

South Australian Arid Lands
Natural Resources Management Board

Financial report
for the year ended
30 June 2020



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**To the Presiding Member
South Australian Arid Lands Natural Resources Management Board**

Opinion

I have audited the financial report of the South Australian Arid Lands 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 South Australian Arid Lands 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 South Australian Arid Lands 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 South Australian Arid Lands 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 South Australian Arid Lands 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

**South Australian Arid Lands Natural Resources
Management Board**

Financial Statements

For the year ended 30 June 2020

South Australian Arid Lands Natural Resources Management Board
Certification of the Financial Statements
for the year ending 30 June 2020

We certify that the attached general purpose financial statements for the South Australian Arid Lands 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 South Australian Arid Lands Natural Resources Management Board
- present a true and fair view of the financial position of the South Australian Arid Lands 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 South Australian Arid Lands 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.



Ross Sawyer
Presiding Member
25 November 2020



Shaun O'Brien
Chief Financial Officer
Department for Environment and Water
25 November 2020

South Australian Arid Lands Natural Resources Management Board
Statement of Comprehensive Income
for the year ending 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Regional NRM and Water Levies	2.1	2 192	2 151
Commonwealth funding	2.2	1 898	2 225
Grants	2.3	290	354
Intra-government transfers	2.4	363	332
Interest	2.5	9	19
Other income	2.6	23	108
Total income		4 775	5 189
Expenses			
Board, group and committee	3.2	63	102
Supplies and services	4.1	4 055	4 403
Grants and subsidies	4.2	76	2
Depreciation	4.3	1	4
Other expenses	4.4	38	27
Total expenses		4 233	4 538
Net result		542	651
Total comprehensive result		542	651

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

South Australian Arid Lands Natural Resources Management Board
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1	1 750	1 165
Receivables	6.2	497	673
Total current assets		2 247	1 838
Non-current assets			
Property, plant and equipment	5.1	6	7
Total non-current assets		6	7
Total assets		2 253	1 845
Current liabilities			
Payables	7.1	172	306
Total current liabilities		172	306
Total liabilities		172	306
Net assets		2 081	1 539
Equity			
Retained earnings		2 081	1 539
Total equity		2 081	1 539

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

South Australian Arid Lands Natural Resources Management Board
Statement of Changes in Equity
for the year ended 30 June 2020

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	888	888
Net result for 2018-19	651	651
Total comprehensive result for 2018-19	651	651
Balance at 30 June 2019	1 539	1 539
Net result for 2019-20	542	542
Total comprehensive result for 2019-20	542	542
Balance at 30 June 2020	2 081	2 081

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

South Australian Arid Lands Natural Resources Management Board
Statement of Cash Flows
for the year ended 30 June 2020

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Grant and levy receipts		2 574	2 530
Commonwealth funding received		1 980	1 647
Intra-government transfers		363	332
Interest received		11	19
Other receipts		23	106
Cash generated from operating activities		4 951	4 634
Cash outflows			
Board member payments		(63)	(102)
Payments for supplies and services		(4 203)	(4 253)
Payments of grants and subsidies		(62)	(27)
Other payments		(38)	(27)
Cash used in operating activities		(4 366)	(4 409)
Net cash provided by / (used in) operating activities		585	225
Net increase / (decrease) in cash and cash equivalents		585	225
Cash and cash equivalents at the beginning of the reporting period		1 165	940
Cash and cash equivalents at the end of the reporting period	6.1	1 750	1 165

The accompanying notes form part of these financial statements.

South Australian Arid Lands Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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South Australian Arid Lands Natural Resources Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2020

1 About the South Australian Arid Lands Natural Resources Management Board

The South Australian Arid Lands Natural Resources Management Board (the Board) is a body corporate established pursuant to the *Natural Resources Management Act 2004* (the NRM Act).

The Board operates under a Natural Resources Management Plan (NRM Plan) which was approved by the Minister for Environment and Water (the Minister) on 15 May 2017.

The Business Plan for the period 2019/20 to 2021/22 was approved by the Minister on 29 March 2019.

The Board's financial statements include all the controlled activities of the Board.

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 to the South Australian Arid Lands Landscape Board.

NRM Groups

The Board has established six NRM Groups to operate within its region. The function of the NRM Groups is defined by the NRM Act (section 52) and the NRM Group Charter. The Act provides that the NRM Groups are subject to the direction of the Board (section 47). In accordance with a direction issued by the Board and the NRM Groups' Charter the NRM Groups do not have the power to enter into contracts or procure goods or services in their own right. The Board has ensured that proper accounts have been kept of the NRM Group's activities and the related financial information has been incorporated in the accounts and financial statements of the Board for financial reporting purposes.

The Board's financial statements include the figures for the NRM Groups being: Gawler Ranges, Kingoonya, Marla-Oodnadatta, Marree-Innamincka, North East Pastoral and North Flinders. Due to their materiality they are not separately disclosed.

Direction by the Minister

On 16 April 2012, the Minister, 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.

The Board entered into a Service Level Agreement (SLA) with DEW in 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.

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 Service Level Agreement SLA
- staff undertaking services on behalf of the Board are assigned to the Board under the NRM Act
- the payment for staff salaries is recharged to the Board under a Fee for Service Arrangement.

South Australian Arid Lands 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

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
- to provide advice with respect to the assessment of various activities or proposals referred to the Board under the NRM Act or any other Act
- to resolve any issues that may arise between the NRM groups that are relevant to the management of natural resources within its region
- at the request of the Minister or the NRM Council, or of its own initiative, to provide advice on any matter relevant to the condition of natural resources within its region, or on the management of those resources, to conduct any inquiry or audit, or to provide any other advice or report that may be appropriate in the circumstances
- any other functions assigned to the Board by the Minister by or under the NRM Act or any other Act.

South Australian Arid Lands 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

In achieving its objectives the Board provides a range of services classified into the following programs:

Lifestyles – People who have the capacity, commitment and connections to manage natural resources

The purpose of the Lifestyles program is to support people to have the capacity, connection and commitment to manage natural resources.

Livelihoods – Diverse industries that innovate, adapt and support local economies within ecologically sustainable limits

The purpose of the Livelihoods program is to support the regions diverse industries, to innovate and adapt to existing and emerging threats and opportunities. It includes knowledge sharing, training and on ground action.

Landscapes – Functioning, healthy environment with connected ecosystems that are understood, valued and protected

The purpose of the Landscapes program is to support capacity building and on ground delivery of threat abatement and ecological restoration programs that support functioning, healthy ecosystems that are understood, valued and protected.

The table below presents expenses and income attributable to each program.

Disaggregated Disclosures – Expenses and Income

	Lifestyles Program		Livelihoods Program		Landscapes Program		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income								
Regional NRM and Water Levies	903	826	508	562	781	763	2 192	2 151
Commonwealth funding	313	226	91	195	1 494	1 804	1 898	2 225
Grants	56	354	32	-	202	-	290	354
Intra-government transfers	150	140	52	62	161	130	363	332
Interest	3	5	2	9	4	5	9	19
Other income	1	37	22	37	-	34	23	108
Total income	1 426	1 588	707	865	2 642	2 736	4 775	5 189
Expenses								
Board, group and committee	37	52	6	34	20	16	63	102
Supplies and services	1 094	948	724	1 192	2 237	2 263	4 055	4 403
Grants and subsidies	76	-	-	2	-	-	76	2
Depreciation	-	-	-	-	1	4	1	4
Other expenses	11	7	6	5	21	15	38	27
Total expenses	1 218	1 007	736	1 233	2 279	2 298	4 233	4 538
Net result	208	581	(29)	(368)	363	438	542	651

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

South Australian Arid Lands 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.

Key impacts to the board in 2019-20 were:

- Delays to works specified in the NRM Plan and business plan due to travel restrictions; and
- Postponement of scheduled events such as Field Days.

2. Income

2.1. Regional NRM and water levies

	2020	2019
	\$'000	\$'000
Water levies collected through DEW	1 764	1 736
Regional NRM levies collected through Councils and DEW	428	415
Total Regional NRM and Water Levies	2 192	2 151

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 and DEW

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 and DEW 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 the 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.

South Australian Arid Lands Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.2. Commonwealth funding

	2020	2019
	\$'000	\$'000
Commonwealth funding		
Regional Land Partnerships Program*	1 871	2 207
Other Commonwealth funding	<u>27</u>	<u>18</u>
Total Commonwealth funding	<u>1 898</u>	<u>2 225</u>

	2020	2019
	\$'000	\$'000
* Regional Land Partnerships Program funding consists of the following components		
Building Pastoral Sustainability	80	-
Bounceback and Beyond – landscape scale protection for threatened semi-arid species and their habitat	808	790
Coongie Wetland Wonders – maintaining the values and improving the ecological function of the Coongie Lakes Ramsar	488	656
Core services	495	488
Landscapes Legacies – leadership in soil conservation practice across the pastoral zone of South Australia	-	243
Grazing Best Management Practice – Industry-led performance benchmarking for improved sustainability and profitability in the South Australian Pastoral zone	<u>-</u>	<u>30</u>
Total Regional Land Partnership funding	<u>1 871</u>	<u>2 207</u>

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

	2020	2019
	\$'000	\$'000
Grant revenues from SA Government		
Grants from SA Government	<u>240</u>	<u>284</u>
Total grant revenues from SA Government	<u>240</u>	<u>284</u>
Other grant revenues		
Sundry grants	<u>50</u>	<u>70</u>
Total other grant revenues	<u>50</u>	<u>70</u>
Total grants revenue	<u>290</u>	<u>354</u>

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

South Australian Arid Lands Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.4. Intra-government transfers

	2020	2019
	\$'000	\$'000
State Government funding	363	332
Total Intra-government transfers	363	332

State Government funding

DEW receives recurrent funding, which is administered through the NRM Fund and is provided to the Board to support business operations and the administration of the NRM Act.

Intra-government transfers are recognised as income when the Board obtains control of the asset which is on receipt.

2.5. Interest revenues

	2020	2019
	\$'000	\$'000
Interest	9	19
Total interest revenues	9	19

2.6. Other income

	2020	2019
	\$'000	\$'000
Support Services	1	59
Sale of goods	22	19
Other revenue	-	30
Total other income	23	108

South Australian Arid Lands 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 for Environment and Water, 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 \$149 000 in 2019-20 and \$142 000 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 occurred during 2019-20.

3.2. Board and committee members

Members of the South Australian Arid Lands Natural Resources Management Board during the 2019-20 financial year were:

J M Crommelin (Presiding Member) (retired November 2019)
R B Sawers (acting Presiding Member, appointed February 2020)
R R Barratt (retired November 2019)
M H Tyler (retired November 2019)
G M Coulthard* (ceased February 2020)
J D Ferguson (ceased February 2020)
E M Litchfield (ceased February 2020)
M R Sutton* (ceased February 2020)

Members of groups and committees during the 2019-20 financial year were:

Kingoonya NRM Group

T B Law
D Hunter
J G Barry
C Taylor (Chair)

Northern Flinders NRM Group

I C Ferguson (Chair)
L J Nicholls
N C Purnell-Webb
N C Warnest
R J Wilton (retired June 2020)
J Saunders (appointed July 2019)
T Brady (appointed July 2019)

Marree-Innamincka NRM Group

J Barns
J M Haynes (Chair, appointed July 2019)
L M Litchfield (appointed July 2019)
M Mayfield
A Nankivell (retired March 2020)
C M B Oldfield (appointed July 2019)
F Warren

Marla-Oodnadatta NRM Group

J R Williams* (Chair, retired June 2020)
J M Kowald
F Lumb
A Taysom
C M Thomas
G D Warren
C J Williams
C Lennon (Deputy Member)

South Australian Arid Lands 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)

Gawler Ranges NRM

K Greenfield (Chair)
 L G Koch
 A J Dermer
 B G French (appointed July 2019)
 J G Kerr (appointed July 2019)
 A J Michael (Deputy Member)
 S D Michael
 D Sharp

North East Pastoral NRM Group

R J Williams (Chair)
 T C Coulthard
 B W Crawford
 K B Tschirner
 N S Rasheed
 D Sawers
 S Treloar

Governance and Finance committee

R R Barratt (Chair, retired November 2019)
 J Crommelin Brook (retired November 2019)
 M Tyler (retired November 2019)
 J Ferguson (ceased February 2020)

Water Advisory committee

L Brake (Chair, retired December 2019)
 J Gregg-Smith* (ceased February 2020)
 J Crommelin Brook (retired November 2019)
 M H Tyler (retired November 2019)
 R R Barratt (retired November 2019)

* In accordance with the Department of the Premier and Cabinet's Circular Number PC016 *Remuneration for Government Appointment Part Time Boards and Committees*, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2020	2019
\$0 - \$19 999	51	63
Total number of members	51	63

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$37 000 (2019: \$62 000).

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members, and employment on-costs have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members, or form other costs of employment. These expenses amount to \$26 000 (2019: \$40 000).

South Australian Arid Lands 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

	2020	2019
	\$'000	\$'000
Fee for service - Board funded DEW salaries	2 122	2 111
Fee for service	807	1 100
Fee for service - Corporate fee	421	387
Vehicles and aircraft	125	115
Travel and accommodation	121	175
Minor works, maintenance and equipment	121	153
Accommodation	83	76
General administration	72	55
Contractors	46	-
Staff development	42	34
Information technology and communication charges	34	39
Transport	2	6
Other supplies and services	59	152
Total supplies and services	4 055	4 403

4.2. Grants and subsidies

	2020	2019
	\$'000	\$'000
Sundry grants	76	2
Total grants and subsidies	76	2

4.3. Depreciation

	2020	2019
	\$'000	\$'000
Plant and equipment	1	3
Furniture	-	1
Total depreciation	1	4

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.

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:

Class of asset	Useful life (years)
Plant and equipment	5-10
Furniture	10

South Australian Arid Lands Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4.4. Other expenses

	2020	2019
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	38	27
Total other expenses	38	27

5 Non-financial assets

5.1. Property, plant and equipment by asset class

	2020	2019
	\$'000	\$'000
Plant and equipment		
Plant and equipment at cost (deemed fair value)	119	119
Accumulated depreciation	(114)	(113)
Total plant and equipment	5	6
Furniture		
Furniture at cost (deemed fair value)	15	15
Accumulated depreciation	(14)	(14)
Total furniture	1	1
Total property, plant and equipment	6	7

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. Detail 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.

Reconciliation 2019-20

	Plant and equipment	Furniture	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	6	1	7
Depreciation	(1)	-	(1)
Carrying amount at 30 June 2020	5	1	6

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6 Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	1 750	1 165
Total cash and cash equivalents	1 750	1 165

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

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Trade receivables		
From non-government entities	1	31
From government entities	496	62
Total trade receivables	497	93
Accrued revenue	-	578
Accrued interest	-	2
Total current receivables	-	580
Total receivables	497	673

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables and prepayments 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 on receivables is considered to be nil.

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7 Liabilities

7.1. Payables

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Trade payables	59	228
Accrued expenses	113	78
Total current payables	172	306
Total payables	172	306

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. All payables are non-interest bearing. 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.

Accounting policies on transition

On transition, there was no impact on retained earnings.

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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 department. 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. Contingent assets and liabilities

Contingent assets and 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 the existence of any contingent assets or liabilities.

9.2. COVID-19 pandemic outlook for the Board

The COVID-19 pandemic will continue to impact on the forward commitments transferred to the South Australian Arid Lands Landscape Board in 2020-21. The key expected impacts are:

- Delays to works specified in the NRM Plan and business plan due to travel restrictions
- Postponement of scheduled events such as Field Days
- Changes to working arrangements for staff, facilitating working from home

9.3. Events after the reporting period

On 1 July 2020, the *Natural Resources Management Act 2004* was repealed, and the South Australian Arid Lands Natural Resources Management Board was abolished.

The South Australian Arid Lands Natural Resources Management Board has ceased operations, and the management of land, water, pest, plants and animals, and biodiversity across the region is now managed by the South Australian Arid Lands Landscape Board.

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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 Board and audit committee each year.

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

As the Board does not hold assets that meet this criteria assets have not been revalued.

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, credit and market) is low due to the nature of the financial instruments held.

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10.2. Financial instruments (continued)

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.

Classification of financial instruments

The Board measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2020 Carrying amount \$'000	2019 Carrying amount \$'000	2020 Contractual maturities		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<u>Financial assets</u>						
Financial assets at amortised cost						
Cash and cash equivalents		1 750	1 165	n/a	n/a	n/a
Receivables	(1)	497	638	n/a	n/a	n/a
Total financial assets		2 247	1 803	-	-	-
<u>Financial liabilities</u>						
Financial liabilities at amortised cost						
Payables	(1)	121	261	121	-	-
Total financial liabilities		121	261	121	-	-

- (1) 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, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.