

Northern and Yorke Natural Resources Management Board

Financial report
for the year ended
30 June 2018



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To the Presiding Member Northern and Yorke 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 Northern and Yorke Natural Resources Management Board for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Northern and Yorke Natural Resources Management Board as at 30 June 2018, 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Regional Director 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 Northern and Yorke 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 Director and the board for the financial report

The Regional Director 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Regional Director
- 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.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

22 November 2018

**Northern and Yorke Natural Resources
Management Board**

Financial Statements

For the year ended 30 June 2018

Northern and Yorke Natural Resources Management Board
Certification of the Financial Statements
for the year ended 30 June 2018

We certify that the attached general purpose financial statements for the Northern and Yorke 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 Northern and Yorke Natural Resources Management Board
- present a true and fair view of the financial position of the Northern and Yorke Natural Resources Management Board as at 30 June 2018 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Northern and Yorke 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.



Eric Sommerville
Presiding Member

15 November 2018



Trevor Naismith
Regional Director

15 November 2018



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

15 November 2018

Northern and Yorke Natural Resources Management Board
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Expenses			
Board and committee	3	69	84
Supplies and services	4	4 271	4 608
Grants and subsidies	5	748	1 190
Depreciation and amortisation	6	-	2
Net loss from disposal of non-current assets	7	-	19
Other expenses	8	47	46
Total expenses		5 135	5 949
Income			
Regional NRM and water levies	9	4 024	3 844
Interest	10	27	23
Grants	11	1 305	2 173
Other income	12	79	81
Total income		5 435	6 121
Net result		300	172
Total comprehensive result		300	172

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

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Northern and Yorke Natural Resources Management Board
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	13	2 601	2 394
Receivables	14	125	62
Total current assets		<u>2 726</u>	<u>2 456</u>
Total assets		<u>2 726</u>	<u>2 456</u>
Current liabilities			
Payables	15	459	489
Total current liabilities		<u>459</u>	<u>489</u>
Total liabilities		<u>459</u>	<u>489</u>
Net assets		<u>2 267</u>	<u>1 967</u>
Equity			
Retained earnings		2 267	1 967
Total equity		<u>2 267</u>	<u>1 967</u>

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	16
Contingent assets and liabilities	17

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Northern and Yorke Natural Resources Management Board
Statement of Changes in Equity
for the year ended 30 June 2018

	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2016	1 795	1 795
Net result for 2016-17	172	172
Total comprehensive result for 2016-17	172	172
Balance at 30 June 2017	1 967	1 967
Net result for 2017-18	300	300
Total comprehensive result for 2017-18	300	300
Balance at 30 June 2018	2 267	2 267

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

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Northern and Yorke Natural Resources Management Board
Statement of Cash Flows
for the year ended 30 June 2018

		2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash outflows			
Payments to board and committee members		(70)	(83)
Payments for supplies and services		(4 227)	(4 487)
Payments of grants and subsidies		(822)	(1 231)
Other payments		(46)	(45)
Cash used in operations		(5 165)	(5 846)
Cash inflows			
NRM levy receipts		3 961	3 863
Grant receipts		1 305	2 173
Interest received		27	23
Other receipts		79	81
Cash generated from operations		5 372	6 140
Net cash provided by / (used in) operating activities		207	294
Net increase / (decrease) in cash and cash equivalents		207	294
Cash and cash equivalents at the beginning of the reporting period		2 394	2 100
Cash and cash equivalents at the end of the reporting period	13	2 601	2 394

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Northern and Yorke Natural Resources Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The Northern and Yorke Natural Resources Management Board (the Board) was established pursuant to section 23(1) of the *Natural Resources Management Act 2004* (the NRM Act).

The Board operates under the Northern and Yorke Natural Resources Management Plan 2009-2018 (the Plan) which was adopted by the Minister for Environment and Water on 6 May 2009. The Plan guides the implementation of all natural resources management programs and policies in the Northern and Yorke region and consists of 4 volumes: Volume A State of the Region Report, Volume B Strategic Plan, Volume C Business Plan, and Volume D Regulatory Framework. In accordance with division 3/section 81 of the NRM Act, the Board completes an annual review of the Plan.

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 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.

During 2018, the government announced it is introducing new legislation to replace the current NRM Act. The current NRM arrangements are expected to remain largely unchanged for the 2018-19 financial year.

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

1 Basis of financial statements (continued)

1.2 Statement of compliance

These financial statements 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 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*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board 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 Board for the period ending 30 June 2018.

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 thousand dollars (\$'000).

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date 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 Taxation

The Board is not subject to Income Tax. The Board is liable for Fringe Benefits Tax (FBT) and Emergency Services Levy (ESL).

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.

Northern and Yorke Natural Resources Management Board

Notes to and forming part of the financial statements

for the year ended 30 June 2018

2 Objectives and activities

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

2.1 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 increase the capacity of communities to implement programs or to take other steps to improve the management of natural resources
- mechanisms 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
- 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.

2.2 Activities

In achieving its objectives the Board has defined a series of strategies to manage the region's natural resources, these areas of activity are:

Healthy soils

Extension services to landholders focused on 'best practice land management' to reduce land degradation and improve farm sustainability. Strong links exist between healthy functioning ecosystems and sustainable primary production. The maintenance of both is fundamental to social, environmental and economic wellbeing.

Viable water resources

Water is vital to support life and livelihoods. This theme is directed towards managing our water resources to ensure a balance between the consumptive uses of water and providing water for environments and ecosystems that depend on it. This theme also aims to maintain water quality and ensure the best use of water is achieved.

Healthy coastal estuarine and marine (CEM) ecosystems

Protection, rehabilitation and management of sensitive coastal ecosystems with project support to councils and community groups. Incentive payments to landholders for on-ground works along the coast lines of the region and studies to establish baseline monitoring conditions.

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

2 Objectives and activities

2.2 Activities (continued)

Healthy terrestrial ecosystems

Conservation of threatened plant and animal species, community education, extension services to landholders and incentive payments to landholders and project support to councils and community groups for on ground works directed at protection of high value biodiversity areas and revegetation.

Minimal pest impact

Statutory responsibilities related to declared pest animals and plants through monitoring and control works of infestations and issuing of compliance notices to landholders and provision of technical advice to landholders to limit the impact of existing and to prevent the establishment of new pests.

Community driven NRM

Awareness, knowledge, education and capacity building activities to support communities through extension, training and the promotion of improved natural resources management for informed communities.

The Board has statutory responsibilities under the NRM Act to monitor and report on change in resource condition to its partners and the community. It also has a responsibility to ensure that levy funds collected from the community are invested wisely in works that produce measurable natural resources management benefits.

The disaggregated disclosures schedule presents expenses and income to each of the activities for the year ended 30 June 2018 and year ended 30 June 2017.

As it is not possible to reliably attribute assets and liabilities to activities, an aggregated disclosure for assets and liabilities has not been prepared.

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

2 Objectives and activities

Disaggregated Disclosures – Expenses and Income

	Healthy soils		Viable water resources		Healthy CEM Ecosystems		Healthy Terrestrial Ecosystems	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Supplies and services	293	376	473	613	75	84	1 694	2 067
Grants and subsidies	20	93	7	376	2	1	35	279
Depreciation and amortisation	-	-	-	-	-	-	-	-
Net loss from disposal of non-current assets	-	2	-	2	-	-	-	9
Board and committee	-	-	-	-	-	-	-	-
Other expenses	4	4	5	5	1	1	23	22
Total expenses	317	475	485	996	78	86	1 752	2 377
Income								
Regional NRM and water levies	350	334	398	381	89	85	1 992	1 902
Interest	2	2	3	2	1	1	13	12
Grants	123	142	124	645	28	36	620	807
Other income	-	-	-	-	-	-	-	-
Total income	475	478	525	1 028	118	122	2 625	2 721
Net result	158	3	40	32	40	36	873	344

	Minimal Pest Impact		Community Driven NRM		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Supplies and services	754	714	982	754	4 271	4 608
Grants and subsidies	138	8	546	433	748	1 190
Depreciation and amortisation	-	-	-	2	-	2
Net loss from disposal of non-current assets	-	3	-	3	-	19
Board and committee	-	-	69	84	69	84
Other expenses	7	7	7	7	47	46
Total expenses	899	732	1 604	1 283	5 135	5 949
Income						
Regional NRM and water levies	620	592	575	550	4 024	3 844
Interest	4	3	4	3	27	23
Grants	231	310	179	233	1 305	2 173
Other income	77	81	2	-	79	81
Total income	932	986	760	786	5 435	6 121
Net result	33	254	(844)	(497)	300	172

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

3 Remuneration of board and committee members

Members during the 2017-18 financial year were:

The Board

E M Sommerville (Presiding member)
 G A Chapman (retired 13 April 2018)
 D M Greig
 K Matthias
 K L Murdock (appointed 14 April 2018)
 N P P Sommerville
 P A Stockings
 L J Thomas (appointed 14 April 2018)
 H M Vandeleur
 K M Ward (retired 13 April 2018)
 I R Whittle

Aboriginal Engagement Committee

D M Greig
 P A Stockings
 N P P Sommerville
 L J Thomas (appointed 28 May 2018)
 I R Whittle (retired 28 May 2018)

Governance and Finance Committee

G A Chapman (retired 13 April 2018)
 K Matthias (retired 28 May 2018)
 N P P Sommerville (appointed 28 May 2018)
 P A Stockings
 L J Thomas (appointed 28 May 2018)
 I R Whittle

Planning and Performance Committee

G A Chapman (retired 13 April 2018)
 K Matthias
 K L Murdock (appointed 28 May 2018)
 H M Vandeleur
 I R Whittle (appointed 28 May 2018)
 K M Ward (retired 13 April 2018)

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

	2018	2017
\$0 - \$9 999	10	8
\$20 000 - \$29 999	1	1
Total number of board and committee members	11	9

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 \$46 000 (2017: \$58 000).

For the purposes of this table, travel allowances, 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 \$23 000 (2017: \$26 000).

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

4 Supplies and services

	2018	2017
	\$'000	\$'000
Fee for service - Board funded DEW salaries	2 427	2 401
Fee for service	618	1 013
Fee for service - Corporate services fee	448	450
Motor vehicles	152	195
Minor works, maintenance and equipment	103	79
Fee for service - Shared Services SA fee	92	102
Accommodation and property management	85	148
Information technology and communication	75	34
General administration	71	64
Contractors	48	9
Staff development	38	43
Travel and accommodation	24	25
Other supplies and services	90	45
Total supplies and services	4 271	4 608

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

5 Grants and subsidies

	2018	2017
	\$'000	\$'000
Recurrent grants	748	1 190
Total grants and subsidies	748	1 190

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 under 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.

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

6 Depreciation and amortisation

	2018 \$'000	2017 \$'000
Depreciation		
Buildings	-	2
Total depreciation	<u>-</u>	<u>2</u>
Total depreciation and amortisation	<u>-</u>	<u>2</u>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is applied to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Useful life

Depreciation/amortisation 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)
Buildings	10-20

Revision 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.

7 Net gain / (loss) from the disposal of non-current assets

	2018 \$'000	2017 \$'000
Buildings		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(19)
Net gain / (loss) from disposal of buildings	<u>-</u>	<u>(19)</u>
Total assets		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(19)
Total net gain / (loss) from disposal of non-current assets	<u>-</u>	<u>(19)</u>

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

8 Other expenses

	2018	2017
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	47	46
Total other expenses	47	46

9 Regional NRM and water levies

	2018	2017
	\$'000	\$'000
NRM levies collected through Councils	3 843	3 660
Water levies collected through DEW	181	184
Total regional NRM and water Levies	4 024	3 844

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 from ratepayers and is based on the value of rateable land. Councils can seek to recover any outgoing costs associated with the collection of the levy.

Contributions from constituent councils 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.

The water based levy is collected from licensed water users by DEW and is recorded as revenue when the Board has gained control of the funds, or obtains the right to receive the funds.

10 Interest revenues

	2018	2017
	\$'000	\$'000
Interest revenues from entities within the SA Government	27	23
Total interest revenues	27	23

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

11 Grant revenues

	2018 \$'000	2017 \$'000
Commonwealth funding		
Riparian 4 Catchments Fund	-	484
Biodiversity Fund Program	-	376
Other Commonwealth funding	-	3
Total Commonwealth funding	-	863
Grant revenues from SA Government		
National Landcare Program received through DEW *	1 254	1 254
Other State Government funding	51	56
Total grant revenues from SA Government	1 305	1 310
Total grant revenues	1 305	2 173
* National Landcare Program - Regional component consists of the following programs:		
Living Flinders: Maintaining Ecological Integrity in Southern Flinders Ranges	355	354
Conserving the Biodiversity Assets of the Northern & Yorke Agricultural District	273	268
Increasing Sustainability in the Northern and Yorke Agricultural Sector	249	258
Improving Ecological Integrity and Resilience on the Southern Yorke Peninsula	205	207
Improving Networks and Access to Sustainable Agricultural Practice: Landcare Facilitator	142	137
Northern and Yorke - National Landcare Program Regional Investment 2015 - 2018	30	30
Total National Landcare Program funding	1 254	1 254

Contributions 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.

Grants which have conditions of expenditure still to be met as at reporting date were \$0 million (2017: \$0.112 million). These contributions relate to the National Landcare Program.

Conditions relating to other Commonwealth funding received, that have not been met at reporting date, are for works and reporting to be carried out over the financial year 30 June 2018.

This Commonwealth revenue has terms and conditions that specify how and when the funding must be expensed. Revenue was recognised upon receipt of funds as the probability of repayment to the Commonwealth Government is unlikely.

National Landcare Program received through DEW

On 2 June 2015, the Board entered into an agreement with the State, for the continued implementation of the National Landcare Program.

The goal of the National Landcare Program is an environment that is healthy, better protected, well managed, resilient and provides essential ecosystem services in a changing climate.

This funding spans the period 1 January 2015 to 30 June 2018 and covers two broad areas: Sustainable Environment and Agriculture.

Funding deeds between the Board and the Australian Government for the National Landcare Program Phase 2 (NLP2) are currently being negotiated.

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

12 Other income

	2018	2017
	\$'000	\$'000
Sale of goods	77	77
Other revenue	2	4
Total other income	79	81

Other income includes revenue generated through contracting of animal and plant control services conducted on Crown or private land, and sale of merchandise such as fox baits. All income relates to the operating activities of the Board. Other income is recognised when the service has been performed.

13 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	2 601	2 394
Total cash and cash equivalents	2 601	2 394

Cash is measured at nominal value.

Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates.

14 Receivables

	2018	2017
	\$'000	\$'000
Current		
Receivables	123	60
Accrued interest	2	2
Total current receivables	125	62
Total receivables	125	62

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.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Board will not be able to collect the debt.

Northern and Yorke Natural Resources Management Board
Notes to and forming part of the financial statements
for the year ended 30 June 2018

15 Payables

	2018	2017
	\$'000	\$'000
Current		
Creditors	338	382
Accrued expenses	121	107
Total current payables	<u>459</u>	<u>489</u>
Total payables	<u>459</u>	<u>489</u>

Payables include creditors, accrued expenses and Board member remuneration on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Board.

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 the date the invoice is first received.

16 Unrecognised contractual commitments

Operating lease commitments

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

	2018	2017
	\$'000	\$'000
Within one year	31	-
Later than one year but not later than five years	82	-
Total operating lease commitments	<u>113</u>	<u>-</u>

The Board's operating leases are for office accommodation in Minlaton and Orroroo and a storage facility in Kadina.

17 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.

Northern and Yorke Natural Resources Management Board
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18 Related party transactions

The Northern and Yorke Natural Resources Management Board is a body corporate and was established pursuant to the *Natural Resources Management Act 2004* and is wholly owned and controlled by the Crown.

Related parties of the Board include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Key management personnel

Key management personnel of the Board include the Minister for Environment and Water, the Presiding Member, all 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 \$160 000 (2017: \$158 000). Salaries and other benefits the Minister receives are excluded from this total. 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*.

19 Financial risk management / 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.

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.

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19 Financial risk management / 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.

The carrying amounts of each of the following categories of financial assets and liabilities: receivables and payables measured at cost are detailed below.

Category of financial asset and financial liability	Note	2018 Carrying amount \$'000	2017 Carrying amount \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents		2 601	2 394
Loans and receivables			
Receivables	(1)	125	62
Total financial assets		2 726	2 456
Financial liabilities			
Financial liabilities at cost			
Payables	(1)	412	443
Total financial liabilities		412	443

(1) 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; AGD audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

20 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

Note disclosure is made about events between 30 June 2018 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

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