under the *State Owned Enterprises Act 1992*, VRCA is subject to the National Tax Equivalent Regime (NTER).

The amount recognised for current tax is based on the profit or loss for the year as adjusted for non-assessable and non-deductible items. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of assets and liabilities as determined under income tax legislation.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities (other than as a result of the acquisition of an entity or operation) which affects neither taxable income nor net profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the carrying amount of the asset or liability is recovered or settled. Deferred tax is recognised as an expense or benefit in the profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

The NTER is administered by the Australian Taxation Office on behalf of the States and Territories. Income tax is paid or payable to the State.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and VRCA intends to settle its current tax assets and liabilities on a net basis.

(f) Leases

Operating lease

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the statement of financial position.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the nature of incentive or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Note 1. Summary of significant accounting policies *(continued)*

(g) Impairment of assets

All of VRCA's assets, except financial assets and deferred tax assets, are assessed annually for indications of impairment (i.e. as to whether their carrying value exceeds their recoverable amount).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to profit or loss except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(h) Cash and cash equivalents

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits held at call with financial institutions and those highly liquid investments with an original maturity of three months or less, that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(i) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that VRCA may not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

(j) Other financial assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 1. Summary of significant accounting policies *(continued)*

(k) Infrastructure, property, plant and equipment

All non-financial physical assets, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

(i) ***Revaluations of non-financial physical assets***

Non-financial physical assets are measured at fair value, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation occurs every five years, based upon the asset's government purpose classification but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of FRD 103D.

Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Net revaluation increments (where the carrying amount is increased as a result of a revaluation) are recognised as a credit in equity under the asset revaluation reserve. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same asset previously recognised as an expense in the net result.

Net revaluation decrements are recognised immediately in the net result. However the net revaluation decrement is debited directly to equity under the heading of the asset revaluation reserve to the extent that a credit balance exists in the asset revaluation reserve in respect of the same asset.

In 2010, a formal valuation of VRCA's non-current physical assets were performed to determine fair value as follows:

Class	Method	Valuer
Channel assets	Discounted cash flows	Valuer-General Victoria
Plant and Equipment	Depreciated replacement cost	Management's Assessment
Navigation aids	Depreciated replacement cost	Valuer-General Victoria

Refer to note 8 for details of the assumptions applied in undertaking a managerial valuation of the channel assets in 2012 and 2013.

The written down value of plant and equipment approximates fair value.

(ii) ***Depreciation***

All infrastructure assets, channels, plant and equipment and other non-financial physical assets (excluding items under operating leases) that have finite useful lives are depreciated. Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current and prior years.

Asset class	Useful life
Channels	40 years
Navigation aids	5-40 years
Office furniture, fittings and equipment	3-10 years
Motor vehicles	4 years

(iii) ***Changes in accounting estimates***

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial reporting period and, where changed, are accounted for as a change in an accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method.

The interim revaluation of channel assets and reassessment of useful lives resulted in a change to depreciation in 2012 and resulted in a decrease in depreciation on channel assets in 2012 of $88,000 per year. There was not change to deprecation for the 2013 year.

Note 1. Summary of significant accounting policies *(continued)*

(k) Infrastructure, property, plant and equipment *(continued)*

(iv) ***Acquisition***

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

Infrastructure, property, plant and equipment represent non-current assets comprising channels, navigation aids, motor vehicles and plant and equipment used by VRCA in its operations. Items with a cost or value in excess of $1,000 (2012: $1,000) and a useful life of more than one year are recognised as assets. All other assets are expensed as acquired.

(v) ***Recoverable amount***

An asset's carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount (refer to note 1(g)).

(vi) ***Repairs and maintenance***

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

(vii) ***Major maintenance dredging costs***

The shipping channels in port waters are subject to deterioration through siltation, which reduces the depth of water available to commercial shipping. The channels are restored to proper depths by routine maintenance dredging. Dredging and associated costs (including all costs incurred under the dredging contract to restore the channels to proper depths) are capitalised and will be amortised once the asset is ready for use.

(l) Intangible assets

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses are capitalised to software and systems. Costs capitalised include external direct costs of materials and services. Amortisation is calculated on a straight-line basis over periods ranging from 3 to 5 years (or shorter if the useful life assessment indicates otherwise). The basis of amortisation is consistent with the prior year.

(m) Payables

Trade and other payables are recorded at amortised cost. Due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to VRCA prior to the end of the financial year that are unpaid as at year end. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Provisions

Provisions are recognised when VRCA has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(o) Employee benefits

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

(i) ***Wages, salaries and sick leave***

Liabilities for wages and salaries, expected to be settled within 12 months of the reporting date, are measured at their nominal amounts (including on-costs) using the remuneration rates expected to apply at the time of the settlement and are recognised as current liabilities. No liability is recognised for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will not be used.

Note 1. Summary of significant accounting policies *(continued)*

(o) Employee benefits *(continued)*

(ii) *Annual leave*

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to the reporting date, having regard to rates expected to apply when the liabilities are settled. Appropriate amount of on-costs have been included. The entire obligation has been recognised as a current liability as VRCA does not have an unconditional right to defer settlement. Those liabilities expected to be settled within 12 months of reporting date are measured at their nominal values. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities but are measured at the nominal value of the amount expected to be applied at the time of settlement.

(iii) *Long service leave*

Long service leave entitlements are assessed at balance date having regard to expected employees' remuneration rates on settlement, employment related on-costs and other factors including expected accumulated years of employment on settlement and experience of employees' departure per year of service. Commonwealth bond rates are used for discounting future cash flows.

Unconditional long service leave is disclosed as a current liability even when the liability is not expected to settle within 12 months because there is not the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The component of leave expected to be settled within 12 months is measured at nominal value and the component expected to be settled beyond 12 months is measured at present value.

Conditional long service leave is disclosed as a non-current liability as there is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional long service leave is disclosed as a non-current liability measured at present value.

(iv) *Superannuation*

One VRCA employee is a member of a defined benefit superannuation scheme. These defined benefit funds are closed to new members. All other employees are members of accumulation schemes.

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice. (Refer to note 14 for contribution amounts).

The Department of Treasury and Finance (DTF) in its Annual Financial Statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

(p) Contributed capital

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

(q) Dividend policy

VRCA pays dividends in accordance with a determination of the Treasurer of Victoria under the *Port Management Act 1995 (Vic)*. The obligation to pay a dividend arises after consultation between VRCA's Board, the Minister for Ports, Major Projects, Racing and Regional Cities and the Treasurer of Victoria. Following this consultation process, the Treasurer makes a formal determination. Dividends declared on or before the reporting date are recognised as a liability.

(r) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Note 1. Summary of significant accounting policies *(continued)*

(s) Rounding of amounts

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars or in certain cases to the nearest dollar.

(t) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position, but are disclosed by way of a note (refer to Note 18) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(u) New accounting standards and interpretations that are not yet effective

At the date of this financial report the following standards and interpretations, which are applicable to VRCA, have been issued but are not yet operative. A discussion of their future requirements and their impact on VRCA follows:

Reference	Summary	Application date (financial years beginning)	Impact on VRCA's financial statements
AASB 9 'Financial Instruments' AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)',AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures.	Introduces new requirements for the classification and measurement of financial assets and the classification and measurement of financial liabilities and for derecognition.	1 Jan 2015	The Authority is yet to assess its full impact. However, initial indications are that it will be an immaterial.

Note 1. Summary of significant accounting policies *(continued)*

(u) New accounting standards and interpretations that are not yet effective *(continued)*

Reference	Summary	Application date (financial years beginning)	Impact on VRCA's financial statements
AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	Replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements. AASB 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.	1 Jan 2013	The Authority is yet to assess its full impact. However, initial indications are that it will be an immaterial.
AASB 11 'Joint Arrangements' and AASB 2011- 7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	AASB 11 replaces AASB 131 'Interests in Joint Ventures'. AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under AASB 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, joint ventures under AASB 11 are required to be accounted for using the equity method of accounting.	1 Jan 2013	The Authority is yet to assess its full impact. However, initial indications are that it will be an immaterial.
AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	AASB 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in AASB 12 are more extensive than those in the current standards.	1 Jan 2013	The Authority is yet to assess its full impact. However, initial indications are that it will be an immaterial.

Note 1. Summary of significant accounting policies *(continued)*

(u) New accounting standards and interpretations that are not yet effective *(continued)*

Reference	Summary	Application date (financial years beginning)	Impact on VRCA's financial statements
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of AASB 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other Australian Accounting Standards require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in AASB 13 are more extensive than those required in the current standards.	1 Jan 2013	The Authority is yet to assess its full impact. However, initial indications are the disclosures regarding fair value measurements will be more extensive.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	1 Jul 2013	The Authority is yet to assess its full impact. However, initial indications are that it will be an immaterial.
AASB 1053 Application of Tiers of Australian Accounting Standards	The objective of this Standard is to set out the application of Tiers of Australian Accounting Standards to different categories of entities preparing general purpose financial statements	1 Jul 2013	The application of this standard will not result in any changes to the current reporting requirements.

Note 1. Summary of significant accounting policies *(continued)*

(u) New accounting standards and interpretations that are not yet effective *(continued)*

Reference	Summary	Application date (financial years beginning)	Impact on VRCA's financial statements
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	The amendments to AASB 119 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of AASB 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of AASB 119 are replaced with a 'net interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.	1 Jan 2013	The Authority is yet to assess its full impact. One employee is receiving contributions to a defined benefit plan and initial indications are that there will be an immaterial impact.
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'	The Annual Improvements to AASBs 2009 – 2011 Cycle include a number of amendments to various AASBs including AASB 116 'Property, Plant and Equipment' and AASB 132 'Financial Instruments: Presentation'. The amendments to AASB 116 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in AASB 116 and as inventory otherwise. The amendments to AASB 132 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with AASB 112 'Income Taxes'.	1 Jan 2013	The Authority is yet to assess its full impact. However, initial indications are that it will be an immaterial.

Note 1. Summary of significant accounting policies *(continued)*

(v) New accounting standards and interpretations that became operative during the year

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. The adoption of the AASB 1049 has been considered and it is determined that the ABS GFS Manual would not conflict with Australian Accounting Standards adopted.

(w) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of VRCA's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset.

Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other non-owner changes in equity' until the investments are disposed.

Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other non-owner changes in equity' is transferred to other economic flows in the net result.

Fair value is determined in the manner described in Note 17 Financial instruments.
Available-for-sale category includes certain equity investments and those debt securities that are designated as available-for-sale.

Held-to-maturity financial assets

If VRCA has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

VRCA makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held-to-maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. VRCA would also be prevented from classifying investment securities as held-to-maturity for the current and the following two financial years.

The held-to-maturity category includes certain term deposits and debt securities for which the Authority concerned intends to hold to maturity.

Note 1. Summary of significant accounting policies *(continued)*

(w) Financial instruments *(continued)*

Financial assets and liabilities at fair value through profit and loss

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Any dividend or interest on a financial asset is recognised in the net result from transactions.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of VRCA's contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

Reclassification of financial instruments

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

Note 2. Critical accounting estimates and judgements

In the application of AAS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that may have a financial or disclosure impact on VRCA and are believed to be reasonable under the circumstances.

Critical accounting judgements
Critical judgements that management has made in the process of applying the VRCA's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are:

Impairment of non-financial assets
VRCA assesses impairment of all assets at each reporting date by evaluating conditions specific to VRCA and to the particular asset that may lead to impairment. These include obsolescence or physical damage, technology, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined.

Fair value of property, plant and equipment
All non-current physical assets are measured initially at cost and subsequently *revalued* at fair value in accordance with FRD 103D.

In 2013, in accordance with FRD 103D, a fair value assessment was undertaken and determined that the carrying amount of all non-current physical assets, except for channel assets, reasonably approximated fair value.

The fair value of channel assets was assessed using the same principles as that used by the Valuer-General Victoria to value the channel assets in 2010, which was the discounted cash flow method (value in use). An adjustment has been made to the discount rate to reflect additional risks regarding the operations, nature and ownership of the channel in accordance with the revised strategic plan, which contemplates an increase in volume of trade to be handled through the channel. This change represents a significant change to the previous strategic plan used to prepare the previous discounted cashflow for the channel asset. This method was used as there was no market based evidence of fair value (value through sale) of the channel assets given the specialised nature of the assets in question (the channel assets would rarely be sold (if ever), except as part of a continuing business). Managerial assessments undertaken for navigation aids indicate that the carrying amount approximates fair value as at 30 June 2013 and no fair value adjustment has been recorded at 30 June 2013. Ignoring the effect of depreciation, in 2012/12 the carrying value of channel assets was decreased by $3,089,000 to $14,281,000 in line with management's assessment.

The main assumptions applied in 2013 were as follows:

- Discount rates of 12.3% (low) and 15.2% (high) (2012 7.6% and 8.53%) was calculated using a nominal post tax weighted average cost of capital;
- Cash flows were modelled over a 40 year period in line with the timeframe consistent with VRCA's long term strategic plan;
- Trade forecasts and pricing factors were consistent with VRCA's 40 year funding model and Pricing Policy Statement; and
- Projected expenses were in line with wage inflation and CPI of 2.5% (2012 2.5%) for other expenditure items.

Recovery of deferred tax asset
Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise these temporary differences.

Note 3. Other revenue

	2013 $'000	2012 $'000
Other revenue		
Interest revenue	552	693
Sundry revenue	4	-
Total other revenue	**556**	**693**

Note 4. Expenses

		2013 $'000	2012 $'000
(a)	**Employee benefits**		
	Salary and wages	698	705
	Superannuation	77	74
	Annual and long service leave expense	33	83
	Other employee expenses (fringe benefits tax, payroll tax, workcover levy, etc.)	129	112
	Total employee benefits	**937**	**974**
(b)	**Depreciation and amortisation**		
	Navigation aids	304	302
	Plant and equipment	270	252
	Channel assets	357	445
	Software	4	-
	Total depreciation and amortisation	**935**	**999**
(c)	**Operating Leases**		
	Minimum lease payments		
	Building rentals	179	186
	Storage rentals	3	3
	Equipment rentals	6	6
	Total rental expense	**188**	**195**

Note 5. Income tax expense/(benefit)

		2013 $'000	2012 $'000
(a)	**Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable/(receivable)**		
	Profit/(loss) from continuing operations before income tax expense/(benefit)	4,435	925
	Tax at the Australian tax rate of 30% (2012 - 30%)	**1,330**	**278**
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Under/(over) provided in prior year	-	-
	Non deductible items	3	2
	Income tax expense/(benefit)	**1,333**	**280**
(b)	**Income tax expense/(benefit)**		
	Current taxation	1,091	974
	Under/(over) provided in prior year	-	22
	Movement in deferred tax asset (refer 5(c))	253	(718)
	Movement in deferred tax liability (refer 5(d))	(11)	2
	Income tax expense/(benefit) recognised in the statement of comprehensive income	**1,333**	**280**
	Weighted average effective tax rate	*30.05%*	*30.27%*

Note 5. Income tax expense/(benefit) *(continued)*

		2013 $'000	2012 $'000
(c)	**Deferred tax asset**		
	Opening balance	1,093	377
	Temporary differences	(229)	718
	Transferred from deferred tax liabilities (5 (d))	(13)	(2)
	Closing balance	**851**	**1,093**
	Represented by:		
	Amounts allocated to profit and loss		
	Fixed assets	690	974
	Pooled assets	9	10
	Accrued expenses	53	34
	Annual and long service leave provisions	112	99
	Accrued revenue	(13)	(24)
		851	**1,093**
(d)	**Deferred tax liabilities**		
	Opening balance	-	-
	Temporary differences	(13)	(2)
	Transfer to deferred tax asset (5(c))	13	2
	Closing balance	**-**	**-**

Note 6. Cash and cash equivalents

	2013 $'000	2012 $'000
Cash at bank and on hand	162	402
Short term deposits	17,570	15,370
	17,732	**15,772**

Cash at bank
Due to VRCA's investment policy, generally only small amounts of cash are held in the bank account. These amounts are kept at a level to sufficiently cover the current liabilities of VRCA.

Short term deposits
All deposits of VRCA are limited instruments directly accepted by an authorised bank or issued by a Government Treasury or Authority and guaranteed by a state or Commonwealth government. These deposits had a floating interest rate of 2.70% to 5.55% (2011/12 3.45% to 5.60%).

Note 7. Trade and other receivables

	2013 $'000	2012 $'000
Current		
Contractual		
Trade receivables* (note 17)	733	695
Interest receivable	43	80
	776	**775**

** The average credit period for trade receivables is 30 days. Interest may be charged on arrears in accordance with Section 79 of the Port Management Act 1995. Refer to note 17 for ageing and risk analysis.*

Note 8. Infrastructure, property, plant and equipment

	Navigation aids $'000	Plant and equipment $'000	Channel assets $'000	Work in progress $'000	Total $'000
Carrying amount 1 July 2011	**7,192**	**711**	**17,815**	**1,024**	**26,742**
Revaluations recognised in profit/(loss)	-	-	(3,089)	-	**(3,089)**
Additions	35	198	-	300	**533**
Transfers	-	-	-	-	**-**
Disposals	-	(83)	-	-	**(83)**
Depreciation charge	(302)	(252)	(445)	-	**(999)**
Carrying amount 30 June 2012	**6,925**	**574**	**14,281**	**1,324**	**23,104**
Fair value (note 1(k))*	7,529	-	14,726	-	**22,255**
Cost **	-	1,390	-	1,324	**2,714**
Accumulated depreciation	(604)	(816)	(445)	-	**(1,865)**
	6,925	**574**	**14,281**	**1,324**	**23,104**
Carrying amount 1 July 2012	**6,925**	**574**	**14,281**	**1,324**	**23,104**
Revaluations recognised in profit/(loss)	-	-	-	-	**-**
Additions	5	235	-	130	**370**
Disposals	-	(95)	-	-	**(95)**
Depreciation charge	(304)	(274)	(357)	-	**(935)**
Carrying amount 30 June 2013	**6,626**	**440**	**13,924**	**1,454**	**22,444**
Fair value (note 1(k))*	7,534	-	14,726	-	**22,260**
Cost **	-	1,445	-	1,454	**2,899**
Accumulated depreciation	(908)	(1,005)	(802)	-	**(2,716)**
	6,626	**440**	**13,924**	**1,454**	**22,443**

*Fair value for channel assets as at 2012 valuation.
**Written down value approximates fair value.

Impairment of asset
VRCA performs annual impairment testing of its assets. There were no impairments losses recognised in 2012/2013 (nil: 2011/2012)

Note 8. Infrastructure, property, plant and equipment *(continued)*

Fair value assessment
A managerial assessment was undertaken on VRCA's channel assets and navigation aids to determine whether their carrying amount represented a reasonable approximation of fair value.

Channel assets
The fair value of channel assets was assessed using the same principles as that used by the Valuer-General Victoria to value the channel assets in 2010, which was the discounted cash flow method (value in use). An adjustment has been made to the discount rate to reflect additional risks regarding the operations, nature and ownership of the channel in accordance with the revised strategic plan, which contemplates an increase in volume of trade to be handled through the channel. This change represents a significant change to the previous strategic plan used to prepare the previous discounted cashflow for the channel asset. This method was used as there was no market based evidence of fair value (value through sale) of the channel assets given the specialised nature of the assets in question (the channel assets would rarely be sold (if ever), except as part of a continuing business). Managerial assessments undertaken for navigation aids indicate that the carrying amount approximates fair value as at 30 June 2013 and no fair value adjustment has been recorded at 30 June 2013. Ignoring the effect of depreciation, in 2011/12 the carrying value of channel assets was decreased by $3,089,000 to $14,281,000 in line with management's assessment.

The main assumptions applied in 2013 were as follows:

- Discount rates of 12.3% (low) and 15.2% (high) (2012 7.60% and 8.53%) was calculated using a nominal post tax weighted average cost of capital;
- Cash flows were modelled over a 40 year period in line with the timeframe consistent with VRCA's long term strategic plan;
- Trade forecasts and pricing factors were consistent with VRCA's 40 year funding model and Pricing Policy Statement; and
- Projected expenses were in line with wage inflation and CPI of 2.5% (2012 2.5%) for other expenditure items.

Navigation aid
Managerial assessments undertaken for navigation aids indicate that the carrying amount approximates fair value as at 30 June 2013 and 30 June 2012.

Sensitivity analysis
Management believes that it is reasonably possible, on the basis of existing knowledge, that the value of the channel assets could change materially within the next financial year as a result of changes in the discount rate applicable as is evident from the movement in the value of the channel assets over the past 2 years.
An increase in the discount rate by 1% will have an unfavourable impact of $1.46 million. A decrease in the discount rate by 1% will have a favourable impact of $1.66 million.

Note 9. Trade and other payables

	2013 $'000	2012 $'000
Current unsecured		
Contractual *		
Trade creditors (note 17)	132	4
Other creditors and accruals	187	199
	319	**203**
Statutory		
GST payable	54	44
Fringe benefits tax	18	15
PAYG payable	15	12
	87	**71**
	406	**274**

** The average credit period is 30 days. No interest is charged on the payables. Refer to note 17 for maturity and risk analysis.*

Note 10. Provisions

		2013 $'000	2012 $'000
(a)	**Current**		
	Employee benefits (note 10(c))	329	294
	Provision for income tax	402	493
		731	**787**
(b)	**Non-current**		
	Employee benefits (note 10(c))	43	36
		43	**36**
(c)	**Employee benefits**		
	Current		
	All annual leave and long service leave entitlements representing 7 plus years of continuous service		
	• Short-term employee benefits that fall due within 12 months after the end of the period measured at nominal value. This balance represents the annual leave provision for VRCA.	163	144
	• Other long-term employee benefits that do fall due within 12 months after the end of the period measured at present value. This balance represents the long service provision for VRCA.	166	150
		329	**294**
	Non-current		
	LSL representing less than 7 years of continuous service measured at present values	43	36

(d)	**Reconciliation**	**Employee benefits $'000**	**Provision for income tax $'000**	**Total $'000**
	Carrying amount at 1 July 2011	**239**	**554**	**793**
	New provisions raised	92	997	1,089
	Reductions arising from payments	(25)	(1,058)	(1,083)
	Adjustments arising from measurement	23	-	23
	Carrying amount at 1 July 2012	**330**	**493**	**823**
	Carrying amount at 1 July 2012	**330**	**493**	**823**
	New provisions raised	96	1,091	1,187
	Reductions arising from payments	(53)	(1,182)	(1,235)
	Adjustments arising from measurement	(1)	-	(1)
	Carrying amount at 1 July 2013	**372**	**402**	**774**

Note 11. Contributed capital

	2013 $'000	2012 $'000
Balance at the beginning of the year	57,883	57,883
Balance at the end of the year	**57,883**	**57,883**

Capital Management
Management controls the capital of VRCA in order to maintain a good debt to equity ratio and ensure that it can fund its operations and continue as a going concern. VRCA's debt and capital includes contributed capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages VRCA's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

Note 12. Reserves

	2013 $'000	2012 $'000
Asset Revaluation Reserve		
Balance at the beginning of the year	505	505
Revaluation increments/(decrements) in navigation aids	-	-
Revaluation increments/(decrements) in channel assets	-	-
Balance at the end of the year	**505**	**505**

The revaluation reserve records revaluations of non-current assets net of tax effect.

Note 13. Retained profit/(accumulated losses)

	2013 $'000	2012 $'000
Movements in retained profits/(accumulated losses) were as follows:		
Retained profits/(accumulated losses) at the beginning of the year	**(18,589)**	**(17,504)**
Profit/(loss) for the year	3,102	645
Dividends paid	(2,105)	(1,730)
Retained profits/(accumulated losses) at the end of the year	**(17,592)**	**(18,589)**

Note 14. Superannuation

One VRCA employee is a member of a defined benefit superannuation scheme. All other employees are members of accumulation schemes. Expenses recognised by VRCA in relation to contributions made during the year to defined contribution and benefits superannuation plans of which VRCA's employees are members are as follows:

Fund	Contributions made 2013 $'000	Contributions made 2012 $'000	Contributions outstanding 2013 $'000	Contributions outstanding 2012 $'000
AMP Flexible Life (Accumulation)	9	9	-	-
Camilo Super Fund (Accumulation)	18	18	-	-
MLC Investments (Accumulation)	4	-	-	-
SERF (Accumulation)	14	14	-	-
State Superannuation Scheme (Defined Benefit)	14	14	-	-
Vic Super (Accumulation)	15	14	-	-
Vision Super (Accumulation)	1	-		
Various funds	2	5	-	-
Total	**77**	**74**	**-**	**-**

Note 15. Key management personnel disclosures

(a) Responsible persons

The names of persons who were responsible persons of VRCA at any time during the financial year were:

(i) Responsible Ministers:

Mr David Hodgett	13 March 2013 to 30 June 2013	Minister for Ports, Major Projects and Manufacturing
Hon Michael O'Brien	13 March 2013 to 30 June 2013	Treasurer of Victoria
Hon Dr Denis Napthine	1 July 2012 to 12 March 2013	Minister for Ports, Major Projects, Racing, and Regional Cities
Hon Kim Wells	1 July 2012 to 12 March 2013	Treasurer of Victoria

(ii) Directors:

Mr Ken Jarvis	1 July 2012 to 30 June 2013	Chair
Ms M Kelsall	1 July 2012 to 30 June 2013	Deputy Chair
Mr Peter Dorling	23 October 2012 to 30 June 2013	Director
Mr Lindsay Ward	1 July 2012 to 23 October 2012	Director

(iii) Accountable Officer:

Captain P McGovern 1 July 2012 to 30 June 2013

	2013 $'000	2012 $'000
Responsible person's remuneration (*)		
Short-term employment benefits accountable officer	195	193
Short-term employment benefits other	92	92
Total base remuneration paid or payable during the year pursuant to employment contracts included in the above remuneration.	**287**	**285**
Bonuses paid or payable during the year pursuant to employment contracts excluded in the above remuneration.	25	25
Total remuneration paid or payable (including bonuses and superannuation) during the year to all responsible persons by VRCA.	**312**	**310**

(*) The responsible Ministers' remuneration is reported separately in the financial statements of the Department of Premier and Cabinet.

Note 15. Key management personnel disclosures *(continued)*

The number of responsible persons and their total and base remuneration during the reporting period are shown below in their relevant income bands. Base remuneration includes superannuation and other benefits but is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

	Total Remuneration		Base Remuneration	
	2013	2012	2013	2012
$10,000 to $19,999	1	-	1	-
$20,000 to $29,999	1	2	1	2
$30,000 to $39,999	-	-	-	-
$40,000 to $49,999	1	1	1	1
$50,000 to $59,999	-	-	-	-
$60,000 to $69,999	-	-	-	-
$180,000 to $189,999	-	-	-	-
$190,000 to $199,999	-	-	1	1
$200,000 to $209,999	-	-	-	-
$210,000 to $219,999	-	1	-	-
$220,000 to $229,999	1	-	-	-
Total numbers	**4**	**4**	**4**	**4**
Remuneration $'000	**304**	**310**	**286**	**285**

Remuneration received or receivable by the Accountable Officer in connection with the management of VRCA during the reporting period was in the range $220,000 – $229,999 ($210,000 – $219,999 in 2011/12).

(b) Executive Officers' remuneration

The number of executive officers, other than responsible persons, and their base and total remuneration during the financial year are shown in the table below in their relevant income bands.

Total remuneration includes base remuneration, bonus paid or payable and termination and retirement type payments.

Base remuneration is exclusive of bonus paid or payable and termination and retirement type payments.

	Total Remuneration		Base Remuneration	
	2013	2012	2013	2012
$140,000 to $149,999	-	-	-	-
$150,000 to $159,999	-	-	2	1
$160,000 to $169,999	-	1	-	1
$170,000 to $179,999	2	1	-	-
Total number of executives	**2**	**2**	**2**	**2**
Total annualised employee equivalent (AEE)	**2**	**2**	**2**	**2**
Total Remuneration $'000	**469**	**349**	**389**	**308**
Bonuses paid to executive officers included above during the financial year $'000	43	41		

Note 15. Key management personnel disclosures *(continued)*

(c) Loans and other transactions with responsible persons and their related entities
There were no related party transactions between VRCA and any of the executive officers or their related entities.

(d) Payments to other personnel
The following disclosures are made in relation to other personnel (including contractors) of the Victorian Regional Channels Authority charged with significant management responsibilities.

	Total expenses (exclusive of GST)	
	2013	**2012**
$30,000 to $39,999	1	-
$40,000 to $49,999	-	-
$50,000 to $59,999	-	-
$60,000 to $69,999	-	1
Total number of other personnel	**1**	**1**
Total Remuneration $'000	**30**	**69**

Note 16. Remuneration of auditors

	2013 $'000	2012 $'000
During the year the following fees were paid or payable for services provided by the auditor of VRCA:		
Victorian Auditor-General's Office		
Audit of financial statements	29	28

Note 17. Financial instruments

Financial risk management objectives and policies
VRCA's principal financial instruments comprise of:

- cash assets;
- receivables (excluding statutory receivables); and
- payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage VRCA's financial risks within the Government policy parameters. VRCA's main financial risks include credit risk, liquidity risk, market risk and interest rate risk. VRCA manages these financial risks in accordance with its financial risk management policy.

Note 17. Financial instruments *(continued)*

(i) Categorisation of financial instruments and net holding gain/(loss) on financial instruments by category

	Notes	Contractual financial assets – loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
2013				
Contractual financial assets				
Current assets				
Cash and cash equivalents	6	17,732	-	17,732
Trade and other receivables	7	-	733	733
Total contractual financial assets		**17,732**	**733**	**18,465**
Contractual financial liabilities				
Current liabilities				
Trade and other payables	9	-	132	132
Total contractual financial liabilities		**-**	**132**	**132**
Net holding gain/(loss) on financial instruments by category				
Total interest income/(expense)	3	552	-	552
Total		**552**	**-**	**552**
2012				
Contractual financial assets				
Current assets				
Cash and cash equivalents	6	15,772	-	15,772
Trade and other receivables	7	-	695	695
Total contractual financial assets		**15,772**	**695**	**16,467**
Contractual financial liabilities				
Current liabilities				
Trade and other payables	9	-	4	4
Total contractual financial liabilities		**-**	**4**	**4**
Net holding gain/(loss) on financial instruments by category				
Total interest income/(expense)	3	693	-	693
Total		**693**	**-**	**693**

Note 17. Financial instruments *(continued)*

(ii) Credit quality of contractual financial assets that are neither past due nor impaired

	Notes	Financial institutions (AAA credit rating)	Other	Total
2013				
Contractual financial assets				
Current assets				
Cash and cash equivalents	6	17,732	-	17,732
Trade and other receivables	7	-	733	733
Total contractual financial assets		**17,732**	**733**	**18,465**
2012				
Contractual financial assets				
Current assets				
Cash and cash equivalents	6	15,772	-	15,772
Trade and other receivables	7	-	695	695
Total contractual financial assets		**15,772**	**695**	**16,467**

(iii) Financial Risk Management

VRCA maintains a comprehensive Risk Management System, which is integrated with its business planning processes. There is a formally documented Risk Management Policy, guidelines and a framework, which is consistently applied across the business. Risk assessment reports are presented to the Audit Committee and the Board regularly, which outlines all corporate risks including financial risks. Each risk is assessed regularly against the risk matrix to ensure the level of risk is appropriate and the treatment and controls are adequate.

(iv) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to VRCA. The credit risk relating to VRCA's financial assets, which are recognised in the statement of financial position is the carrying amount of such assets, net of any provisions for doubtful debts.

VRCA manages credit risk by obtaining credit checks for new counterparties prior to establishing credit facilities and by conducting checks for existing customers on a regular basis. Receivables are monitored on an ongoing basis, resulting in minimal exposure to bad debts. Receivables are 30 day accounts and paid within the trading terms. Credit risk is also minimised by investing surplus funds with financial institutions that maintain a high credit rating.

There are no material financial assets which are individually determined to be impaired. VRCA does not hold any collateral as security or credit enhancement relating to any of its financial assets. VRCA does not engage in hedging for its contractual assets. VRCA only deals with banks with high credit ratings.

(v) Liquidity risk

Liquidity risk is the risk that VRCA would be unable to meet its financial obligations as and when they fall due. VRCA operates under the Government's fair payment policy of settling financial obligation within 30 days and in the event of a dispute making payments within 30 days of resolution.

VRCA's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed on the face of the statement of financial position.

VRCA manages its liquidity risk to ensure that adequate cash funds are available at all times to meet its commitments as they arise. This objective is met through:

- an efficient and effective banking structure;
- sound cash management practices;
- regular identification and monitoring of the maturity profile of liquid assets and liabilities together with regular cash flow forecasting; and
- investments that are limited to highly liquid and secure assets.

Note 17. Financial instruments *(continued)*

The Treasury Corporation of Victoria ensures adequate access to financial markets for VRCA and hence, the liquidity risk faced by VRCA is not considered significant in view of VRCA's cash holding. Contractual obligations for payables is equal to the carrying amounts disclosed in note 9. Payables held at 30 June 2013 mature within 30 days (2012 30 days).

(vi) Market risk

Market risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

VRCA's exposure to market risk is primarily through interest rate movements in respect of cash and cash equivalents with a variable interest rate. An increase in interest rates by 1% will have a favourable impact of $177,320 (2012: $157,720). A decrease in interest rates will have an equal and opposite effect.

(vii) Interest rate risk analysis

The exposure to interest rate risks and the effective weighted average interest rates for financial assets and financial liabilities at the reporting date are as follows:

	Floating Interest $'000	Non-interest bearing $'000	Total $'000
2013			
Financial assets:			
Cash and cash equivalents	17,732	-	17,732
Trade and other receivables	-	733	733
	17,732	**733**	**18,465**
Weighted average interest rate	*3.97%*		
Financial liabilities:			
Trade and other payable	-	132	132
	-	**132**	**132**
Net financial assets/(liabilities)	**17,732**	**601**	**18,333**
2012			
Financial assets:			
Cash and cash equivalents	15,772	-	15,772
Trade and other receivables	-	695	695
	15,772	**695**	**16,467**
Weighted average interest rate	*4.67%*		
Financial liabilities:			
Trade and other payable	-	4	4
	-	**4**	**4**
Net financial assets/(liabilities)	**15,772**	**691**	**16,463**

Note 17. Financial instruments *(continued)*

(viii) Net fair value of financial assets and liabilities

The net fair value of VRCA's cash and deposits and non-interest bearing financial assets and liabilities is equal to their carrying value.

Comparison between carrying amount and fair value

	Notes	Carrying amount 2013 $'000	Fair value 2013 $'000	Carrying amount 2012 $'000	Fair value 2012 $'000
Contractual financial assets					
Current assets					
Cash and cash equivalents		17,732	17,732	15,772	15,772
Trade and other receivables		733	733	695	695
Total contractual financial assets		**18,465**	**18,465**	**16,467**	**16,467**
Contractual financial liabilities					
Current liabilities					
Trade and other payables		132	132	4	4
Total contractual financial liabilities		**132**	**132**	**4**	**4**

Fair value measurements in the statement of financial position

Certain financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels 1, 2 or 3 based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted priced (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included with level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 June 2013 and 30 June 2012, no financial assets or liabilities held by VRCA required fair value measurement subsequent to initial recognition.

(ix) Ageing analysis of contractual financial assets

	Notes	Carrying amount $'000	Not past due and not impaired $'000	1 to 3 months $'000	3 months to 1 year $'000	1 to 5 years $'000
2013						
Contractual financial assets						
Trade and other receivables		733	732	1	-	-
Total contractual financial assets		**733**	**732**	**1**	**-**	**-**
2012						
Contractual financial assets						
Trade and other receivables		695	671	24	-	-
Total contractual financial assets		**695**	**671**	**24**	**-**	**-**

Note 17. Financial instruments *(continued)*

(x) Nature and extent of risk arising from investments and other financial assets

There are no material financial assets which are individually determined to be impaired. Currently the Authority does not hold any collateral as security nor credit enhancements relating to any of its financial assets. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

(xi) Maturity analysis of contractual financial liabilities

	Notes	Carrying amount $'000	Nominal amount $'000	Less than 1 month $'000	1to 3 months $'000	3 months to 1 year $'000
2013						
Contractual financial liabilities						
Trade and other payables		132	132	132	-	-
Total contractual financial assets		**132**	**132**	**132**	**-**	**-**
2012						
Contractual financial liabilities						
Trade and other payables		4	4	4	-	-
Total contractual financial assets		**4**	**4**	**4**	**-**	**-**

Maturity analysis is presented using the contractual undiscounted cash flows. The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

Note 18. Contingencies

As at the reporting date there were no events that would give rise to a contingency.

Note 19. Commitments

		2013 $'000	2012 $'000
(a)	**Operating lease commitments**		
	Non cancellable operating leases contracted for but not capitalised in the financial statements		
	Commitments for minimum lease payments:		
	Payable no later than 1 year	234	231
	Payable 1-5 years	-	-
		234	**231**
	GST claimable	21	21
	Net commitment	**213**	**210**

VRCA entered into a new office lease which commences on 1 July 2013.
The term is 3 years with an option of 1 further term of 3 years.

(b)	**Operating commitments**		
	Total expenditure contracted for operating expenditure at balance date but not incurred or recognised as liabilities:		
	Payable no later than 1 year	895	854
	Payable 1-5 years	33	-
		928	**854**
	GST claimable	84	78
	Net commitment	**841**	**776**

Note 20. Related party transactions

The Victorian State Government prepares consolidated financial statements relating to its controlled entities. For the purpose of preparing the State government's financial statements, transactions which VRCA has undertaken with other State Government controlled entities, have been eliminated in the State Government's statements.
As noted in 1(a), VRCA is a government business enterprise and is accountable to the Victorian government through the Minister for Ports, Major Projects, Racing and Regional cities and the Treasurer. During the year VRCA transacted with the following Victorian Government entities.

- Treasury Corporation of Victoria – deposits of $15,570,000 (2012: $13,370,000) are held with them and VRCA earned interest revenue of $459K (2012: $574K) during the year.
- Dividend of $2,105,000 (2012: $1,730K) was paid to the Department of Treasury and Finance.

Note 21. Events occurring after reporting period

Since the end of the financial year there was not any matter or circumstance not otherwise dealt with in these statements, which has the potential to significantly affect the operations of VRCA, the results of those operations or the state of affairs of VRCA in subsequent financial years.

Note 22. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	2013 $'000	2012 $'000
Profit/(loss) for the year	3,102	645
Depreciation and amortisation	935	999
Revaluation (increment) /decrement of fixed assets	-	3,089
Loss on sale of assets	9	2
GST included in investing activities	29	44
Change in operating assets and liabilities;		
(Increase) / decrease in trade & other receivables & prepayments	(59)	123
(Increase) / decrease in interest accrued	36	(6)
(Decrease) / increase in trade & other payables	132	(73)
(Decrease) / increase in provisions	(49)	28
(Increase) / decrease in deferred tax asset	242	(716)
Net cash flows from operating activities	**4,377**	**4,135**

VICTORIAN REGIONAL CHANNELS AUTHORITY
CERTIFICATION OF FINANCIAL STATEMENTS
30 June 2013

We certify that the attached financial statements for Victorian Regional Channels Authority have been prepared in accordance with the Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, statement of financial position, statement of changes in equity, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2013 and financial position of the Victorian Regional Channels Authority as at 30 June 2013. The financial statements of VRCA also comply with IFRS as issued by the International Accounting Standards Board (IASB).

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

We authorise the attached financial statements for issue on 8 August 2013.

Ken Jarvis
Chair
Dated: 8 August 2013

Merran Kelsall
Deputy Chair
Dated: 8 August 2013

Peter McGovern
Chief Executive Officer
Dated: 8 August 2013

Kas Szakiel
Chief Finance and Accounting Officer
Dated: 8 August 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Victorian Regional Channels Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of the Victorian Regional Channels Authority which comprises comprehensive operating statement, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Victorian Regional Channels Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(c), the Board Members also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion:

1. the financial report presents fairly, in all material respects, the financial position of the Victorian Regional Channels Authority as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victorian Regional Channels Authority for the year ended 30 June 2013 included both in the Victorian Regional Channels Authority's annual report and on the website. The Board Members of the Victorian Regional Channels Authority are responsible for the integrity of the Victorian Regional Channels Authority's website. I have not been engaged to report on the integrity of the Victorian Regional Channels Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
16 August 2013

John Doyle
Auditor-General

Victorian Regional Channels Authority

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