

Minister for Primary Industries and
Regional Development –
Eyre Peninsula Grain Growers Rail Fund

Financial report
for the year ended
30 June 2019



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To the Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund

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 – Eyre Peninsula Grain Growers Rail Fund (the fund) for the financial year ended 31 March 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund as at 31 March 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 31 March 2019
- a Statement of Financial Position as at 31 March 2019
- a Statement of Changes in Equity for the year ended 31 March 2019
- a Statement of Cash Flows for the year ended 31 March 2019
- 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 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 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* have been met.

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

Emphasis of matter

I draw attention to notes 1.2 and 8 of the financial report which note that the fund has zero funds remaining at 31 March 2019 and the financial report has not been prepared on a going concern basis. The fund was established to raise \$2 million towards the cost of improving the Eyre Peninsula grain railway line. The objective of the fund was met in 2011-12. The Minister reduced the prescribed industry contribution amount to zero effective 31 August 2011 as the purpose of the fund was met. The fund's future will be determined by the Minister at a later date. My opinion is not modified in respect of this matter.

Responsibilities of the Minister and 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 the 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.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the entity is to be liquidated or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial report

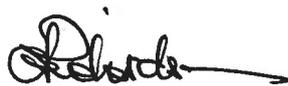
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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 fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern
- 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

19 December 2019

**Minister for Primary Industries and Regional
Development**

Eyre Peninsula Grain Growers Rail Fund

Financial Statements

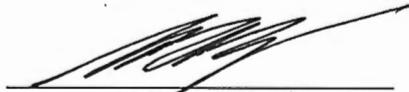
For the year ended 31 March 2019

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Certification of Financial Statements
for the year ended 31 March 2019

We certify that the attached general purpose financial statements for the Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund:

- complies 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 Grain Growers Rail Fund
- present a true and fair view of the financial position of the Eyre Peninsula Grain Growers Rail Fund as at 31 March 2019 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 - Eyre Peninsula Grain Growers Rail Fund for the financial year over its financial reporting and its preparation of the general purpose financial reports have been effective throughout the reporting period.



Scott Ashley
Chief Executive
Department of Primary Industries and Regions
For and on behalf of the Minister for Primary
Industries and Regional Development
Per authorisation dated 9 May 2018
18 December 2019



Darren Humphrys
Acting Chief Financial Officer
Department of Primary Industries and Regions
18 December 2019

**Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers
Rail Fund**
Statement of Comprehensive Income
for the year ended 31 March 2019

	Note	2019 \$	2018 \$
Expenses			
Supplies and services	3	305	800
Auditor's remuneration		3 900	3 900
Total expenses		<u>4 205</u>	<u>4 700</u>
Income			
Forgiveness of Liability ⁽¹⁾		500	-
Interest revenues		75	166
Total income		<u>575</u>	<u>166</u>
Net result		<u>(3 630)</u>	<u>(4 534)</u>
Total comprehensive result		<u>(3 630)</u>	<u>(4 534)</u>

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

The above statement should be read in conjunction with the accompanying notes.

⁽¹⁾ Statement preparation fees were reduced reflecting the winding down of the fund.

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Statement of Financial Position
as at 31 March 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	4	-	8 320
Receivables	5	-	10
Total current assets		<u>-</u>	<u>8 330</u>
Total assets		<u>-</u>	<u>8 330</u>
Current liabilities			
Payables	6	-	4 700
Total current liabilities		<u>-</u>	<u>4 700</u>
Total liabilities		<u>-</u>	<u>4 700</u>
Net assets		<u>-</u>	<u>3 630</u>
Equity			
Retained earnings		-	3 630
Total equity		<u>-</u>	<u>3 630</u>

Total equity is attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Statement of Changes in Equity
for the year ended 31 March 2019

	Retained earnings	Total equity
	\$	\$
Balance at 31 March 2017	8 164	8 164
Net result for 2017-18	(4 534)	(4 534)
Total comprehensive result for 2017-18	(4 534)	(4 534)
Balance at 31 March 2018	3 630	3 630
Net result for 2018-19	(3 630)	(3 630)
Total comprehensive result for 2018-19	(3 630)	(3 630)
Balance at 31 March 2019	-	-

The above statement should be read in conjunction with the accompanying notes.

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

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Statement of Cash Flows
for the year ended 31 March 2019

	2019	2018
	Inflows	Inflows
	(Outflows)	(Outflows)
	\$	\$
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	(605)	(780)
Auditor's remuneration	(7 800)	(4 400)
Cash used in operations	<u>(8 405)</u>	<u>(5 180)</u>
Cash inflows		
Interest received	85	173
Cash generated from operations	<u>85</u>	<u>173</u>
Net cash provided by / (used in) operating activities	<u>(8 320)</u>	<u>(5 007)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(8 320)</u>	<u>(5 007)</u>
Cash and cash equivalents at the beginning of the reporting period	8 320	13 327
Cash and cash equivalents at the end of the reporting period	<u><u>-</u></u>	<u><u>8 320</u></u>

The above statement should be read in conjunction with the accompanying notes.

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Notes to and forming part of the financial statements
for the year ended 31 March 2019

1. Basis of financial statements

1.1 Reporting entity

The Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund (the Fund) is established pursuant to the *Primary Industry Funding Schemes (Eyre Peninsula Grain Growers Rail Fund) Regulations 2017* (Regulations), administered by the Minister for Primary Industries and Regional Development. The Department of Primary Industries and Regions (PIRSA) provides administrative support services to the Fund.

1.2 Statement of compliance

The financial statements of the Fund have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

For the 2018-19 financial statements the Fund 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 9.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 31 March 2019.

The financial statements have not been prepared on a going concern basis as the Fund has met its present objectives. The Fund has been wound down and is dormant as of 31 March 2019. Refer to note 8.

1.3 Basis of preparation

The financial statements have been prepared based on a 12 month 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest dollar (\$).

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.

Significant accounting policies are set out in the notes.

1.4 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 31 March 2019 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 31 March 2019.

Note disclosure is made about events between 31 March 2019 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 31 March 2019 and which may have a material impact on the results of subsequent years.

No events have occurred after balance date that would affect the financial statements of the Fund as at 31 March 2019.

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Notes to and forming part of the financial statements
for the year ended 31 March 2019

1 Basis of financial statements (continued)

1.5 Taxation

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 PIRSA controlled financial statements.

2. Objectives of the Fund

The Fund was established by Regulations under *the Primary Industry Funding Schemes Act 1998* on 7 September 2006. These Regulations were revoked on 19 January 2018. New Regulations, *Primary Industry Funding Schemes (Eyre Peninsula Grain Growers Rail Fund) Regulations 2017* were issued on 19 January 2018 with minimal changes made.

The primary purpose of the Fund is to raise \$2 million towards the cost of improving the Eyre Peninsula grain railway line and associated equipment and infrastructure.

The purpose of the Fund has been met. Refer to note 8.

3. Supplies and services

	2019	2018
	\$	\$
Administrative and operating costs ⁽¹⁾	305	800
Total supplies and services	305	800

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

4. Cash

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

Cash is measured at nominal value.

5. Receivables

	2019	2018
	\$	\$
Accrued interest - Department of Treasury and Finance	-	10
Total receivables	-	10

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Notes to and forming part of the financial statements
for the year ended 31 March 2019

6. Payables

	2019	2018
	\$	\$
Audit fee payable to the Auditor-General's Department	-	3 900
Administration ⁽¹⁾	-	800
Total payables	-	4 700

⁽¹⁾ Includes fees payable to Shared Services SA.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

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.

7. Related party transactions

The Fund is established pursuant to the Regulations, administered by the Minister for Primary Industries and Regional Development and is a wholly owned and controlled entity of the Crown.

Key management personnel

Key management personnel of the Fund includes the Minister 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 the 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.

8. Continuity

The objective of raising \$2.0 million towards the cost of improving the Eyre Peninsula grain railway line and associated equipment and infrastructure was achieved during 2011-12.

As the purpose of the Fund has been met, the Minister reduced the rate to \$0 effective 31 August 2011.

At 31 March 2019 the Fund has zero funds and is dormant. The future of the Fund will be determined by the Minister at a later date.

Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund
Notes to and forming part of the financial statements
for the year ended 31 March 2019

9. Changes in accounting policy

9.1 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. There were no changes that impact on these financial statements.

9.2 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 did not have a material impact on these financial statements.

Receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.