

# Dog Fence Board

Financial report  
for the year ended  
30 June 2021



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## To the Chair Dog Fence Board

### Opinion

I have audited the financial report of the Dog Fence Board (the Board) for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Dog Fence Board as at 30 June 2021, 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair and the Executive Officer.

### 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 Dog Fence 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 the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

## **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 35(1) of the *Dog Fence Act 1946*, I have audited the financial report of the Dog Fence Board for the financial year ended 30 June 2021.

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 Dog Fence Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern

- 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 Chair of 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.



Andrew Richardson  
**Auditor-General**  
29 September 2021

# **Dog Fence Board**

## **Financial Statements**

For the year ended 30 June 2021

**Dog Fence Board**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the:

- financial statements of the Dog Fence Board:
  - are in accordance with the accounts and records of the Dog Fence Board;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Dog Fence Board at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Dog Fence Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



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Geoff Power  
Chair  
28 September 2021



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Marty Bower  
Executive Officer  
28 September 2021

**Dog Fence Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

**Statement of Comprehensive Income**

|                                   | Note | 2021<br>\$'000 | 2020<br>\$'000 |
|-----------------------------------|------|----------------|----------------|
| <b>Income</b>                     |      |                |                |
| Rates, contribution and subsidies | 2.1  | 5 095          | 2 114          |
| Commonwealth revenue              | 2.2  | 3 000          | 3 000          |
| Interest                          |      | 2              | 3              |
| <b>Total income</b>               |      | <b>8 097</b>   | <b>5 117</b>   |
| <b>Expenses</b>                   |      |                |                |
| Staffing and board costs          | 3.3  | 255            | 232            |
| Fence maintenance                 |      | 30             | 31             |
| Supplies and services             | 4.1  | 130            | 96             |
| Depreciation                      | 5.4  | 16             | 17             |
| Grants and subsidies              | 4.2  | 732            | 666            |
| Auditor's remuneration            |      | 18             | 18             |
| Lease financing cost              |      | -              | 1              |
| <b>Total expenses</b>             |      | <b>1 181</b>   | <b>1 061</b>   |
| <b>Net result</b>                 |      | <b>6 916</b>   | <b>4 056</b>   |
| <b>Total comprehensive result</b> |      | <b>6 916</b>   | <b>4 056</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.

**Dog Fence Board**  
**Statement of Financial Position**  
*as at 30 June 2021*

**Statement of Financial Position**

|                                      | Note | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------------------------|------|----------------|----------------|
| <b>Current assets</b>                |      |                |                |
| Cash                                 | 5.1  | 8 789          | 4 018          |
| Receivables                          | 5.2  | 12             | 21             |
| Inventories                          | 5.3  | 216            | 219            |
| <b>Total current assets</b>          |      | <b>9 017</b>   | <b>4 258</b>   |
| <b>Non-current assets</b>            |      |                |                |
| Property, plant and equipment        | 5.4  | 4 410          | 258            |
| <b>Total non-current assets</b>      |      | <b>4 410</b>   | <b>258</b>     |
| <b>Total assets</b>                  |      | <b>13 427</b>  | <b>4 516</b>   |
| <b>Current liabilities</b>           |      |                |                |
| Payables                             | 6.1  | 2 192          | 178            |
| Financial liabilities                | 6.2  | -              | 11             |
| Other liabilities                    | 6.3  | -              | 2              |
| <b>Total current liabilities</b>     |      | <b>2 192</b>   | <b>191</b>     |
| <b>Non-current liabilities</b>       |      |                |                |
| Financial liabilities                | 6.2  | -              | 6              |
| <b>Total non-current liabilities</b> |      | <b>-</b>       | <b>6</b>       |
| <b>Total liabilities</b>             |      | <b>2 192</b>   | <b>197</b>     |
| <b>Net assets</b>                    |      | <b>11 235</b>  | <b>4 319</b>   |
| <b>Equity</b>                        |      |                |                |
| Retained earnings                    |      | 11 185         | 4 269          |
| Asset revaluation surplus            |      | 50             | 50             |
| <b>Total equity</b>                  |      | <b>11 235</b>  | <b>4 319</b>   |

The accompanying notes form part of these financial statements.

The total equity is attributable to the SA Government as owner.

**Dog Fence Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

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**Statement of Changes in Equity**

|   | <b>Retained<br/>earnings</b> | <b>Asset<br/>Revaluation<br/>Surplus</b> | <b>Total<br/>equity</b> |
|---|------------------------------|--|-------------------------|
|   | <b>\$'000</b>                | <b>\$'000</b>                            | <b>\$'000</b>           |
| <b>Balance at 1 July 2019</b>                 | 213                          | 50                                       | 263                     |
| Net result for 2019-20                        | 4 056                        | -  | 4 056                   |
| <b>Total comprehensive result for 2019-20</b> | <b>4 056</b>                 | <b>-</b>                                 | <b>4 056</b>            |
| <b>Balance at 30 June 2020</b>                | <b>4 269</b>                 | <b>50</b>                                | <b>4 319</b>            |
| Net result for 2020-21                        | 6 916                        | -  | 6 916                   |
| <b>Total comprehensive result for 2020-21</b> | <b>6 916</b>                 | <b>-</b>                                 | <b>6 916</b>            |
| <b>Balance at 30 June 2021</b>                | <b>11 185</b>                | <b>50</b>                                | <b>11 235</b>           |

The accompanying notes form part of these financial statements.

All changes in equity are attributable to the SA Government as owner.

**Dog Fence Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

**Flows**

|   | 2021           | 2020           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| <b>Cash flows from operating activities</b>                         |                |                |
| <b>Cash inflows</b>   |                |                |
| Interest received   | 2              | 3              |
| Rates, contribution and subsidies                                   | 5 102          | 2 097          |
| Commonwealth revenue received                                       | 3 000          | 3 000          |
| <b>Cash generated from operations</b>                               | <b>8 104</b>   | <b>5 100</b>   |
| <b>Cash outflows</b>  |                |                |
| Grants and subsidies  | (732)          | (666)          |
| Payments for staffing and board expenses                            | (257)          | (232)          |
| Fence Maintenance   | (27)           | (152)          |
| Interest paid   | -              | (1)            |
| Payments for supplies and services                                  | (130)          | (108)          |
| Auditor's remuneration  | (18)           | (18)           |
| <b>Cash used in operating activities</b>                            | <b>(1 164)</b> | <b>(1 177)</b> |
| <b>Net cash provided by / (used in) operating activities</b>        | <b>6 940</b>   | <b>3 923</b>   |
| <b>Cash flows from investing activities</b>                         |                |                |
| <b>Cash outflows</b>  |                |                |
| Purchase of property, plant and equipment                           | (2 169)        | -              |
| <b>Cash used in investing activities</b>                            | <b>(2 169)</b> | <b>-</b>       |
| <b>Net cash provided by / (used in) investing activities</b>        | <b>(2 169)</b> | <b>-</b>       |
| <b>Cash flows from financing activities</b>                         |                |                |
| <b>Cash outflows</b>  |                |                |
| Repayment of leases   | -              | (12)           |
| <b>Cash used in financing activities</b>                            | <b>-</b>       | <b>(12)</b>    |
| <b>Net cash provided by / (used in) financing activities</b>        | <b>-</b>       | <b>(12)</b>    |
| <b>Net increase / (decrease) in cash and cash equivalents</b>       | <b>4 771</b>   | <b>3 911</b>   |
| Cash and cash equivalents at the beginning of the reporting period  | 4 018          | 107            |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>8 789</b>   | <b>4 018</b>   |

The accompanying notes form part of these financial statements.

# **Dog Fence Board**

## **Notes to and forming part of the financial statements**

### ***for the year ended 30 June 2021***

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#### **1. About the Dog Fence Board**

The Dog Fence Board (the Board) is a body corporate of the state of South Australia, established pursuant to the *Dog Fence Act 1946* and is controlled by the Crown. The financial statements and accompanying notes include all the controlled activities of the Board.

##### **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*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity.

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.

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.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

GST collections and payments are carried out by the Department of Primary Industries and Regions (PIRSA) on behalf of the Board. GST in relation to the Board is reported in the PIRSA Controlled Financial Statements.

##### **1.2. Objectives of the Dog Fence Board**

The Board was established pursuant to the *Dog Fence Act 1946* (the Act), on 17 June 1947. The primary purpose of the Board is to increase the sustainability and profitability of South Australia's livestock industry through the establishment and maintenance of particular dog proof fences in South Australia, in order to prevent the entry of wild dogs into pastoral areas.

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

The COVID-19 pandemic has not had a material impact on the operations of the Board in 2020-21.

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**2. Income**

**2.1. Rates, contribution and subsidies**

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Rates, contribution and subsidies</b>       |               |               |
| Rates, levies and penalties                    | 618           | 632           |
| SA Government contribution and subsidy         | 3 474         | 864           |
| Transfer from SA Sheep Industry Fund           | 1 003         | 618           |
| <b>Total rates, contribution and subsidies</b> | <b>5 095</b>  | <b>2 114</b>  |

**Income was attributed to:**

**Maintenance and obligations of the existing Fence**

|   |              |              |
|---|--------------|--------------|
| Rates, levies and penalties collected/collectable by Dog Fence Board      | 344          | 372          |
| SA Government contribution and subsidy                                    | 579          | 575          |
| Transfer from SA Sheep Industry Fund                                      | 248          | 243          |
| <b>Total income for maintenance and obligations of the existing fence</b> | <b>1 171</b> | <b>1 190</b> |

**The Dog Fence Rebuild project**

|  |              |            |
|--|--------------|------------|
| Rates, levies and penalties collected/collectable by Dog Fence Board | 274          | 260        |
| SA Government contribution and subsidy                               | 2 895        | 289        |
| Transfer from SA Sheep Industry Fund                                 | 755          | 375        |
| <b>Total income for the Dog Fence Rebuild project</b>                | <b>3 924</b> | <b>940</b> |

**Total rates, contribution and subsidies**

|              |              |
|--------------|--------------|
| <b>5 095</b> | <b>2 130</b> |
|--------------|--------------|

Rates, levies and penalties are recognised upon raising invoices after the rates were declared each year. Revenue from SA Government and Sheep Industry Fund are recognised as revenue under AASB 1058 upon receipt.

**Maintenance and obligations of the existing fence**

The Board receives funding via annual rates charged to occupiers of property whose land is south of the dog fence, and whose land is more than 10 square kilometres in size. As per section 25 of the Act, the rate in 2020-21 was \$2.00 per square kilometre (2020: \$2.00). The minimum charge was \$475 (2020: \$475).

The proportion of rates for 2020-21 amounting to \$248 000 (2020: \$243 000) which had been collected from the Local Government area included in the rating area on 11 September 1998, were collected by the SA Sheep Industry Fund (SIF) via a sheep transaction levy.

The collection of the sheep transaction levy by the SA Sheep Industry Fund is supported by the South Australian Government Gazette dated 12 June 2008.

Additionally, under section 31 of the Act, the Treasurer pays the Board a subsidy at the rate of \$1 for every dollar of the rates and contributions by councils declared by the Board for each financial year.

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
***for the year ended 30 June 2021***

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**2.1 Rates, contribution and subsidies (continued)**

**Funding for the Dog Fence Rebuild**

The Commonwealth Government, State Government and the livestock industry have partnered to fund the rebuild of 1600 kilometres of the Dog Fence that are one hundred years old. The fence rebuild has an estimated cost of \$25 million and the funding arrangement is Commonwealth Government (\$10m), State Government (\$10m) and Industry (\$5m). The project commenced in 2019-20 and is expected to take 5 years to complete.

**2.2. Commonwealth revenue**

The Commonwealth revenue is for the Dog Fence Rebuild Project. Funds were paid to the Board through the State as part of a joint Commonwealth/State contractual agreement.

Under this joint Commonwealth/State agreement a secondary sub-contract between the State and the Board is not formed and the performance obligations required from the funding remains with the State.

Under AASB 1058 the income from the Commonwealth is recognized by the Board upon receipt.

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel include the Minister for Primary Industries and Regional Development, the Chair and the four members of the Board.

Total compensation for the Board's key management personnel was \$5 617 (2020: \$4 815) and excludes salaries and other benefits the Minister 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*.

**Transactions with key management personal and other related parties**

Close family members of one of the board members have been provided subsidies as private fence owners, as disclosed in note 4.2. These payments are made in accordance with section 24 of the Act.

**3.2. Board and committee members**

Members during the 2021 financial year were:

G M Power (Chair)  
 J P Lawrie  
 J H MacLachlan  
 C Treloar  
 P J Whittlesea

**Board and committee remuneration**

|   | 2021     | 2020     |
|---|----------|----------|
| The number of members whose remuneration received or receivable falls within the following bands: |          |          |
| \$0 - \$19 999  | 5        | 7        |
| <b>Total number of members</b>  | <b>5</b> | <b>7</b> |

The total remuneration received or receivable by members was \$5 617 (2020: \$4 815). Remuneration of members reflects all costs of performing board/committee member duties, including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Unless otherwise disclosed, transactions with members are on conditions no more favourable than those that it is reasonable to expect the Board would have adopted if dealing with the related party at arm's length in the same circumstances.

**3.3. Staffing and board costs**

|                                       | 2021       | 2020       |
|---------------------------------------|------------|------------|
|                                       | \$'000     | \$'000     |
| Staffing costs <sup>(1)</sup>         | 246        | 227        |
| Board fees and related on-costs       | 9          | 5          |
| <b>Total staffing and board costs</b> | <b>255</b> | <b>232</b> |

<sup>(1)</sup> Reimbursement of PIRSA staff allocated to assist with the maintenance operations and administration of the Board.

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**4. Expenses**

**4.1. Supplies and services**

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Hire of motor vehicles                     | 22            | 11            |
| Minor equipment                            | 21            | 11            |
| Staff travel and accommodation             | 19            | 24            |
| Office accommodation costs                 | 18            | 19            |
| Chemical purchases                         | 12            | 2             |
| Professional and technical services        | 9             | 2             |
| Office supplies                            | 8             | 5             |
| Other                                      | 6             | 12            |
| Courier, freight and postage               | 6             | 2             |
| Insurance                                  | 4             | 4             |
| Debt collection costs                      | 4             | 1             |
| Telecommunications and data access charges | 1             | 3             |
| <b>Total supplies and services</b>         | <b>130</b>    | <b>96</b>     |

**4.2. Grants and subsidies**

|                                   | <b>2021</b>   | <b>2020</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$'000</b> | <b>\$'000</b> |
| Local boards                      | 621           | 586           |
| Private fence owners              | 111           | 80            |
| <b>Total grants and subsidies</b> | <b>732</b>    | <b>666</b>    |

Grants and subsidies are paid to the owners of the Dog Fence (or to Local Boards with vested fence ownership where one is established) as per Sec 24 of the Dog Fence Act 1946 to enable them to maintain and inspect their part of the fence and to destroy wild dogs in the vicinity of that part of the fence.

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

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**5. Assets**

**5.1. Cash and cash equivalents**

Cash in the Statement of Financial Position comprises deposits at call with the Department of Treasury and Finance.

**5.2. Receivables**

|   | 2021      | 2020      |
|---|-----------|-----------|
|   | \$'000    | \$'000    |
| Rates revenue receivable <sup>(1)</sup> | 12        | 21        |
| <b>Total current receivables</b>        | <b>12</b> | <b>21</b> |
| <b>Total receivables</b>                | <b>12</b> | <b>21</b> |

<sup>(1)</sup> Rates are imposed on occupiers of rateable land under Section 27 of the Act, and are payable within 28 days from which the rate notice is served. Any debt due to the Board may be recovered in any court of competent jurisdiction.

*Impairment of Receivables*

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Board considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Boards historical experience and informed credit assessment, including where practicable forward-looking information.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

The expected credit loss from ratepayers is considered to be nil based on the nature of the debtors and no history of debt writes offs.

**5.3. Inventories**

|   | 2021       | 2020       |
|---|------------|------------|
|   | \$'000     | \$'000     |
| <b>Current inventories <sup>(1)</sup></b> |            |            |
| Raw materials and stores <sup>(2)</sup>   | 216        | 219        |
| <b>Total inventories</b>                  | <b>216</b> | <b>219</b> |

<sup>(1)</sup> At the lower of cost and realisable value

<sup>(2)</sup> Consists of fencing materials for the establishment and maintenance of dog proof fences, managed by the Board.

## **Dog Fence Board**

### **Notes to and forming part of the financial statements**

#### **for the year ended 30 June 2021**

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#### **5.4. Property, plant and equipment**

All non-current tangible assets with a value of \$10 000 or greater are capitalised, otherwise it is expensed.

Property, plant and equipment owned by the Board is recorded at fair value. Detail about the Board's approach to fair value is set out in note 8.1.

##### ***Dog Fence Rebuild***

The dog fence is under the Board's care and control and is recognised as an asset of the Board. While ownership of the fence remains with the legal owners provided by s24A(3) of the Act, the Board retains operational control of the dog fence as it is responsible for ensuring the dog fence is properly maintained and operated in accordance with the specific purposes described in the Act. Improvements on the dog fence are recorded as asset.

The dog fence is recognised by rebuild stages and geographic sections when it is assessed to be fully functional and capable of operating in the manner intended by the Board.

##### ***Fence maintenance***

As per section 21 of the Act, the Board may carry out work for the construction, alteration or replacement of the fence. Maintenance expenses are recognised when incurred.

##### ***Impairment***

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their services capacity and are subject to regular revaluation.

##### ***Review of accounting estimates***

Assets' residual values and useful lives and depreciation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected 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.

##### ***Depreciation***

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

Land is not depreciated.

##### ***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> |
|-----------------------|----------------------------|
| Buildings             | 20 – 40                    |
| Dog Fence             | 30 – 50                    |
| Plant and equipment   | 1 – 10                     |
| Right of use vehicles | Life of lease              |

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**5.4. Property, plant and equipment (continued)**

*Reconciliation 2020-21*

|   | Land     | Buildings | Dog<br>Construction<br>in progress | Fence<br>Rebuild | Plant &<br>equipment | Right<br>of use<br>vehicle | Total        |
|---|----------|-----------|------------------------------------|------------------|----------------------|----------------------------|--------------|
|   | \$'000   | \$'000    | \$'000                             | \$'000           | \$'000               | \$'000                     | \$'000       |
| Carrying amount at the beginning of the period  | 1        | 78        | 157                                | -                | 6                    | 16                         | 258          |
| Additions                                       | -        | -         | 4 184                              | -                | -                    | -                          | 4 184        |
| Disposal  | -        | -         | -                                  | -                | -                    | (16)                       | (16)         |
| Transfer between asset classes                  | -        | -         | (2 390)                            | 2 390            | -                    | -                          | -            |
| Depreciation                                    | -        | (3)       | -                                  | (12)             | (1)                  | -                          | (16)         |
| <b>Carrying amount at the end of the period</b> | <b>1</b> | <b>75</b> | <b>1 951</b>                       | <b>2 378</b>     | <b>5</b>             | <b>-</b>                   | <b>4 410</b> |
| <b>Carrying amount</b>                          |          |           |                                    |                  |                      |                            |              |
| Gross carrying amount                           | 1        | 84        | 1 951                              | 2 390            | 26                   | -                          | 4 452        |
| Accumulated depreciation                        | -        | (9)       | -                                  | (12)             | (21)                 | -                          | (42)         |
| <b>Total</b>                                    | <b>1</b> | <b>75</b> | <b>1 951</b>                       | <b>2 378</b>     | <b>5</b>             | <b>-</b>                   | <b>4 410</b> |

*Reconciliation 2019-20*

|   | Land     | Buildings | Construction<br>in progress | Plant &<br>equipment | Right of<br>use<br>vehicle | Total      |
|---|----------|-----------|-----------------------------|----------------------|----------------------------|------------|
|   | \$'000   | \$'000    | \$'000                      | \$'000               | \$'000                     | \$'000     |
| Carrying amount at the beginning of the period  | 1        | 81        | -                           | 7                    | -                          | 89         |
| First time recognition of AASB 16               | -        | -         | -                           | -                    | 29                         | 29         |
| Additions                                       | -        | -         | 157                         | -                    | -                          | 157        |
| Depreciation                                    | -        | (3)       | -                           | (1)                  | (13)                       | (17)       |
| <b>Carrying amount at the end of the period</b> | <b>1</b> | <b>78</b> | <b>157</b>                  | <b>6</b>             | <b>16</b>                  | <b>258</b> |
| <b>Carrying amount</b>                          |          |           |                             |                      |                            |            |
| Gross carrying amount                           | 1        | 84        | 157                         | 26                   | 29                         | 297        |
| Accumulated depreciation                        | -        | (6)       | -                           | (20)                 | (13)                       | (39)       |
| <b>Total</b>                                    | <b>1</b> | <b>78</b> | <b>157</b>                  | <b>6</b>             | <b>16</b>                  | <b>258</b> |

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**6. Liabilities**

**6.1. Payables**

|  | 2021<br>\$'000 | 2020<br>\$'000 |
|--|----------------|----------------|
| Dog Fence Rebuild project costs, payable to PIRSA <sup>(a)</sup> | 2 172          | 157            |
| Audit fee payable to Auditor-General's Department                | 18             | 18             |
| Trade creditors  | 2              | 3              |
| <b>Total payables</b>  | <b>2 192</b>   | <b>178</b>     |

<sup>(a)</sup> The Dog Fence rebuild Committee provides strategic direction on matters relating to the rebuild of the SA Dog Fence and through PIRSA project manages the award, supervision, and payment of contract sums for labour and material supplied by fencing contractors engaged on the fence rebuild project. Refer also to note 5.4.

**6.2. Financial liabilities**

|  | 2021<br>\$'000 | 2020<br>\$'000 |
|--|----------------|----------------|
| <b>Current</b>                                 |                |                |
| Lease liabilities                              | -              | 11             |
| <b>Total current financial liabilities</b>     | <b>-</b>       | <b>11</b>      |
| <b>Non-current</b>                             |                |                |
| Lease liabilities                              | -              | 6              |
| <b>Total non-current financial liabilities</b> | <b>-</b>       | <b>6</b>       |
| <b>Total financial liabilities</b>             | <b>-</b>       | <b>17</b>      |

Lease liabilities are measured via discounting lease payments using either the interest rate implicit in the lease or Treasury's incremental borrowing rate. The borrowing costs was \$0 (\$1 000)

Lease liabilities are in relation to Right of Use vehicle assets. Motor vehicles are leased from South Australian Government Financing Authority (SAFA) through their agent LeasePlan, Leases are non-cancellable and vehicles are leased for a specified time period. The Board transferred all vehicle leases to PIRSA in 2020-21 and did not enter into any new lease agreement.

**6.3. Other liabilities**

|                                | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------------------|----------------|----------------|
| Early payment of rate revenue  | -              | 2              |
| <b>Total other liabilities</b> | <b>-</b>       | <b>2</b>       |

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**7. Outlook**

**7.1. Unrecognised commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

|   | <b>2021</b>   | <b>2020</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>Capital commitments</b>                        |               |               |
| Within one year                                   | 5 480         | 165           |
| Later than one year but no longer than five years | 5             | 55            |
| <b>Total capital commitments</b>                  | <b>5 485</b>  | <b>220</b>    |

Amount to be reimbursed to PIRSA for committed contracts entered into for the rebuild of the Dog Fence. On behalf of the Board and Minister a Dog Fence rebuild Committee was established within PIRSA to project manage the award, supervision, and payment of contract sums for labour and material supplied by fencing contractors engaged on the fence rebuild project.

|   | <b>2021</b>   | <b>2020</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>Expenditure commitments</b>                    |               |               |
| Within one year                                   | -             | 4             |
| Later than one year but no longer than five years | -             | 2             |
| <b>Total expenditure commitments</b>              | <b>-</b>      | <b>6</b>      |

The expenditure commitment related to a vehicle which was transferred to PIRSA in 2020-21.

**7.2. Contingent assets and liabilities**

The Board has no known contingent assets or contingent liabilities.

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

The COVID-19 pandemic is not expected to have a material impact on the operations of the Board in 2021-22.

**7.4. Events after the reporting period**

No events have occurred after balance date that would affect the financial statements of the Board as at 30 June 2021.

**7.5 Impact of standards not yet implemented**

The Board has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. The Board considers there will be no significant impact on the financial statements.

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2021**

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**8. Measurement and risk**

**8.1. 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 owned by the Board 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 except when the fair value cannot be measured reliably. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then 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 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.

Revaluation is undertaken on a 5 year cycle. 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.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

***Land and buildings***

The independent valuation of land and buildings was performed by Liquid Pacific Pty Ltd, an independent valuer, as at 30 June 2018. The valuer arrived at the fair value based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

Land, buildings and improvements and plant and equipment acquired since the last formal revaluation are deemed to be at fair value.

***Plant and equipment***

The carrying amount of plant and equipment owned by the Dog Fence Board that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

**Dog Fence Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**8.2. Financial instruments**

***Financial risk management***

The Board has cash, non-interest bearing assets (receivables) and liabilities (payables). The Board's exposure to market risk and cash flow interest risk is minimal.

The Board has no significant concentration of credit risk. The Board has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

In relation to liquidity/funding risk, the continued existence of the Board in its present form, is dependent on the funding provisions of the Act.

**Maturity analysis of financial instruments**

| Category of financial asset and financial liability | Note | Carrying amount / fair value<br>\$'000 | 2021 Contractual maturities |                     |
|---|------|--|-----------------------------|---------------------|
|   |      |  | Less than 1 year<br>\$'000  | 1-5 years<br>\$'000 |
| <b>Financial assets at amortised cost</b>           |      |  |                             |                     |
| Cash  | 5.1  | 8 789                                  | 8 789                       | -                   |
| <b>Total financial assets</b>                       |      | <b>8 789</b>                           | <b>8 789</b>                | <b>-</b>            |
| <b>Financial liabilities at amortised cost</b>      |      |  |                             |                     |
| Payables  | 6.1  | 2 174                                  | 2 174                       | -                   |
| <b>Total financial liabilities</b>                  |      | <b>2 174</b>                           | <b>2 174</b>                | <b>-</b>            |

| Category of financial asset and financial liability | Note | Carrying amount / fair value<br>\$'000 | 2020 Contractual maturities |                     |
|---|------|--|-----------------------------|---------------------|
|   |      |  | Less than 1 year<br>\$'000  | 1-5 years<br>\$'000 |
| <b>Financial assets at amortised cost</b>           |      |  |                             |                     |
| Cash  | 5.1  | 4 018                                  | 4 018                       | -                   |
| <b>Total financial assets</b>                       |      | <b>4 018</b>                           | <b>4 018</b>                | <b>-</b>            |
| <b>Financial liabilities at amortised cost</b>      |      |  |                             |                     |
| Payables  | 6.1  | 160                                    | 160                         | -                   |
| Lease liabilities                                   | 6.2  | 17                                     | 11                          | 6                   |
| Other liabilities                                   | 6.3  | 2                                      | 2                           | -                   |
| <b>Total financial liabilities</b>                  |      | <b>179</b>                             | <b>173</b>                  | <b>6</b>            |

***Receivables and payables***

The receivables and payables amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. 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 etc., they would be excluded from the disclosure.