

# Adelaide and Mount Lofty Ranges Natural Resources Management Board

Financial report  
for the year ended  
30 June 2020



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Presiding Member Adelaide and Mount Lofty Ranges Natural Resources Management Board

### Opinion

I have audited the financial report of the Adelaide and Mount Lofty Ranges Natural Resources Management Board (the Board) for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide and Mount Lofty Ranges Natural Resources Management Board as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and the Chief Financial Officer of the Department for Environment and Water.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Adelaide and Mount Lofty Ranges Natural Resources Management Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) have been met.

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

### **Responsibilities of the Board for the financial report**

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as deemed necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 37(2) of the *Natural Resources Management Act 2004* (repealed 1 July 2020), I have audited the financial report of the Adelaide and Mount Lofty Ranges Natural Resources Management Board for the financial year ended 30 June 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 Adelaide and Mount Lofty Ranges Natural Resources Management Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read "Richardson", with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

27 November 2020

**Adelaide and Mount Lofty Ranges Natural Resources  
Management Board**

**Financial Statements  
for the year ended  
30 June 2020**

We certify that the attached general purpose financial statements for the Adelaide and Mount Lofty Ranges Natural Resources Management Board:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Adelaide and Mount Lofty Ranges Natural Resources Management Board
- present a true and fair view of the financial position of the Adelaide and Mount Lofty Ranges Natural Resources Management Board as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Adelaide and Mount Lofty Ranges Natural Resources Management Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



D Greenhough

**Presiding Member**

27 November 2020



S O'Brien

**Chief Financial Officer**

Department for Environment and Water

27 November 2020

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2020*

---

	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Regional NRM and water levies	2.1	33 527	32 671
Commonwealth funding	2.2	1 933	1 489
Grants	2.3	696	179
Interest	2.4	54	138
Other income	2.5	282	470
<b>Total Income</b>		<b>36 492</b>	<b>34 947</b>
<b>Expenses</b>			
Board and committee	3.2	53	61
Supplies and services	4.1	24 038	24 070
Grants and subsidies	4.2	9 289	9 078
Depreciation and amortisation	4.3	421	423
Other expenses	4.4	243	151
<b>Total expenses</b>		<b>34 044</b>	<b>33 783</b>
<b>Net result</b>		<b>2 448</b>	<b>1 164</b>
<b>Total comprehensive result</b>		<b>2 448</b>	<b>1 164</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Statement of Financial Position**  
*as at 30 June 2020*

---

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	13 191	11 331
Receivables	6.2	1 206	1 327
<b>Total current assets</b>		<b>14 397</b>	<b>12 658</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	6 114	6 277
<b>Total non-current assets</b>		<b>6 114</b>	<b>6 277</b>
<b>Total assets</b>		<b>20 511</b>	<b>18 935</b>
<b>Current liabilities</b>			
Payables	7.1	1 652	2 524
<b>Total current liabilities</b>		<b>1 652</b>	<b>2 524</b>
<b>Total liabilities</b>		<b>1 652</b>	<b>2 524</b>
<b>Net assets</b>		<b>18 859</b>	<b>16 411</b>
<b>Equity</b>			
Retained earnings		14 011	11 440
Asset revaluation surplus		4 848	4 971
<b>Total equity</b>		<b>18 859</b>	<b>16 411</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2020*

---

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>	4 971	10 276	15 247
Net result for 2018-19	-	1 164	1 164
<b>Total comprehensive result for 2018-19</b>	<b>-</b>	<b>1 164</b>	<b>1 164</b>
<b>Balance at 30 June 2019</b>	<b>4 971</b>	<b>11 440</b>	<b>16 411</b>
Net result for 2019-20	-	2 448	2 448
<b>Total comprehensive result for 2019-20</b>	<b>-</b>	<b>2 448</b>	<b>2 448</b>
Transfer between equity components	(123)	123	-
<b>Balance at 30 June 2020</b>	<b>4 848</b>	<b>14 011</b>	<b>18 859</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2020*

---

		2020	2019
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
NRM levies and other revenue received		34 925	32 835
Commonwealth funding received		1 617	772
Interest received		66	136
<b>Cash generated from operating activities</b>		<b>36 608</b>	<b>33 743</b>
<b>Cash outflows</b>			
Payments for supplies and services		(24 811)	(23 181)
Payments of grants and subsidies		(9 390)	(9 078)
Payments to board, group and committee members		(53)	(61)
Other payments		(50)	(8)
<b>Cash used in operating activities</b>		<b>(34 304)</b>	<b>(32 328)</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>2 304</b>	<b>1 415</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(444)	(69)
<b>Cash used in investing activities</b>		<b>(444)</b>	<b>(69)</b>
<b>Net cash used in investing activities</b>		<b>(444)</b>	<b>(69)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 860</b>	<b>1 346</b>
Cash and cash equivalents at the beginning of the reporting period		11 331	9 985
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>13 191</b>	<b>11 331</b>

The accompanying notes form part of these financial statements.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**NOTES TO THE FINANCIAL STATEMENTS**

<b>1</b>	<b>About the Adelaide and Mount Lofty Ranges Natural Resources Management Board .....</b>	<b>11</b>
1.1.	Basis of preparation.....	12
1.2.	Objectives and programs.....	12
1.3.	Impact of COVID-19 pandemic on the Board.....	15
<b>2.</b>	<b>Income .....</b>	<b>15</b>
2.1.	Regional NRM and water levies .....	15
2.2.	Commonwealth funding .....	16
2.3.	Grant revenues .....	16
2.4.	Interest.....	17
2.5.	Other income .....	17
<b>3.</b>	<b>Board, committees and employees .....</b>	<b>18</b>
3.1.	Key management personnel.....	18
3.2.	Board and committee members.....	18
<b>4.</b>	<b>Expenses .....</b>	<b>20</b>
4.1.	Supplies and services.....	20
4.2.	Grants and subsidies .....	20
4.3.	Depreciation and amortisation .....	21
4.4.	Other expenses .....	21
<b>5.</b>	<b>Non-financial assets .....</b>	<b>22</b>
5.1.	Property, plant and equipment by asset class.....	22
5.2.	Property, plant and equipment owned by the Board .....	22
<b>6.</b>	<b>Financial assets .....</b>	<b>23</b>
6.1.	Cash and cash equivalents.....	23
6.2.	Receivables .....	23
<b>7.</b>	<b>Liabilities .....</b>	<b>24</b>
7.1.	Payables .....	24
<b>8.</b>	<b>Changes in accounting policy.....</b>	<b>24</b>
8.1.	AASB 16 Leases.....	24
8.2.	AASB 15 Revenue from Contracts with Customers .....	24
8.3.	AASB 1058 Income of Not-for-Profit Entities.....	24
8.4.	Presentation of Financial Statements.....	25
<b>9.</b>	<b>Outlook .....</b>	<b>25</b>
9.1.	Unrecognised contractual commitments .....	25
9.2.	Contingent assets and contingent liabilities.....	26

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

9.3.	COVID-19 pandemic outlook for the Board .....	26
9.4.	Events after the reporting period .....	26
<b>10.</b>	<b>Measurement and risk.....</b>	<b>27</b>
10.1.	Fair value .....	27
10.2.	Financial instruments.....	27

# Adelaide and Mount Lofty Ranges Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2020

---

### 1 About the Adelaide and Mount Lofty Ranges Natural Resources Management Board

The Adelaide and Mount Lofty Ranges Natural Resources Management Board (the Board) was established pursuant to section 23(1) of the *Natural Resources Management Act 2004* (the NRM Act). The Board is a body corporate.

The Board operates under a Natural Resources Management Plan (NRM Plan) which was approved by the Minister for Environment and Water (the Minister) on 2 December 2013, for implementation on 1 July 2014. Following the adoption of the Plan, and as required by the NRM Act, the Plan was referred to the Natural Resources Committee of Parliament. The NRM Plan contains a three-year Business and Operational Plan which identifies key drivers, investment priorities and targets as detailed in note 1.2. The Business and Operational Plan relevant to the 2019-20 financial year was adopted by the Minister on 27 March 2019.

The Board's financial statements include the use of income, expenses, assets and liabilities controlled or incurred by the Board in its own right.

On 1 July 2020, the NRM Act was repealed and the Board was abolished. By notice in the Government Gazette on 25 June 2020, the property, assets, rights and liabilities of the Board, with effect from 1 July 2020, are vested or attached in accordance with the following:

- (a) any property, assets, rights or liabilities that fall within the functions and responsibilities of the Hills and Fleurieu Landscape Board are vested in or attached to the Hills and Fleurieu Landscape Board;
- (b) any property, assets, rights and liabilities that fall within the functions and responsibilities of the Northern and Yorke Landscape Board are vested in or attached to the Northern and Yorke Landscape Board;
- (c) any other property, assets, rights or liabilities that do not fall within the ambit of paragraph (a) or (b) are vested in or attached to the Green Adelaide Board.

#### Direction by the Minister

On 16 April 2012, the Minister for Environment and Water, pursuant to sub-section 24(3) of the NRM Act, directed the Board to:

- use the Department for Environment and Water (DEW) to provide the Board's business support and NRM services to the region
- enter into an agreement for these services
- fund the services and projects set out in the agreement.

In accordance with notice published in the Government Gazette on 21 June 2012, all Board staff were transferred from employment under the NRM Act to the Public Sector Act 2009. This was effective from 1 July 2012 at which date staff were brought into the administrative unit of DEW. As a consequence:

- DEW assumed responsibility for the staff previously employed under the NRM Act by the Board
- All staff are now employed by the Chief Executive, DEW under the Public Sector Act 2009
- DEW is responsible for the management, supervision, liability, Work Health and Safety and human resources management of the staff that will undertake services under the SLA
- Staff undertaking services on behalf of the Board will be assigned to the Board under the NRM Act
- The payment for staff salaries will be recharged to the Board under a Fee for Service Arrangement.

The Board entered into a Service Level Agreement (SLA) during 2019-20 which includes the delivery of support services to the Board to ensure it is able to meet its statutory requirements under the NRM Act and an annual work plan for the delivery of the Board's Business Plan. This agreement details the services, projects and funds to deliver the annual work plan. This SLA is reviewed and updated on an annual basis.

# Adelaide and Mount Lofty Ranges Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2020

---

### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the 2019-20 financial statements the Board adopted *AASB 15 – Revenue from Contracts with Customers*, *AASB 16 – Leases* and *AASB 1058 – Income of Not-for-Profit Entities*. Further information is provided in note 8.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

DEW prepares a Business Activity Statement on behalf of the Board under the grouping provisions of the Goods and Services Tax (GST) legislation. Under these provisions, DEW is liable for the payments and entitled to the receipts associated with GST. Therefore the Board's net GST receivable/payable is recorded in DEW's Statement of Financial Position. GST cash flows applicable to the Board are recorded in DEW's Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

### 1.2. Objectives and programs

The Board serves the Government and the people of South Australia by achieving excellence in the provision of Natural Resources Management.

#### Board objectives

The objectives of the Board as defined in the NRM Act are:

- to undertake an active role with respect to the management of natural resources within its region
- to prepare a regional NRM plan in accordance with the NRM Act, to implement the plan and to keep the plan under review to ensure the objects of the NRM Act are being achieved
- to promote public awareness and understanding of the importance of integrated and sustainable natural resources management within its region, to undertake or support educational activities with respect to natural resources management, and to provide mechanisms to increase the capacity of people to implement programs or to take other steps to improve the management of natural resources
- any other functions assigned to the Board by the Minister by or under this or any other Act.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**1.2. Objectives and programs (continued)**

**Board programs**

The Board's work program is based on the required action for the region, as outlined in the Board's Strategic Plan. In line with the Board's Strategic Plan, strategic actions to be undertaken by the Board are presented under the key drivers of change for the region, identified as:

- land management and change, for example: land management; water management (including stormwater and integrated urban water management and water resources planning); pest plant and animal management; threatened and declining species and communities management; and coast and marine management
- climate change, for example: ecosystem, urban and primary production adaptation
- economic impacts, for example: support sustainable primary production
- knowledge and capacity (community capacity), for example: support volunteers, community-run natural resource centres and sustainability centres; increase knowledge and capacity of natural resources managers; school and community education; and promote healthy soil management
- planning and improvement, for example: regional and subregional planning; and monitoring, evaluation, reporting and improvement.

The table on the following page presents expenses and income attributable to each program.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**1.2. Objectives and programs (continued)**

**Expenses and income by program**

	Land Management and Change		Climate Change		Economic Impacts	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>						
Regional NRM and water levies	22 319	22 058	379	147	721	641
Commonwealth funding	1 307	1 225	1	1	3	8
Grants	525	154	6	-	11	-
Interest	36	93	1	1	1	3
Other income	233	444	1	12	3	-
<b>Total income</b>	<b>24 420</b>	<b>23 974</b>	<b>388</b>	<b>161</b>	<b>739</b>	<b>652</b>
<b>Expenses</b>						
Board and committee	32	39	1	1	2	2
Supplies and services	16 797	17 152	179	149	565	452
Grants and subsidies	5 424	5 631	199	-	145	156
Depreciation and amortisation	259	271	4	4	14	14
Other expenses	150	96	2	2	8	5
<b>Total expenses</b>	<b>22 662</b>	<b>23 189</b>	<b>385</b>	<b>156</b>	<b>734</b>	<b>629</b>
<b>Net result</b>	<b>1 758</b>	<b>785</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>23</b>

	Knowledge and Capacity		Planning and Improvement		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>						
Regional NRM and Water Levies	7 473	7 255	2 635	2 570	33 527	32 671
Commonwealth funding	208	222	414	33	1 933	1 489
Grants	114	25	40	-	696	179
Interest	12	30	4	11	54	138
Other income	36	14	9	-	282	470
<b>Total income</b>	<b>7 843</b>	<b>7 546</b>	<b>3 102</b>	<b>2 614</b>	<b>36 492</b>	<b>34 947</b>
<b>Expenses</b>						
Board and committee	13	13	5	6	53	61
Supplies and services	4 165	3 951	2 332	2 366	24 038	24 070
Grants and subsidies	3 250	3 200	271	91	9 289	9 078
Depreciation and amortisation	102	91	42	43	421	423
Other expenses	59	33	24	15	243	151
<b>Total expenses</b>	<b>7 589</b>	<b>7 288</b>	<b>2 674</b>	<b>2 521</b>	<b>34 044</b>	<b>33 783</b>
<b>Net result</b>	<b>254</b>	<b>258</b>	<b>428</b>	<b>93</b>	<b>2 448</b>	<b>1 164</b>

The Board has determined that assets and liabilities cannot be reliably attributed to individual programs.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**1.3. Impact of COVID-19 pandemic on the Board**

The COVID-19 pandemic impacted from March 2020. DEW on behalf of the NRM Board managed the move of a significant number of staff to work from home arrangements where feasible. DEW also ensured precautions were taken for staff and the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

A key impact to the board in 2019-20 was a reduction in capacity to complete various projects in the field. This related to projects including securing low flows, integrated water management, monitoring programs, and soils related projects. The financial impact of these projects cannot be reliably measured and therefore has not been disclosed. The surplus funds were redirected to bushfire recovery within the Boards region.

**2. Income**

**2.1. Regional NRM and water levies**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Regional NRM Levy collected through Councils	31 546	30 716
Water Levies collected through DEW	749	755
Western Mt Lofty Ranges Water Licence - SA Water	1 232	1 200
<b>Total Regional NRM and Water Levies</b>	<b>33 527</b>	<b>32 671</b>

Under the NRM Act the Board receives two forms of levies, being the Regional NRM levy and the NRM Water levy.

Regional NRM Levy collected through Councils

The Minister declares contributions by councils under section 92 of the NRM Act 2004 for the relevant financial year by notice in the Government Gazette. The Regional NRM levy is then collected by constituent councils from ratepayers and is based on the value of rateable land. The Regional NRM levies are recognised as revenue when the Board obtains control over these assets comprising these receipts which is the beginning of the levy period to which they relate. Councils may also seek to recover any outgoing costs associated with the collection of the levy.

Water levies collected through DEW

The water-based levy is collected by DEW from licensed water users. This levy is based on water allocated and water used. This income is recorded as revenue when the Board receives the funds from DEW.

Western Mt Lofty Ranges Water License – SA Water

Pursuant to section 146 of the NRM Act, a water license was issued to SA Water in June 2013 for the taking of 143 000 000kl of surface water in the Western Mt Lofty Ranges surface water area. A fixed charge of \$1.200 million was applied up to 2018-19 and approved by the then Minister for Sustainability, Environment and Conservation, and is payable by the license holder to the Board on an annual basis. From 2019-20, the CPI rate has been applied to the fixed amount. This income is recognised as revenue when the Board receives the funds.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**2.2. Commonwealth funding**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Commonwealth funding</b>		
Regional Land Partnerships Program*	1 925	1 489
Other	8	-
<b>Total Commonwealth funding</b>	<b>1 933</b>	<b>1 489</b>

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>* Regional Land Partnerships Program funding consists of the following components</b>		
Back from the Brink	1 216	946
Core services	404	413
Healthy Soils Healthy Landscapes	180	130
RLP Bushfire Recovery	125	-
<b>Total Regional Land Partnership funding</b>	<b>1 925</b>	<b>1 489</b>

Assets arising from Commonwealth funding in scope of AASB 1058 are recognised at their fair value when an asset is received. Commonwealth funding is paid in arrears, subject to an approved declaration of claim. The Board has determined that it has an unconditional contractual right to receive a portion of the funding under AASB 9 when a claim is submitted, as it has satisfied the eligibility criteria and expects that the claim will be accepted. Accordingly, revenue and a receivable are recognised when the claim is submitted.

**2.3. Grant revenues**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grant revenues from SA Government</b>		
State Government grants	589	90
<b>Total grant revenues from SA Government</b>	<b>589</b>	<b>90</b>
<b>Other grant revenues</b>		
Sundry grants	107	89
<b>Total other grant revenues</b>	<b>107</b>	<b>89</b>
<b>Total grant revenues</b>	<b>696</b>	<b>179</b>

Income from grants without sufficiently specific performance obligations is recognised when the entity obtains control over the assets. This is when the cash is received.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**2.4. Interest**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest revenues from entities within the SA Government	54	134
Interest revenues from Local Councils	-	4
<b>Total interest revenues</b>	<b>54</b>	<b>138</b>

**2.5. Other income**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Insurance recoveries	-	246
Provision of services	145	200
Sale of goods and services	69	12
Other revenue	47	12
<b>Total other income</b>	<b>282</b>	<b>470</b>

Other income includes revenue generated through the contracting of animal and plant control services conducted on Crown or private land and the sale of goods such as fox baits, flora and fauna. All revenue from the sale of goods and services and provision of services is revenue from contracts with customers. This revenue is recognised upon delivery of the service to the customer, which is in arrears, therefore no contract liability is recognised.

# Adelaide and Mount Lofty Ranges Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2020

---

### 3. Board, committees and employees

#### 3.1. Key management personnel

Key management personnel of the Board include the Minister, the Presiding Member, the Natural Resources Management (NRM) Manager and the other members of the Board who have responsibility for the strategic direction and management of the Board.

The total compensation for the Board's key management personnel was \$180 000 in 2019-20 and \$166 000 in 2018-19.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

No transactions with Key Management Personnel or related parties have occurred during 2019-20.

Under the transitional provisions of the *Landscape South Australia Act 2019*, the Minister appointed a sole member to the NRM Board in February 2020. At this time, all board members ceased their appointment, with the exception of D L Greenhough, who was extended as the sole member of the Board until 30 June 2020. The Water Allocation Plan Advisory Committee (WAPAC) and associated committee members ceased in February 2020. The Audit, Finance and Risk Committee and associated committee members ceased on 30 June 2020, with the exception of the NRM Board members who were also committee members, who ceased in February 2020.

#### 3.2. Board and committee members

Members during 2020 financial year were:

##### The Board

F A Lewis (Presiding Member, ceased February 2020)  
D L Greenhough (Presiding Member, ceased June 2020)  
A J Cusack (ceased February 2020)  
D L Greenhough (ceased June 2020)  
A E B Kentish (ceased February 2020)  
J T Newchurch (ceased February 2020)  
R L Siddall (resigned July 2019)

##### Committees

###### Barossa WAPAC \*

L P Deans (Chair) (ceased February 2020)  
M R Grossman (ceased February 2020)  
P Henschke (ceased February 2020)  
A Kassebaum (ceased February 2020)  
A Moroney (ceased February 2020)  
N Robins (ceased February 2020)  
W A Seeliger (ceased February 2020)

###### Central Adelaide WAPAC \*

D A McCormack (Chair) (ceased February 2020)  
G A Charlton (ceased February 2020)  
G Ingleton (ceased February 2020)  
B L Linke (ceased February 2020)  
M Marini (ceased February 2020)  
B Williams (ceased February 2020)

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**3.2. Board and committee members (continued)**

**Northern Adelaide Plains WAPAC \***

N Pezzaniti (Chair) (ceased February 2020)  
D Cavallaro (ceased February 2020)  
M Lewis (ceased February 2020)  
N Mecozzi (ceased February 2020)  
P Isiros (ceased February 2020)  
F Nguyen (ceased February 2020)

**Audit, Finance and Risk Committee**

J R Goode (ceased June 2020)  
A E B Kentish (ceased February 2020)  
F A Lewis (ceased February 2020)  
T N Johnston (ceased June 2020)

\* These members were not remunerated during 2019-20.

The number of members whose remuneration received or receivable falls within the following bands

	<b>2020</b>	<b>2019</b>
\$0 - \$19 999	26	36
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>27</b>	<b>37</b>

The total remuneration received or receivable by members was \$51 000 (2019: \$57 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and related fringe benefits tax.

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members. These expenses, in addition to payroll tax expense amount to \$2 000 (2019: \$4 000).

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**4. Expenses**

**4.1. Supplies and services**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Fee for service - Board funded DEW salaries	9 379	10 871
Fee for service – Project delivery	6 201	5 163
Fee for service - Water planning management to DEW	2 227	2 173
Fee for service - Corporate services fee to DEW	1 866	1 919
Fee for service - Patawalonga Lakes to DEW	1 049	981
Accommodation	880	822
Minor works, maintenance and equipment	595	314
Fee for service - Shared Services SA fee	338	329
Vehicles	289	310
Reimbursement of NRM levy collection fees	224	221
Temporary staff	170	1
General administration	159	242
Information technology and communication	123	141
Contracted staff training development	76	120
Transport	24	31
Other supplies and services	438	432
<b>Total supplies and services</b>	<b>24 038</b>	<b>24 070</b>

**4.2. Grants and subsidies**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grants and subsidies paid to entities within the SA Government</b>		
Adelaide Living Beaches	2 859	2 789
Recurrent grants	92	149
<b>Total grants and subsidies paid to entities within the SA Government</b>	<b>2 951</b>	<b>2 938</b>
<b>Grants and subsidies paid to entities external to the SA Government</b>		
Local Government	1 792	2 537
Other entities	4 546	3 603
<b>Grants and subsidies paid to entities external to the SA Government</b>	<b>6 338</b>	<b>6 140</b>
<b>Total grants and subsidies</b>	<b>9 289</b>	<b>9 078</b>

The Board provided financial assistance to Local Government, State Government agencies and private bodies during the year. Funds are paid by way of grants and all recipients are required to comply with conditions relevant to each grant.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**4.3. Depreciation and amortisation**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Infrastructure	415	418
Buildings	1	-
Plant and equipment	5	5
<b>Total depreciation</b>	<b>421</b>	<b>423</b>
<b>Total depreciation and amortisation</b>	<b>421</b>	<b>423</b>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

***Review of accounting estimates***

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

***Useful life***

Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Infrastructure	6-50
Plant and equipment	5-40
Buildings	8

**4.4. Other expenses**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment write offs	186	-
Audit fees paid/payable to the Auditor-General's Department	52	50
Bad and doubtful debts	5	4
Donated assets	-	97
<b>Total other expenses</b>	<b>243</b>	<b>151</b>

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

**5. Non-financial assets**

**5.1. Property, plant and equipment by asset class**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Infrastructure</b>		
Infrastructure at fair value	9 440	9 706
Infrastructure at cost (deemed fair value)	362	-
Accumulated depreciation	(3 806)	(3 471)
<b>Total infrastructure</b>	<b>5 996</b>	<b>6 235</b>
<b>Buildings</b>		
Buildings at cost (deemed fair value)	16	-
Accumulated depreciation	(1)	-
<b>Total buildings</b>	<b>15</b>	<b>-</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	209	198
Accumulated depreciation	(186)	(181)
<b>Total plant and equipment</b>	<b>23</b>	<b>17</b>
<b>Capital works in progress</b>		
Capital works in progress at cost	80	25
<b>Total capital works in progress</b>	<b>80</b>	<b>25</b>
<b>Total property, plant and equipment</b>	<b>6 114</b>	<b>6 277</b>

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Details about the Board's approach to fair value is set out in note 10.1.

**Impairment**

There were no indications of impairment of property, plant and equipment as at 30 June 2020.

**5.2. Property, plant and equipment owned by the Board**

**Reconciliation 2019-20**

	<b>Infrastructure</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Capital works in progress</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2019</b>	6 235	-	17	25	6 277
Acquisitions	-	16	11	417	444
Assets written off	(186)	-	-	-	(186)
Transfers to/(from) capital works in progress	362	-	-	(362)	-
Depreciation	(415)	(1)	(5)	-	(421)
<b>Carrying amount at 30 June 2020</b>	<b>5 996</b>	<b>15</b>	<b>23</b>	<b>80</b>	<b>6 114</b>

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	13 187	11 330
Cash on hand and imprest accounts	4	1
<b>Total cash and cash equivalents</b>	<b>13 191</b>	<b>11 331</b>

Cash is measured at nominal amounts.

Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates.

**6.2. Receivables**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Receivables from government entities	1 191	1 295
Receivables from non-government entities	7	13
Accrued revenues	13	26
Less allowance for doubtful debts	(5)	(7)
<b>Total current receivables</b>	<b>1 206</b>	<b>1 327</b>
<b>Total receivables</b>	<b>1 206</b>	<b>1 327</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

***Impairment of receivables***

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	7	7
Increase/(decrease) in the allowance	5	-
Write off allowance	(7)	-
<b>Carrying amount at the end of the period</b>	<b>5</b>	<b>7</b>

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**7. Liabilities**

**7.1. Payables**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Trade payables	1 334	2 232
Accrued expenses	318	292
<b>Total current payables</b>	<b>1 652</b>	<b>2 524</b>
<b>Total payables</b>	<b>1 652</b>	<b>2 524</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. Under Treasurer's Instruction 11 – Payment of Creditors Accounts, interest is payable on overdue accounts. The carrying amount of payables represents fair value due to their short-term nature.

**8. Changes in accounting policy**

**8.1. AASB 16 Leases**

Although the Board has adopted *AASB 16 Leases*, there are no lease arrangements that meet the definition of AASB 16. Most of the Board's accommodation services are provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies and are provided to the Board by way of a Service Level Agreement with DEW. These MoAA do not meet the definition of lease set out in AASB 16.

**8.2. AASB 15 Revenue from Contracts with Customers**

*AASB 15 Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes *AASB 111 Construction contracts*, *AASB 118 Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

**Impact on retained earnings**

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

**8.3. AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 Income of Not-for-Profit Entities establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 Contributions, AASB 118 Revenue and AASB 111 Construction Contracts. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

**Impact on retained earnings**

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**8.4. Presentation of Financial Statements**

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Board. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

**9. Outlook**

**9.1. Unrecognised contractual commitments**

***Expenditure commitments***

The Board's expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	7 182	6 726
Later than one year but not later than five years	16 881	16 913
Later than five years	24 553	28 257
<b>Total expenditure commitments</b>	<b>48 616</b>	<b>51 896</b>

Contracts have been entered into for various projects including wetlands, trash racks, flood studies, project officers and grants for Adelaide Living Beaches, Patawalonga Lakes, pollution prevention and research and development. The value of these projects is not reflected in the Statement of Comprehensive Income and Statement of Financial Position.

The Board's expenditure commitments also include administrative arrangements with the DPTI for accommodation located at Willunga.

***Operating lease commitments***

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	-	7
<b>Total operating lease commitments</b>	<b>-</b>	<b>7</b>
<b>Representing:</b>		
Non-cancellable operating leases	-	7
<b>Total operating lease commitments</b>	<b>-</b>	<b>7</b>

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**9.2. 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 and, if quantifiable, are measured at nominal value.

The Board is not aware of any contingent assets or liabilities.

**9.3. COVID-19 pandemic outlook for the Board**

The COVID-19 pandemic will continue to impact on the forward commitments transferred to the Hills & Fleurieu Landscape Board in 2020-21. The key expected impacts are:

- Delays to works specified in the business plan due to Work, Health and Safety restrictions
- Postponement of scheduled events such as field days
- Changes to working arrangements for staff, facilitating working from home.

**9.4. Events after the reporting period**

On 1 July 2020, the *Natural Resources Management Act 2004* was repealed, and the Adelaide and Mount Lofty Ranges Natural Resources Management Board was abolished.

The Adelaide and Mount Lofty Ranges Natural Resources Management Board has ceased operations, and the management of land, water, pest, plants and animals, and biodiversity across the region will be managed by the Hills and Fleurieu Landscape Board, the Northern and Yorke Landscape Board and the Green Adelaide Board.

# Adelaide and Mount Lofty Ranges Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2020

---

### 10. Measurement and risk

#### 10.1. Fair value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

##### **Initial recognition**

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

##### **Revaluation**

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Regional Director and audit committee each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

The Board revalues its infrastructure assets via a Certified Practising Valuer or internal estimates based on indices or recent transactions. A valuation appraisal by a Certified Practising Valuer is performed at least every 6 years. The last revaluation of assets was performed by Valcorp Australia Pty Ltd on 30 June 2017.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place

#### 10.2. Financial instruments

##### **Financial risk management**

Risk management is managed by the Board's corporate services section and Board risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity risk, credit risk and market risk) is insignificant based on past experience and current assessment of risk.

##### **Categorisation of financial instruments**

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 are disclosed in the respective financial asset / financial liability note.

**Adelaide and Mount Lofty Ranges Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**10.2. Financial instruments (continued)**

***Classification of financial instruments***

The Board measures all financial instruments at amortised cost.

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Carrying amount</b>	<b>Contractual Maturities</b>	<b>Carrying amount</b>
		<u>Within 1 year</u>	
<b>Category of financial asset and financial liability</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Financial assets</u></b>			
<b>Cash and cash equivalents</b>			
Cash and cash equivalents	13 191	n/a	11 331
<b>Financial assets at amortised cost</b>			
Receivables	1 085	n/a	714
<b>Total financial assets</b>	<b>14 276</b>	<b>-</b>	<b>12 045</b>
<b><u>Financial liabilities</u></b>			
<b>Financial liabilities at amortised cost</b>			
Payables	1 544	1 544	2 427
<b>Total financial liabilities</b>	<b>1 544</b>	<b>1 544</b>	<b>2 427</b>

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, that is they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.