

# South Australian Murray-Darling Basin Natural Resources Management Board

Financial report  
for the year ended  
30 June 2019



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## To the Presiding Member South Australian Murray-Darling Basin 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 financial report of the South Australian Murray-Darling Basin 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 South Australian Murray-Darling Basin 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 issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 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 South Australian Murray-Darling Basin 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 issued under the provisions of the *Public Finance and Audit Act 1987* and the 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 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**

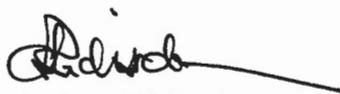
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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 South Australian Murray-Darling Basin Natural Resources Management Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

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

Andrew Richardson

**Auditor-General**

28 November 2019

**South Australian Murray-Darling Basin Natural  
Resources Management Board**

**Financial Statements**

For the year ended 30 June 2019

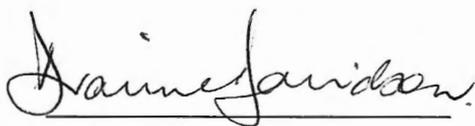
**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2019*

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We certify that the attached general purpose financial statements for the South Australian Murray-Darling Basin Natural Resources Management Board:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the South Australian Murray-Darling Basin Natural Resources Management Board
- present a true and fair view of the financial position of the 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 South Australian Murray-Darling Basin 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.



Dianne Davidson  
Presiding Member

27 November 2019



Amy Goodman  
Regional NRM Manager  
Natural Resources South Australian Murray-Darling Basin  
Department for Environment and Water

27 November 2019



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

27 November 2019

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

	Note	2019 \$'000	2018 \$'000
<b>Expenses</b>			
Board, group and committee	2.2	112	158
Supplies and services	3.1	15 059	15 555
Grants and subsidies	3.2	5 883	9 141
Depreciation and amortisation	3.3	39	33
Other expenses	3.4	637	135
<b>Total expenses</b>		<b>21 730</b>	<b>25 022</b>
<b>Income</b>			
Regional NRM and Water Levies	4.1	14 373	14 028
Commonwealth funding	4.2	7 865	10 920
Grants	4.3	369	367
Interest	4.4	108	100
Other income	4.5	471	389
<b>Total income</b>		<b>23 186</b>	<b>25 804</b>
<b>Net result</b>		<b>1 456</b>	<b>782</b>
<b>Total comprehensive result</b>		<b>1 456</b>	<b>782</b>

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

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Statement of Financial Position**  
*as at 30 June 2019*

	Note	2019 \$'000	2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	6 182	5 396
Receivables	6.2	1 827	1 194
<b>Total current assets</b>		<b>8 009</b>	<b>6 590</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	529	587
Intangible assets	5.2	14	-
<b>Total non-current assets</b>		<b>543</b>	<b>587</b>
<b>Total assets</b>		<b>8 552</b>	<b>7 177</b>
<b>Current liabilities</b>			
Payables	7.1	815	896
<b>Total current liabilities</b>		<b>815</b>	<b>896</b>
<b>Total liabilities</b>		<b>815</b>	<b>896</b>
<b>Net assets</b>		<b>7 737</b>	<b>6 281</b>
<b>Equity</b>			
Retained earnings		7 737	6 281
<b>Total equity</b>		<b>7 737</b>	<b>6 281</b>

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

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2019*

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	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2017</b>	5 499	5 499
Net result for 2017-18	782	782
<b>Total comprehensive result for 2017-18</b>	<b>782</b>	<b>782</b>
<b>Balance at 30 June 2018</b>	<b>6 281</b>	<b>6 281</b>
Net result for 2018-19	1 456	1 456
<b>Total comprehensive result for 2018-19</b>	<b>1 456</b>	<b>1 456</b>
<b>Balance at 30 June 2019</b>	<b>7 737</b>	<b>7 737</b>

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

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2019*

		2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	Note		
<b>Cash outflows</b>			
Board, group and committee member payments		(112)	(158)
Payments for supplies and services		(15 027)	(15 405)
Payments of grants and subsidies		(5 996)	(9 035)
Other payments		(643)	(137)
<b>Cash used in operating activities</b>		<b>(21 778)</b>	<b>(24 735)</b>
<b>Cash inflows</b>			
Regional NRM levies and water levies received		14 248	13 990
Commonwealth funding received		7 384	10 920
Grants received		369	367
Interest received		107	96
Other receipts		471	384
<b>Cash generated from operating activities</b>		<b>22 579</b>	<b>25 757</b>
<b>Net cash provided by operating activities</b>		<b>801</b>	<b>1 022</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		-	(21)
Purchase of intangible assets		(15)	-
<b>Cash used in investing activities</b>		<b>(15)</b>	<b>(21)</b>
<b>Net cash used in investing activities</b>		<b>(15)</b>	<b>(21)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of working capital		(1 000)	(2 000)
<b>Cash used in financing activities</b>		<b>(1 000)</b>	<b>(2 000)</b>
<b>Cash inflows</b>			
Receipt of working capital		1 000	2 000
<b>Cash generated from financing activities</b>		<b>1 000</b>	<b>2 000</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>786</b>	<b>1 001</b>
Cash and cash equivalents at the beginning of the reporting period		5 396	4 395
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>6 182</b>	<b>5 396</b>

The accompanying notes form part of these financial statements.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>1.</b>	<b>About the South Australian Murray-Darling Basin Natural Resources Management Board.....</b>	<b>10</b>
1.1.	Basis of preparation.....	11
1.2.	Objectives and programs.....	11
<b>2.</b>	<b>Board, committees and employees .....</b>	<b>14</b>
2.1.	Key management personnel.....	14
2.2.	Board and committee members.....	14
<b>3.</b>	<b>Expenses .....</b>	<b>16</b>
3.1.	Supplies and services.....	16
3.2.	Grants and subsidies.....	16
3.3.	Depreciation and amortisation .....	17
3.4.	Other expenses.....	17
<b>4.</b>	<b>Income .....</b>	<b>18</b>
4.1.	Regional NRM and Water Levies.....	18
4.2.	Commonwealth funding.....	19
4.3.	Grant revenues.....	20
4.4.	Interest.....	21
4.5.	Other income.....	21
<b>5.</b>	<b>Non-financial assets.....</b>	<b>22</b>
5.1.	Property, plant and equipment.....	22
5.2.	Intangible assets .....	23
<b>6.</b>	<b>Financial assets.....</b>	<b>24</b>
6.1.	Cash and cash equivalents.....	24
6.2.	Receivables.....	24
<b>7.</b>	<b>Liabilities .....</b>	<b>25</b>
7.1.	Payables .....	25
<b>8.</b>	<b>Changes in accounting policy .....</b>	<b>25</b>
8.1.	Treasurer's Instructions (Accounting Policy Statements).....	25
8.2.	AASB 9 Financial instruments.....	26
<b>9.</b>	<b>Outlook .....</b>	<b>27</b>
9.1.	Unrecognised contractual commitments .....	27
9.2.	Contingent assets and contingent liabilities.....	27
9.3.	Impacts of standards and statements not yet effective .....	28
9.4.	Events after the reporting period.....	30
<b>10.</b>	<b>Measurement and risk.....</b>	<b>30</b>
10.1.	Fair value .....	30
10.2.	Financial instruments.....	31

# South Australian Murray-Darling Basin Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2019

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### 1. About the South Australian Murray-Darling Basin Natural Resources Management Board

The South Australian Murray-Darling Basin 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 is a body corporate.

The Board operates under a Natural Resources Management Plan (NRM Plan) which was approved by the Minister for Environment and Water (the Minister) on 10 January 2014, for implementation on 1 July 2014. The NRM Plan contains a three-year Investment Plan which identifies strategies, management action targets and the Board's investment themes as detailed in note 1.2. The investment plan relevant to the 2018-19 financial year was adopted by the Minister on 6 April 2016.

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

#### NRM groups

The function of the NRM Groups is defined by section 52 of the NRM Act and the NRM Group Charter. Section 47(3)(b) of the NRM Act provides that the NRM Groups are subject to the direction of the Board.

In accordance with a direction issued by the Board and the NRM Groups' Charter the NRM Groups do not have the power to enter into contracts or procure goods or services in their own right. The Board has ensured that proper accounts have been kept of the NRM Groups' activities and the related financial information has been incorporated in the accounts and financial statements of the Board for financial reporting purposes. Group financial information is not disclosed due to their immateriality.

#### Direction by the Minister

On 16 April 2012, the Minister, pursuant to 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) with DEW in 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 a notice published in the Government Gazette on 21 June 2012, all Board staff were transferred from employment under the NRM Act to the *Public Sector Act 2009*. This was effective from 1 July 2012 at which date staff were brought into the administrative unit of DEW. As a consequence:

- DEW assumed responsibility for the staff previously employed under the NRM Act by the Board
- all staff are now employed by the Chief Executive, DEW under the *Public Sector Act 2009*
- DEW is responsible for the management, supervision, liability, Work Health and Safety and human resources management of the staff that will undertake services under the 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 remain unchanged for the 2018-19 financial year. The impact of the proposed Landscapes SA legislation to the operations of the Board during 2019-20 remains unknown.

# South Australian Murray-Darling Basin Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2019

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### 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 8.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

### 1.2. Objectives and programs

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

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1.2. Objectives and programs (continued)**

**Board programs**

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

***Environment and Conservation***

The purpose of the Environment and Conservation program in the SAMD region is to protect and enhance the natural environment by both delivering landscape protection and restoration actions and also building capacity for land managers to take action on landscape restoration. The program also contributes to the science that underpins informed decision making and prioritization in delivering conservation objectives across the region and finally the program contributes to community engagement and education programs in landscape restoration so the natural landscapes are valued by future generations.

***Parks and Sustainable Landscapes***

The purpose of this program is to inspire and motivate to greater natural resource management action across the landscape, regardless of tenure.

The region is noted for its horticulture and has a history of innovation and world standard water use techniques. The Board continues to successfully deliver the Australian Government funding of the On-Farm Irrigation Efficiency Program to irrigators which enable them to modernise their existing infrastructure, gaining maximum productivity while reducing the amount of water required.

The Board works with and assists farmers, commodity and industry groups to support improving farming business and improved land, water and biodiversity management. The Board's statutory obligation to undertake pest, plant and animal control activities is contained within the Parks and Sustainable Landscapes program.

***Community Engagement***

The Community Engagement program recognises the significant role that the community play in NRM outcomes and assists the Board to receive information from the community and provide information to the community, industry and governments. The program has a strong focus on raising the awareness of the communities within the region and then engaging those people by building their understanding and involvement in the natural resources management projects implemented.

The program also has a specific focus on engaging the region's Aboriginal populations in training and employment programs, protecting Aboriginal heritage and building cultural awareness across the region. This program aims to ensure the continued use, support and reinvigoration of traditional knowledge to underpin natural resource outcomes.

***Planning and Evaluation***

The Planning and Evaluation program supports the Board's development and performance evaluation of the Regional NRM Plan, water allocation planning, NRM regional evaluation, funding and program performance. It is responsible for regional information and reporting systems.

Planning, monitoring, evaluation, reporting and improvement activities are fundamental to NRM. Planning and evaluation ensures continuous learning, enhanced understanding, demonstrates accountability and improves actions taken to achieve NRM outcomes. Monitoring the condition of natural resources and the effectiveness of the NRM Plan through accurate, cost-effective and timely performance data is key to improving the performance of the Board's programs.

Water resource assessment and water allocation planning are key elements of the program and are a statutory obligation of the Board.

The table on the following page presents expenses and income attributable to each program.

**South Australian Murray-Darling Basin 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)**

**Expenses and income by program**

	Environment and Conservation		Parks and Sustainable Landscapes		Community Engagement		Planning and Evaluation		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Expenses</b>										
Board, group and committee expenses	22	32	46	33	22	61	22	32	112	158
Supplies and services	4 565	3 387	5 265	6 259	2 155	2 575	3 074	3 334	15 059	15 555
Grants and subsidies	176	175	4 639	7 084	1 029	1 822	39	60	5 883	9 141
Depreciation	5	5	34	28	-	-	-	-	39	33
Other expenses	10	11	605	100	12	13	10	11	637	135
<b>Total expenses</b>	<b>4 778</b>	<b>3 610</b>	<b>10 589</b>	<b>13 504</b>	<b>3 218</b>	<b>4 471</b>	<b>3 145</b>	<b>3 437</b>	<b>21 730</b>	<b>25 022</b>
<b>Income</b>										
Regional NRM & Water Levies	2 006	1 438	4 991	5 337	3 751	3 723	3 625	3 530	14 373	14 028
Commonwealth funding	1 893	1 564	5 164	7 286	603	1 680	205	390	7 865	10 920
Grant	129	58	66	58	2	5	172	246	369	367
Interest	15	9	40	52	27	20	26	19	108	100
Other income	145	31	282	311	18	18	26	29	471	389
<b>Total income</b>	<b>4 188</b>	<b>3 100</b>	<b>10 543</b>	<b>13 044</b>	<b>4 401</b>	<b>5 446</b>	<b>4 054</b>	<b>4 214</b>	<b>23 186</b>	<b>25 804</b>
<b>Net result</b>	<b>(590)</b>	<b>(510)</b>	<b>(46)</b>	<b>(460)</b>	<b>1 183</b>	<b>975</b>	<b>909</b>	<b>777</b>	<b>1 456</b>	<b>782</b>

The Board has determined that assets and liabilities cannot be readily attributed to individual programs.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2. Board, committees and employees**

**2.1. Key management personnel**

Key management personnel of the Board comprise the Minister, the Presiding Member, other members of the Board and the Regional Director.

Total compensation for key management personnel was \$148 000 in 2018-19 and \$204 000 in 2017-18.

The compensation disclosed in this note excludes salaries and other benefits the Minister 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 of the *Parliamentary Remuneration Act 1990*.

***Related party transactions***

The 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.

During 2018-19 the Board paid grants to the following entities, in relation to the Board's Connecting Community Grant and Small Farm Knowledge grants:

CCW Wines (\$30 000)

Murray Plains Farmers Inc. (\$2 500).

**2.2. Board and committee members**

Members of the South Australian Murray-Darling Natural Resources Management Board during the 2018-19 financial year were:

D M Davidson (Presiding Member, appointed February 2019)

S R Starick (Presiding Member, retired February 2019)

A L Chabrel (retired November 2018)

P J Duggin

E A Frankel

L E Jaensch

O F Love

D K Mildren

R L Ralph (retired August 2018)

G Small

Members of groups and committees during the 2018-19 financial year were:

**Mallee and Coorong NRM Group**

R B Wickes (Chair)

S Evans

A S Hansen

D H Hayward

T P Morgan (retired May 2019)

J J Roberts (retired March 2019)

C Shaw

**Rangelands NRM Group**

J V Gebhardt (Acting Chair, retired January 2019)

V G W Breeding

A J Connell (retired October 2018)

R J Dittrich

R G Perry

T D Preston

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2.2. Board and committee members (continued)**

**Ranges to River NRM Group**

S E Mann  
T A Bradman  
S W Coombe (retired October 2018)  
W H C Jacobs  
M A Rebbeck (retired January 2019)  
P N Reilly  
M C Schneider (retired January 2019)

**Riverland NRM Group**

W A Piltz (retired January 2019)  
T M Ter Bogt (retired January 2019)

**Finance and Risk Committee**

D K Mildren (Chair)  
S R Starick (retired February 2019)  
D M Davidson (appointed February 2019)  
E A Frankel  
L E Jaensch

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

	2019	2018
\$0 - \$19 999	31	40
\$20 000 - \$39 999	1	-
\$40 000 - \$59 999	-	1
<b>Total number of board, group and committee members</b>	<b>32</b>	<b>41</b>

The total remuneration received or receivable by members was \$74 000 (2018: \$101 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and related fringe benefits tax.

For the purposes of this table, travel allowances, other out-of-pocket expenses paid to members and board member on-costs have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by members, or are not directly received by board members. These expenses amount to \$38 000 (2018: \$57 000).

**South Australian Murray-Darling Basin 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	6 591	7 317
Fee for service - Water planning management (DEW)	2 283	2 227
Fee for service - third party contractors	2 227	1 961
Fee for service - Corporate fee (DEW)	1 722	1 650
Accommodation and property management	888	873
Motor vehicles	411	433
Minor works, maintenance and equipment	266	269
Information technology and communication	158	193
General administration	149	174
Travel and accommodation	65	73
Contracted staff training and development	61	87
Temporary staff	50	29
Monitoring fees	7	11
Transport	7	10
Other supplies and services	174	248
<b>Total supplies and services</b>	<b>15 059</b>	<b>15 555</b>

**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.

**3.2. Grants and subsidies**

	2019	2018
	\$'000	\$'000
<b>Grants and subsidies paid to entities external to the SA Government</b>		
Landholders	4 473	6 778
Local Government and community groups	603	1 409
Other	807	954
<b>Total grants and subsidies - non SA Government</b>	<b>5 883</b>	<b>9 141</b>
<b>Total grants and subsidies</b>	<b>5 883</b>	<b>9 141</b>

The Board provided funding to local government, community groups 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.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**3.3. Depreciation and amortisation**

	2019	2018
	\$'000	\$'000
Buildings	11	11
Plant and equipment	24	18
Vehicles	3	4
Intangible assets	1	-
<b>Total depreciation and amortisation</b>	<b>39</b>	<b>33</b>

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.

**Review of accounting estimates**

Assets' residual values, useful lives and depreciation / amortisation 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.

**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)
Infrastructure	40
Buildings	19-60
Plant and equipment	4-20
Vehicles	5-12
Intangible assets	10

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

**3.4. Other expenses**

	2019	2018
	\$'000	\$'000
Unexpended grants returned	570	75
Audit fees paid/payable to the Auditor-General's Department	45	47
Assets transferred for nil consideration *	20	-
Bad and doubtful debts	(3)	(2)
Other	5	15
<b>Total other expenses</b>	<b>637</b>	<b>135</b>

\* During 2018/19 the Board disposed of assets, with a value of \$20 000 for nil consideration to local government.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4. Income**

**4.1. Regional NRM and Water Levies**

	2019	2018
	\$'000	\$'000
Water Levy and penalties collected through DEW *	8 606	8 354
Regional NRM Levy collected through Councils	5 767	5 674
<b>Total Regional NRM and Water Levies</b>	<b>14 373</b>	<b>14 028</b>

- \* From 2018/19 water penalties, previously distributed to the Board, will no longer be transferred. Instead, these will be retained within the NRM Fund and may be applied by the Minister as permitted under the Act. In 2018, Penalties collected through DEW and transferred to the Board totalled \$181 000

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 publication 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. This income is recorded as revenue when the Board has gained control of the funds, or obtains the right to receive the funds.

**South Australian Murray-Darling Basin 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
<b>Commonwealth funding</b>		
Commonwealth On-farm Further Irrigation Efficiency Program	4 452	5 832
Regional Land Partnerships Program*	2 284	-
Working on Country	380	563
On-farm Irrigation Efficiency Program Round 4	102	52
National Landcare Program received through DEW**	-	3 713
On-farm Irrigation Efficiency Program Round 3	-	508
Other Commonwealth funding	647	252
<b>Total Commonwealth funding</b>	<b>7 865</b>	<b>10 920</b>

	2019	2018
	\$'000	\$'000
<b>* Regional Land Partnerships Program funding consists of the following components</b>		
Restoring Ramsar Wetlands	690	-
Farm Soils and Vegetation Management	469	-
Restoring the Iron-grass Natural Temperate Grasslands	465	-
Core services	304	-
Threatened Mallee Birds	220	-
Regional Agriculture Landcare Facilitator	136	-
<b>Total Regional Land Partnership funding</b>	<b>2 284</b>	<b>-</b>

	2019	2018
	\$'000	\$'000
<b>** National Landcare Program funding consists of the following components</b>		
Conserving and Protecting Species	-	1 338
Protecting the Resource Base	-	886
Building NRM Community, Skills, Knowledge and Engagement	-	801
MERI and Administration	-	324
Protecting Riverland Ramsar	-	211
Regional Landcare Facilitator	-	153
<b>Total National Landcare Program funding</b>	<b>-</b>	<b>3 713</b>

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.

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 Partnerships (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.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4.2. Commonwealth funding (continued)**

*Restrictions on Contributions*

The Board received contributions from the Commonwealth and various other funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2019, \$0.764m (2018: \$1.590m) of contributions, which have been recognised as revenues in the Income Statement, are yet to be spent in the manner specified by the contributors.

These contributions relate to the following projects:

- On-Farms Irrigation Efficiency-Round 4
- Commonwealth On-Farm Further Irrigation Efficiency Program
- Wetlands & Floodplains OSG (& Birds SA)
- Chowilla Indigenous Partnership
- AG EX Alliance
- Riverland Indigenous Ranger
- Crop Covers
- Chowilla Wetland Monitoring 2018-19
- Regional Land Partnerships
- Yarra Pygmy Perch Conservation
- Virtual Fencing

This Commonwealth revenue was recognised upon receipt of funds as the probability of repayment to the Commonwealth Government is unlikely.

Conditions that have not been met at reporting date are for works and reporting to be carried out over multiple years.

**4.3. Grant revenues**

	2019	2018
	\$'000	\$'000
<b>Grant revenues from SA Government</b>		
Other State Government funding	276	302
<b>Total grant revenues from SA Government</b>	<b>276</b>	<b>302</b>
<b>Other grant revenues</b>		
Sundry grants	93	65
<b>Total other grant revenues</b>	<b>93</b>	<b>65</b>
<b>Total grants revenue</b>	<b>369</b>	<b>367</b>

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.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4.4. Interest**

	2019	2018
	\$'000	\$'000
Interest	108	100
<b>Total interest revenues</b>	<b>108</b>	<b>100</b>

**4.5. Other income**

	2019	2018
	\$'000	\$'000
Support services income	205	57
Sale of goods	201	264
Property rental and related income	63	68
Other revenue	2	-
<b>Total other income</b>	<b>471</b>	<b>389</b>

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

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**5. Non-financial assets**

**5.1. Property, plant and equipment**

	2019 \$'000	2018 \$'000
<b>Land</b>		
Land at cost (deemed fair value)	54	54
<b>Total land</b>	<u>54</u>	<u>54</u>
<b>Buildings</b>		
Buildings at cost (deemed fair value)	375	408
Accumulated depreciation	(76)	(78)
<b>Total buildings</b>	<u>299</u>	<u>330</u>
<b>Infrastructure</b>		
Infrastructure at cost (deemed fair value)	16	16
Accumulated depreciation	(3)	(3)
<b>Total infrastructure</b>	<u>13</u>	<u>13</u>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	411	411
Accumulated depreciation	(254)	(230)
<b>Total plant and equipment</b>	<u>157</u>	<u>181</u>
<b>Vehicles</b>		
Vehicles at cost (deemed fair value)	158	158
Accumulated depreciation	(152)	(149)
<b>Total vehicles</b>	<u>6</u>	<u>9</u>
<b>Total property, plant and equipment</b>	<u><u>529</u></u>	<u><u>587</u></u>

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the Board's approach to fair value is set out in note 10.1.

**Impairment**

There were no indications of impairment of property, plant and equipment as at 30 June 2019.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.1. Property, plant and equipment (continued)**

*Reconciliation of non-current assets*

The following table shows the movement of non-current assets during 2018-19:

	Land	Buildings	Infrastructure	Plant and equipment	Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	54	330	13	181	9	587
Depreciation	-	(11)	-	(24)	(3)	(38)
Assets transferred for nil consideration	-	(20)	-	-	-	(20)
<b>Carrying amount at 30 June 2019</b>	<b>54</b>	<b>299</b>	<b>13</b>	<b>157</b>	<b>6</b>	<b>529</b>

**5.2. Intangible assets**

	2019 \$'000	2018 \$'000
<b>Externally acquired intangible assets</b>		
Computer software	15	-
Accumulated amortisation	(1)	-
<b>Total externally acquired intangible assets</b>	<b>14</b>	<b>-</b>
<b>Total intangible assets</b>	<b>14</b>	<b>-</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5 000.

**Intangible asset movement reconciliation schedule**

	Externally acquired Computer software \$'000	Total \$'000
Carrying amount at 1 July 2018	-	-
Transfers in	15	15
Amortisation	(1)	(1)
<b>Carrying amount at 30 June 2019</b>	<b>14</b>	<b>14</b>

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	6 182	5 396
<b>Total cash and cash equivalents</b>	<b>6 182</b>	<b>5 396</b>

Cash is measured at nominal amounts.

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

During 2018-19 the Board accessed a drawdown of \$1 million cash from the Department of Treasury and Finance (DTF) for the purposes of ensuring it had adequate working capital to meet its obligations in the first half of the year. This was in the form of an interest free loan that was paid back to DTF in May 2019.

**6.2. Receivables**

	2019	2018
	\$'000	\$'000
<b><u>Current</u></b>		
<b>Trade receivables</b>		
From government entities	-	18
From non-government entities	1 349	1 208
Less allowance for doubtful debts	(15)	(42)
<b>Total trade receivables</b>	<b>1 334</b>	<b>1 184</b>
Accrued revenues	483	1
Accrued interest	10	9
<b>Total current receivables</b>	<b>493</b>	<b>10</b>
<b>Total receivables</b>	<b>1 827</b>	<b>1 194</b>

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

***Movements in the allowance for doubtful debts (impairment loss)***

	2019	2018
	\$'000	\$'000
Carrying amount at the beginning of the period	42	43
(Decrease) in the allowance	(27)	(1)
<b>Carrying amount at the end of the period</b>	<b>15</b>	<b>42</b>

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**7. Liabilities**

**7.1. Payables**

	2019	2018
	\$'000	\$'000
<b><u>Current</u></b>		
Trade payables	630	624
Accrued expenses	185	272
<b>Total current payables</b>	<b>815</b>	<b>896</b>
<b>Total payables</b>	<b>815</b>	<b>896</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**8. Changes in accounting policy**

**8.1. 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.
- 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.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**8.2. 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.

As part of the adoption of AASB 9, the Board adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

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

***Impairment of financial assets***

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the Board are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services

This model generally results in earlier recognition of credit losses than the previous one.

***Trade receivables***

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. No increase in the loss allowance has been recognised in line with the assessment of trade receivables, as the current provision reflects the non-government aged debtors.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other 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.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**9. Outlook**

**9.1. Unrecognised contractual commitments**

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

***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	551	556
Later than one year but not later than five years	920	1 285
<b>Total operating lease commitments</b>	<b>1 471</b>	<b>1 841</b>

The Board's operating leases are for office accommodation and storage facilities.

The 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.

***Expenditure commitments***

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

	2019	2018
	\$'000	\$'000
No later than one year	1 417	868
Later than one year but not later than five years	207	14
<b>Total other commitments</b>	<b>1 624</b>	<b>882</b>

**9.2. Contingent assets and contingent liabilities**

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

Commonwealth agreements for Irrigation Efficiency Programs stipulate that project generated income such as interest must be paid to the funder unless otherwise directed in writing. The Board is in negotiations with the Commonwealth Department of Agriculture and Water Resources to retain a component of the interest earned (\$164 000 as at 30 June 2018) to apply to project costs.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**9.3. Impacts of standards and statements not yet effective**

**AASB 16 – Leases**

The Board will adopt AASB 16 – Leases from 1 July 2019.

**Objective**

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. AASB 16 Leases replaces AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation, and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

**Impact on 2019-20 financial statements**

The Board has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the Treasurer's Instructions (Accounting Policy Statements).

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Board has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Board prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below.

	as at 1 July 2019 \$'000
<b><u>Assets</u></b>	
Increase in right-of-use assets	1 182
<b><u>Liabilities</u></b>	
Increase in lease liabilities	1 182
<b>Net impact on equity</b>	<b>-</b>

The Board is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset
- borrowing costs that represent the cost associated with financing the right-of-use asset.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**9.3 Impact of standards and statements not yet effective (continued)**

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	<b>2020</b>
	<b>\$'000</b>
Depreciation and amortisation	366
Supplies and services	(374)
Borrowing costs	14
<b>Net impact on net cost of providing services</b>	<b>6</b>

***Related accounting policies***

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the Board must adopt for the transition from *AASB 117 Leases to AASB 16 Leases*. These requirements include that Board will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019; comparatives will not be restated
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations
- not transition operating leases for which the lease term ends before 30 June 2020.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Board has applied the optional exemptions to not recognise the leases liability and right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. There is an exception for motor vehicle leases, where Treasurer's approval has been granted not to apply this exemption to leases with a term remaining of less than 12 months.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that the Board will:

- not apply AASB 16 to leases of intangible assets
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components
- adopt the revaluation model, where permitted
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the Board to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**9.4. 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.

**10. Measurement and risk**

**10.1. Fair value**

*AASB 13 Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

***Initial recognition***

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

***Revaluation***

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

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

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**10.2. Financial instruments**

***Financial risk management***

Risk management is managed by the Board's corporate services section and Board risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity, credit and market) is low due to the nature of the financial instruments held.

***Liquidity risk***

The Board is funded principally from NRM Levy funds collected through DEW and Councils, and Commonwealth grants.

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 and financial liability 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.

***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.

**South Australian Murray-Darling Basin Natural Resources Management Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**10.2. Financial instruments (continued)**

	2019	2018
Category of financial asset and financial liability	Carrying amount \$'000	Carrying amount \$'000
<b>Financial assets</b>		
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	6 182	5 396
<b>Financial assets at amortised cost</b>		
Receivables	1 056	222
<b>Total financial assets</b>	<b>7 238</b>	<b>5 618</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Payables	742	819
<b>Total financial liabilities</b>	<b>742</b>	<b>819</b>

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