

Minister for Primary Industries
and Regional Development -
South Australian Apiary Industry Fund

Financial report
for the year ended
30 June 2020



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To the Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund

Qualified opinion

I have audited the financial report of the Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund (the fund) for the financial year ended 30 June 2020.

In my opinion, except for the effects of the possible matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund 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 Chief Executive, Department of Primary Industries and Regions (the Chief Executive), signed for and on behalf of the Minister for Primary Industries and Regional Development (the Minister) and the Acting Chief Financial Officer, Department of Primary Industries and Regions.

Basis for qualified opinion

As referred to in note 2.1 to the financial statements, pursuant to regulation 5 of the Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016, under the *Primary Industry Funding Schemes Act 1998*, contributions are required to be paid into the fund based on the number of hives kept. While there are adequate internal controls over contributions

actually received, there are no procedures in place to ensure contributions received represent all hives kept. Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$63 206 (\$61 236) is complete.

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 Minister and the Department of Primary Industries and Regions which administers the fund on the Minister's behalf. 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 qualified opinion.

Responsibilities of the Minister and the Chief Executive for the financial report

The Chief Executive 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 the Chief Executive determines is 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.

The Minister is responsible for overseeing the entity's financial reporting process.

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*, I have audited the financial report of the Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund 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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- 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 Chief Executive and the Minister 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

18 January 2021

**Minister for Primary Industries and Regional
Development**

South Australian Apiary Industry Fund

Financial Statements

For the year ended 30 June 2020

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Certification of Financial Statements
for the year ended 30 June 2020

We certify that the attached general purpose financial statements for the Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund:

- 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 South Australian Apiary Industry Fund
- present a true and fair view of the financial position of the South Australian Apiary Industry Fund as at 30 June 2020 and the results of its operation and cash flows for the financial year

We certify that the internal controls employed by the Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Michelle Edge
Chief Executive
Department of Primary Industries and Regions
For and on behalf of the Minister for Primary
Industries and Regional Development
Per authorisation dated 17 November 2020
13 January 2021



Mark Williams
Acting Chief Financial Officer
Department of Primary Industries and Regions
13 January 2021

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Contributions from industry	2.1	63 206	61 236
Interest		1 670	4 185
Total income		64 876	65 421
Expenses			
Projects	4.1	40 000	40 000
Refund of contributions		1 059	-
Supplies and services	4.2	5 119	4 835
Auditor's remuneration		5 300	5 200
Total expenses		51 478	50 035
Net result		13 398	15 386
Total comprehensive result		13 398	15 386

The accompanying notes form part of these financial statements.

The net result and total comprehensive result are attributable to the SA Government as owner.

**Minister for Primary Industries and Regional Development – South Australian Apiary
Industry Fund
Statement of Financial Position
as at 30 June 2020**

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	5.1	348 148	334 303
Receivables	5.2	26	363
Total current assets		348 174	334 666
Total assets			
		348 174	334 666
Current liabilities			
Payables	6.1	5 850	5 740
Total current liabilities		5 850	5 740
Total liabilities			
		5 850	5 740
Net assets			
		342 324	328 926
Equity			
Retained earnings		342 324	328 926
Total equity		342 324	328 926
Contingent liabilities			
	8.1		

The accompanying notes form part of these financial statements.

Total equity is attributable to the SA Government as owner.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Statement of Changes in Equity
for the year ended 30 June 2020

	Retained earnings	Total equity
	\$	\$
Balance at 30 June 2018	313 540	313 540
Net result for 2018-19	15 386	15 386
Total comprehensive result for 2018-19	15 386	15 386
Balance at 30 June 2019	328 926	328 926
Net result for 2019-20	13 398	13 398
Total comprehensive result for 2019-20	13 398	13 398
Balance at 30 June 2020	342 324	342 324

The accompanying notes form part of these financial statements.

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

**Minister for Primary Industries and Regional Development – South Australian Apiary
Industry Fund
Statement of Cash Flows**

for the year ended 30 June 2020

	2020	2019
	Inflows	Inflows
	(Outflows)	(Outflows)
	\$	\$
Cash flows from operating activities		
Cash inflows		
Contributions from industry	63 206	61 236
Interest received	2 007	4 171
Cash generated from operations	<u>65 213</u>	<u>65 407</u>
Cash outflows		
Payments for projects	(40 000)	(40 000)
Refund of contributions	(1 059)	-
Payments for supplies and services	(5 109)	(4 825)
Auditor's remuneration	(5 200)	(5 100)
Cash used in operations	<u>(51 368)</u>	<u>(49 925)</u>
Net cash provided by / (used in) operating activities	<u>13 845</u>	<u>15 482</u>
Net increase / (decrease) in cash and cash equivalents	<u>13 845</u>	<u>15 482</u>
Cash and cash equivalents at the beginning of the reporting period	334 303	318 821
Cash and cash equivalents at the end of the reporting period	<u>348 148</u>	<u>334 303</u>

The accompanying notes form part of these financial statements.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2020

1. About the South Australian Apiary Industry Fund

The South Australian Apiary Industry Fund (the Fund) is established pursuant to the *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016* (Regulations), administered by the Minister for Primary Industries and Regional Development and is controlled by the Crown. The Department of Primary Industries and Regions (PIRSA) provides administrative support services to the Fund.

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.

For the 2019-20 financial statements the Fund adopted AASB 15 – *Revenue from Contracts with Customers* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 7.

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.

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

The Fund is not subject to Income Tax. The Fund is liable for Goods and Services Tax (GST). GST collections and payments are carried out by PIRSA on behalf of the Fund. GST in relation to the Fund is reported in the PIRSA Controlled Financial Statements.

1.2. Objectives of the Fund

The Fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 31 January 2001. These Regulations were revoked on 1 September 2016. New Regulations, *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016* were issued on 1 September 2016 with minimal changes made.

The primary purposes of the Fund are to:

- undertake programs relating to the apiary industry or apiary products or any other aspect of the apiary industry
- pay the expenses of administering the Fund
- repayments of contributions to the fund

1.3. COVID-19 pandemic impact on the Fund

The COVID-19 pandemic has not had a material impact on the operations of the Fund in 2019-20.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2. Income

2.1. Contributions from industry

Contributions payable to the Minister for payment into the Fund are made pursuant to Regulation 5.

Contributions are recognised as an asset and income when the Fund obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (that is, the amount can be reliably measured and the flow of resources is probable).

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Fund includes the Minister for Primary Industries and Regional Development who has responsibility for the strategic direction and management of the Fund.

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 Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

There were no transactions with key management personnel and other related parties entered into by the Fund.

4. Expenses

4.1. Projects

	2020	2019
	\$	\$
Bee Biosecurity Officer	40 000	40 000
Total projects	40 000	40 000

Regulations provide that the Fund may be applied for a number of specific purposes. The amounts transferred enable projects and activities that the Minister considers beneficial to the apiary industry.

For transfers payable, the payments will be recognised as a liability and expense when the Fund has a present obligation to pay the transfer and the expense recognition criteria are met.

All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

4.2. Supplies and services

	2020	2019
	\$	\$
Administrative and operating costs ⁽¹⁾	5 119	4 835
Total supplies and services	5 119	4 835

⁽¹⁾ Includes fees for administration and preparation of the financial statements.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Financial 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

	2020	2019
	\$	\$
Accrued interest - Department of Treasury and Finance	26	363
Total receivables	26	363

6. Liabilities

6.1. Payables

	2020	2019
	\$	\$
Audit fee payable to the Auditor-General's Department	5 300	5 200
Other payables	550	540
Total payables	5 850	5 740

Goods and services provided and unpaid at the end of the reporting period are recognised as other payables.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

7. Changes in accounting policy

7.1. 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.

AASB 15 *Revenue from Contracts with Customers* requirements are effective for annual reporting periods beginning on or after 1 January 2019.

Impact on retained earnings

The Fund does not have any contract with customers to be recognised under AASB 15, therefore there is no impact on retained earnings.

7.2. 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.

AASB 1058 *Income of Not-for-Profit* requirements are effective for annual reporting periods beginning on or after 1 January 2019.

Accounting policies on transition

On transition, there was no impact on retained earnings.

7.3. Effects on financial statements from AASB 15 and AASB 1058

There is immaterial impact of adopting AASB 15 and AASB 1058 on the Fund's financial statements for the year ending 30 June 2020.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Outlook

8.1. Contingent liabilities

Refunds of contributions

Under Regulations 5(3) a person may, by notice in writing to the Minister, within the 12 months following a registration period in respect of which the person has paid contributions, make a claim for a refund in respect of those contributions.

At the reporting date the possible emergence of valid refund requests within the 12 months following the prescribed registration period is present. However, as uncertainty exists as to the number of refund requests that will be received, and their timing and amount, these potential obligations cannot be reliably estimated and therefore represent a contingent liability for the Fund.

Once a valid refund request has been received from a past contributor and it is approved by the Minister or delegate, a present obligation to pay the refund arises. The refund amount is then recognised as a liability and expense of the Fund.

8.2. Events after the reporting period

No events have occurred after balance date that would affect the financial statements of the Fund as at 30 June 2020.

8.3. COVID-19 pandemic outlook for the Fund

The COVID-19 pandemic is not expected to have a material impact on the operations of the Fund in 2020-21.

9. Measurement and risk

9.1. Financial instruments

Liquidity risk

The Fund's revenue comes from contributions received from industry members at rates prescribed in the Regulations for the Fund. All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

The continued existence of the Fund in its present form, and with its present programs, is dependent on State Government policy and the industry's on-going support for the Fund.