

Eyre Peninsula Natural Resources Management Board

Financial report
for the year ended
30 June 2019



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Presiding Member Eyre Peninsula Natural Resources Management Board

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*, I have audited the accompanying financial report of the Eyre Peninsula Natural Resources Management Board for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Eyre Peninsula Natural Resources Management Board as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Regional NRM Manager 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 Eyre Peninsula 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 have been met.

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

Responsibilities of the Regional NRM Manager and the board for the financial report

The Regional NRM Manager is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and 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 that is free from material misstatement, whether due to fraud or error.

The members of the board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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 Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Regional NRM Manager
- 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 regarding, 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

28 November 2019

Eyre Peninsula Natural Resources Management Board

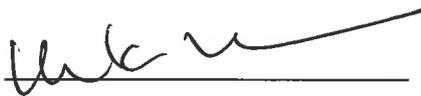
Financial Statements

For the year ended 30 June 2019

We certify that the attached general purpose financial statements for the Eyre Peninsula 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 Eyre Peninsula Natural Resources Management Board
- present a true and fair view of the financial position of the Eyre Peninsula Natural Resources Management Board as at 30 June 2019 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Eyre Peninsula 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.



Mark Whitfield
Presiding Member
~~20~~ November 2019



Jonathan Clark
Regional NRM Manager – Eyre Peninsula
26 November 2019



Shaun O'Brien
Chief Financial Officer
Department for Environment and Water
26 November 2019

Eyre Peninsula Natural Resources Management Board
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Board, group and committee	2.2	65	74
Supplies and services	3.1	4 802	4 677
Grants and subsidies	3.2	523	622
Other expenses	3.3	55	83
Total expenses		5 445	5 456
Income			
Regional NRM and Water Levies	4.1	3 240	3 183
Commonwealth funding	4.2	1 386	1 549
Grant	4.3	208	141
Interest	4.4	22	33
Other income	4.5	15	65
Total income		4 871	4 971
Net result		(574)	(485)
Total comprehensive result		(574)	(485)

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

Eyre Peninsula Natural Resources Management Board
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	5.1	1 092	2 447
Receivables	5.2	838	105
Total current assets		1 930	2 552
Total assets			
		1 930	2 552
Current liabilities			
Payables	6.1	415	463
Total current liabilities		415	463
Total liabilities			
		415	463
Net assets			
		1 515	2 089
Equity			
Retained earnings		1 515	2 089
Total equity		1 515	2 089

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

Eyre Peninsula Natural Resources Management Board
Statement of Changes in Equity
for the year ended 30 June 2019

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2017	2 574	2 574
Net result for 2017-18	(485)	(485)
Total comprehensive result for 2017-18	(485)	(485)
Balance at 30 June 2018	2 089	2 089
Net result for 2018-19	(574)	(574)
Total comprehensive result for 2018-19	(574)	(574)
Balance at 30 June 2019	1 515	1 515

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

Eyre Peninsula Natural Resources Management Board
Statement of Cash Flows
for the year ended 30 June 2019

		2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash outflows			
Payments for supplies and services		(4 850)	(4 541)
Payments of grants and subsidies		(523)	(622)
Board, group and committee member payments		(65)	(58)
Other payments		(39)	(38)
Cash used in operating activities		<u>(5 477)</u>	<u>(5 259)</u>
Cash inflows			
Grant and levy receipts		3 403	3 246
Commonwealth funding received		696	1 549
Interest received		24	33
Other receipts		15	60
Cash generated from operating activities		<u>4 138</u>	<u>4 888</u>
Net cash provided by / (used in) operating activities		<u>(1 339)</u>	<u>(371)</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(16)	(27)
Cash used in investing activities		<u>(16)</u>	<u>(27)</u>
Net cash provided / (used in) by investing activities		<u>(16)</u>	<u>(27)</u>
Net increase / (decrease) in cash and cash equivalents		<u>(1 355)</u>	<u>(398)</u>
Cash and cash equivalents at the beginning of the reporting period		2 447	2 845
Cash and cash equivalents at the end of the reporting period	5.1	<u><u>1 092</u></u>	<u><u>2 447</u></u>

The accompanying notes form part of these financial statements.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS

1.	About the Eyre Peninsula Natural Resources Management Board	8
1.1.	Basis of preparation	9
1.2.	Objectives and programs	9
2.	Board, committees and employees	11
2.1.	Key management personnel	11
2.2.	Board and committee members	12
3.	Expenses	13
3.1.	Supplies and services	13
3.2.	Grants and subsidies	13
3.3.	Other expenses	13
4.	Income	14
4.1.	Regional NRM and water levies	14
4.2.	Commonwealth funding	15
4.3.	Grant revenues	16
4.4.	Interest revenues	16
4.5.	Other income	16
5.	Financial assets	17
5.1.	Cash and cash equivalents	17
5.2.	Receivables	17
6.	Liabilities	17
6.1.	Payables	17
7.	Changes in accounting policy	18
7.1.	Treasurer's Instructions (Accounting Policy Statements)	18
7.2.	AASB 9 Financial instruments	18
8.	Outlook	19
8.1.	Unrecognised contractual commitments	19
8.2.	Contingent assets and liabilities	19
8.3.	Events after the reporting period	19
9.	Measurement and risk	20
9.1.	Fair value	20
9.2.	Financial instruments	20

Eyre Peninsula Natural Resources Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1. About the Eyre Peninsula Natural Resources Management Board

The Board is a body corporate of the state of South Australia, established pursuant to section 23(1) of the *Natural Resources Management Act 2004* (NRM Act).

The Board operates under a Natural Resources Management Plan 2017-27 (NRM Plan) which was adopted by the Minister for Environment and Water in May 2017.

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

Direction by the Minister

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

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

The Board entered into a three year Service Level Agreement (SLA) during 2016-17 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 undertake services under the (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.

On March 20, 2019 the government introduced new legislation - the Landscape South Australia Bill, to drive a significant and enduring reform agenda for natural resources management in South Australia. If enacted, this will replace the current Natural Resource Management (NRM) Act. The current NRM arrangements remained unchanged for the 2018-19 financial year. The impact of the proposed Landscapes SA legislation to the operations of the Board during 2019-20 remain unknown.

Eyre Peninsula Natural Resources Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2019

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 2018-19 financial statements the Board adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. 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.

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

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

1.2. Objectives and programs

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

Board's 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 this or any other Act
- 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 under the NRM Act or any other Act.

Eyre Peninsula Natural Resources Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1.2. Objectives and programs (continued)

Board programs

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

Land, Water and Wildlife

This program encompasses management of landscapes, water, native plants and animals, pest plants and animals and coastal and marine environments. Large landscape scale projects such as WildEyre work across land tenures and land systems. Actions in coastal areas are guided by the Boards' Coastal Action Plan and focus on reducing the impact of human activities on species and the integrity of coastal habitats.

Work to reduce the impact of pest plants and animals is prioritised based on species-specific management plans and the new water allocation plan provides a framework for the management of essential water resources.

Industry and Regional Collaboration

The Board has an extensive history of working in collaboration with regional partners, and this has been a key success factor in achieving resource management outcomes for the region. The Eyre Peninsula Integrated Climate Change Agreement and the recently completed Coastal Vehicle Access Strategy Framework are examples of this work, which were both delivered in partnership with the Eyre Peninsula Local Government Association and Regional Development Australia – Whyalla and Eyre Peninsula.

Our seafood, agriculture and tourism sectors rely on healthy and functioning ecosystems to be sustainable, especially in changing climate conditions and ever increasing demands for increased food and fibre production and visitation to the region. Improved practices that incorporate new technologies to protect and enhance natural resources whilst improving profitability and risk management strategies will contribute to the long term viability of the Eyre Peninsula.

Community Engagement

The Board has an extensive range of stakeholders. This program aims to communicate effectively, build community, Board and staff knowledge of NRM through knowledge and information exchange, and support volunteer groups to achieve their objectives. The Board uses a range of strategies to support participation of Aboriginal people in natural resources management projects.

This program includes a burgeoning citizen science program, which has potential for application across delivery programs and projects, particularly in the Land, Water and Wildlife Program. In this way, community members become involved in measuring resource condition and actively contributing to management.

Leadership and Accountability

The Board is the primary entity in the region with responsibilities for management of natural resources. It has a range of statutory requirements with respect to planning, monitoring, evaluation and reporting. The Board is guided by the principles of good governance to ensure it operates with integrity, openness, accountability, consideration of risks, efficiency and considers the views and aspirations of its community.

A proportion of project funds are invested in monitoring, evaluation and reporting. The Board is committed to refining its monitoring and evaluation strategy and reviewing targets to ensure they are measurable and relevant to desired outcomes. The Board is increasingly involving community groups and individuals in development of strategic plans and undertaking surveys to collect monitoring data information under the guidance of field staff.

The disaggregated disclosures schedules present expenses and income information attributable to each of the programs as reflected in the Board's NRM plan for the years ended 30 June 2019 and 30 June 2018.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.2. Objectives and programs (continued)

Disaggregated Disclosures – Expenses and Income

	Land, Water & Wildlife		Industry and Regional Collaboration		Community Engagement		Leadership & Accountability		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Expenses										
Supplies and services	3 309	2 000	417	615	311	929	765	1 133	4 802	4 677
Grants and subsidies	436	261	57	287	15	74	15	-	523	622
Board, group and committee	-	-	-	-	-	-	65	74	65	74
Other expenses	44	53	3	3	2	4	6	23	55	83
Total expenses	3 789	2 314	477	905	328	1 007	851	1 230	5 445	5 456
Income										
Regional NRM and Water Levies	2 254	1 354	284	530	195	591	507	708	3 240	3 183
Commonwealth funding	929	815	457	442	-	292	-	-	1 386	1 549
Grant	184	70	-	-	24	53	-	18	208	141
Interest	16	15	2	5	1	6	3	7	22	33
Other income	15	27	-	19	-	5	-	14	15	65
Total income	3 398	2 281	743	996	220	947	510	747	4 871	4 971
Net result	(391)	(33)	266	91	(108)	(60)	(341)	(483)	(574)	(485)

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

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Board include the Minister for Environment and Water, the Presiding Member, the other members of the Board, and the Regional Director who have responsibility for the strategic direction and management of the Board.

The total compensation for the Board's key management personnel was \$141 000 in 2018-19 and \$124 000 in 2017-18.

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*.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.2. Board and committee members

Members during the 2018-2019 financial year were:

The Board

M K Whitfield (Presiding member)
 S R Clark
 M M Dennis
 D B Laube
 J L S Major
 W R Nosworthy (retired April 2019)
 G A Ryan (retired April 2019)
 H F Smith (retired August 2018)
 M J Turner

Aboriginal Advisory Committee

The Aboriginal Advisory Committee went into recess on 31 January 2019.

L Ackland (appointed August 2018)
 J J Miller
 V H F Miller
 L G Taylor
 S Prideaux*
 S R Clark
 E Ware

Risk and Audit Committee

G P Dodd
 D B Laube
 JLS Major
 M K Whitfield (Chair)

* 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.

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

	2019	2018
\$0 - \$19 999	15	17
\$20 000 - \$39 999	1	-
Total number of members	16	17

Remuneration of members reflects all costs of performing Board, Group and 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 \$46 000 (2018: \$46 000).

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members. These expenses, in addition to Payroll Tax amount to \$19 000 (2018: \$28 000).

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

3. Expenses

3.1. Supplies and services

	2019	2018
	\$'000	\$'000
Fee for service - Board funded DEW salaries	2 539	2 669
Fee for service	734	747
Fee for service - Corporate fee	586	442
Accommodation and property management	190	177
Motor vehicles	162	158
Fee for service - Shared Services SA	95	92
Minor works, maintenance and equipment	74	31
Travel and accommodation	54	67
General administration	47	106
Information technology and communication	37	38
Staff development	13	29
Transport	4	5
Other supplies and services	267	116
Total supplies and services	4 802	4 677

Operating leases

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

3.2. Grants and subsidies

	2019	2018
	\$'000	\$'000
Recurrent grants	523	622
Total grants and subsidies	523	622

The Board provided financial assistance to local government, State Government agencies and private bodies during the year. Funds are paid by way of grants and all recipients are required to comply with conditions relevant to each grant. The details of amounts provided, organisations receiving grants and the purpose for each grant are shown in the annual report, as required by section 42 of the NRM Act.

For contributions payable, the contribution will be recognised as a liability and expense when the Board has a present obligation to pay the contribution and the expense recognition criteria are met.

3.3. Other expenses

	2019	2018
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	39	38
Donated assets	16	45
Total other expenses	55	83

The Board has transferred 1 Field sprayer asset to DEW for nil consideration.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

4. Income

4.1. Regional NRM and water levies

	2019	2018
	\$'000	\$'000
Regional NRM Levy collected through Councils and DEW	2 818	2 764
Water Levy collected through DEW	422	419
Total Regional NRM and Water Levies	3 240	3 183

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

The Regional NRM Levy is collected by constituent councils and DEW from ratepayers and is a fixed charge of the same amount on all rateable land, based on section 95(3)(a)(ii) of the NRM Act. Councils can seek to recover any outgoing costs associated with the collection of the Levy.

Contributions from constituent councils and DEW collected from ratepayers are recognised as income following determination of the share of each council by the Minister and publications of those amounts in the Government Gazette. Contributions are required to be paid on a quarterly basis to the Board. Levies are recognised as revenue when the Board obtains control of the funding.

The water based levy is collected by DEW which it collects from licensed water users. This levy is based on water allocated and water used. This income is recorded as revenue when the Board has gained control of the funds, or obtains the right to receive the funds.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

4.2. Commonwealth funding

	2019	2018
	\$'000	\$'000
Commonwealth funding		
Regional Land Partnerships Program*	1 386	-
National Landcare Program received through DEW**	-	1 474
Threatened Species	-	75
Total Commonwealth funding	1 386	1 549

	2019	2018
	\$'000	\$'000
* Regional Land Partnerships Program funding consists of the following components		
Protect and Regenerate Endemic Vegetation	470	-
Core services	461	-
Regenerative Agriculture Program	355	-
Whibley Wattle Recovery Project	100	-
Total Regional Land Partnership funding	1 386	-

	2019	2018
	\$'000	\$'000
** National Landcare Program funding consists of the following components		
Ecosystems and Coastal Management on Eyre Peninsula	-	1 032
Sustainable Agriculture - Eyre Peninsula	-	442
Total National Landcare Program funding	-	1 474

Contributions are recognised as an asset and income when the Board obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Contributions that have conditions of expenditure still to be met as at reporting date were \$0 (2018: \$31 000).

The National Landcare Program (Phase 1) was funded by the Australian Government over four years from 2014-15 to 2017-18. Commonwealth funding was provided to ensure that on-ground works on important national environmental issues continued with the help of local communities.

From 1 July 2018, the Australian Government has commenced the Regional Land Partnership (National Landcare Program Phase 2). The funding will support vital on-ground environment and agricultural projects that offer benefits to the environment, farms and communities.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

4.3. Grant revenues

	2019	2018
	\$'000	\$'000
Grant revenues from SA Government		
Other State Government funding	173	116
Total grant revenues from SA Government	<u>173</u>	<u>116</u>
Other grant revenues		
Sundry grants	35	25
Total other grant revenues	<u>35</u>	<u>25</u>
Total grant revenues	<u><u>208</u></u>	<u><u>141</u></u>

Grants are recognised as an asset and income when the Board obtains control of the grants or obtains the right to receive the grants and the income recognition criteria are met.

Contributions that have conditions of expenditure still to be met as at reporting date were \$17 000 (2018: \$31 000).

4.4. Interest revenues

	2019	2018
	\$'000	\$'000
Interest revenues from entities within the SA Government	22	33
Total interest revenues	<u>22</u>	<u>33</u>

4.5. Other income

	2019	2018
	\$'000	\$'000
Sale of goods and services	14	24
Other revenue	1	28
Recoup of expenses	-	13
Total other income	<u>15</u>	<u>65</u>

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

5. Financial assets

5.1. Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	1 092	2 447
Total cash and cash equivalents	1 092	2 447

Cash is measured at nominal value.

Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

5.2. Receivables

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Receivables from government entities	795	23
Receivables from non-government entities	42	79
Accrued interest	1	3
Total current receivables	838	105
Total receivables	838	105

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, prepayments and accrued revenues are non-interest bearing.

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

6. Liabilities

6.1. Payables

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Trade payables	272	343
Accrued expenses	143	120
Total current payables	415	463
Total payables	415	463

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.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

7. Changes in accounting policy

7.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government
- removal of the additional requirement to report a statement of equity for administered items
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective.

7.2. AASB 9 Financial instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

8. Outlook

8.1. Unrecognised contractual commitments

Commitments include operating arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Operating lease commitments

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

	2019	2018
	\$'000	\$'000
No later than one year	26	21
Later than one year but not later than five years	3	1
Total operating lease commitments	29	22

Operating lease commitments comprise the following:

The property leases are non-cancellable. Rental is payable monthly with reviews indexed annually, alternating between market value and CPI indexation. Options exist to renew the lease at the end of the current term.

The equipment leases are non-cancellable. Lease payments are payable monthly and options exist to renew or cancel the lease at the end of the current term.

Expenditure commitments

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

	2019	2018
	\$'000	\$'000
No later than one year	141	169
Later than one year but not later than five years	313	40
Total other commitments	454	209

The Board's commitments relate to non-cancellable contracts at the reporting date which have not been recognised in the Statement of Comprehensive Income and Statement of Financial Position.

8.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

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

8.3. Events after the reporting period

There were no events occurring after the end of the reporting period that have material financial implications on these financial statements.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

9. Measurement and risk

9.1. 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.

9.2. 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 insignificant based on past experience and current assessment of risk.

Liquidity risk

The Board is funded principally from Regional NRM and water levies and contributions from Commonwealth government and State government agencies toward various activities of the Board.

There have been no changes in risk exposure since the last reporting period.

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 applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Loan and receivables
- Financial liabilities measured at cost.

Eyre Peninsula Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2019

9.2. Financial instruments (continued)

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Board measures all financial instruments at amortised cost.

Category of financial asset and financial liability	2019 Carrying amount \$'000	2018 Carrying amount \$'000
Financial assets		
Cash and cash equivalents		
Cash and cash equivalents	1 092	2 447
Financial assets at amortised cost		
Receivables	726	105
Total financial assets	1 818	2 552
Financial liabilities		
Financial liabilities at amortised cost		
Payables	364	425
Total financial liabilities	364	425

Receivables and payables

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.