



**Government  
of South Australia**

**SOUTH EAST NATURAL RESOURCES  
MANAGEMENT BOARD  
2019-20 Annual Report**

**SOUTH EAST NATURAL RESOURCES MANAGEMENT BOARD**

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To:

Minister David Speirs MP

Minister for Environment and Water

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Natural Resources Management Act 2004* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South East Natural Resources Management Board by:

Kerry DeGaris

Presiding Member

Date 27.11.2020

Signature

A handwritten signature in black ink, appearing to read 'Kerry DeGaris', is written over a horizontal line.

## From the Presiding Member

On behalf of the South East Natural Resources Management (NRM) Board I am pleased to present the Annual Report 2019-20 which celebrates some of the great outcomes achieved by the board along with our partners and collaborators. This is the final report of the South East NRM Board, as the state transitions to the *Landscape South Australia Act 2019* in 2020-21.

The Board, throughout its years of leadership in natural resource management in the South East, has been committed to working with the community to invest in priorities identified across the region to enhance the sustainability of our natural resources such as our water, soils and native vegetation.

Our region's industries, natural environments and communities rely on considered and targeted investment to ensure that threats are addressed and resource conditions are improved.

Effective results are dependent on the combined efforts of community and industry groups, the South East Aboriginal Focus Group, Natural Resources South East (NRSE) staff and the outgoing South East NRM Board members, and I sincerely thank all of these people.

The water and land levies continue to provide leverage to enable us to attract funding from the Australian Government in addition to the significant National Landcare Program funding received in 2018-19. The SmartFarms funding received continues to enhance the board's work in supporting sustainable agricultural development and environmental outcomes including threatened species protection.



Kerry DeGaris

**Presiding Member**

South East Natural Resources Management Board

## Contents

<b>Contents</b> .....	<b>4</b>
<b>Overview: about the agency</b> .....	<b>6</b>
Our strategic focus.....	6
Our organisational structure.....	7
Meetings of the board: general and special .....	7
Our Minister .....	8
Our Executive team .....	8
Legislation administered by the agency .....	8
Other related agencies (within the Minister’s area/s of responsibility).....	8
<b>The Board’s performance</b> .....	<b>10</b>
Performance at a glance.....	10
Board contribution to whole of Government objectives .....	10
Board specific objectives and performance.....	11
Corporate performance summary .....	13
Employment opportunity programs .....	13
Board performance management and development systems.....	14
Work health, safety and return to work programs .....	14
Executive employment in the agency.....	16
<b>Financial performance</b> .....	<b>17</b>
Financial performance at a glance .....	17
Consultants disclosure.....	17
Contractors disclosure .....	17
Other financial information .....	18
Other information .....	19
<b>Risk management</b> .....	<b>20</b>
Fraud detected in the agency.....	20
Strategies implemented to control and prevent fraud.....	20
Public interest disclosure .....	20
<b>Reporting required under any other act or regulation</b> .....	<b>21</b>
Reporting required under the Carers’ Recognition Act 2005.....	21
<b>Public complaints</b> .....	<b>22</b>

**Appendix: Audited financial statements 2019-20..... 23**

## Overview: about the agency

### Our strategic focus

<b>Our Purpose</b>	The South East Natural Resources Management (NRM) Board was established on 9 December 2004 under the provisions of the <i>Natural Resources Management Act 2004</i> . The South East NRM Board undertakes an active role in managing natural resources through the preparation and implementation of a regional NRM plan which is the principal document guiding the management of natural resources in the South East region.
<b>Our Vision</b>	<p>Healthy landscapes for better living</p> <p>The basis for this vision is the strong connection between the people and the natural resources of the South East NRM Region. It highlights the importance of protecting our natural resource assets and managing them in a manner that ensures sound economic growth and retention of the quality of life.</p>
<b>Our Goals</b>	<p>Goal A – Healthy landscapes supporting high value ecological systems</p> <p>Goal B – Regional communities active in natural resources management</p> <p>Goal C – Resilient industries taking responsibility for sustainable use and management of natural resources</p> <p>Goal D – Leadership, adaptability and partnerships for effective natural resources management</p>
<b>Our functions, objectives and deliverables</b>	<p>The objectives of the South East NRM Board are to help achieve ecologically sustainable development in the state by contributing to the establishment of an integrated scheme to promote the use and management of natural resources in a manner that:</p> <ul style="list-style-type: none"> <li>• recognises and protects the intrinsic values of natural resources</li> <li>• seeks to protect biological diversity and, insofar as is reasonably practicable, to support and encourage the restoration or rehabilitation of ecological systems and processes that have been lost or degraded</li> <li>• provides for the protection and management of catchments and the sustainable use of land and water resources and, insofar as is reasonably practicable, seeks to enhance and restore or rehabilitate land and water resources that have been degraded</li> <li>• seeks to support sustainable primary and other economic production systems with particular reference to the value of agriculture and mining activities to the economy of the state</li> </ul>

	<ul style="list-style-type: none"> <li>• provides for the prevention or control of impacts caused by pest species of animals and plants that may have an adverse effect on the environment, primary production or the community</li> <li>• promotes educational initiatives and provides support mechanisms to increase the capacity of all people to be involved in the management of natural resources</li> </ul>
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## Our organisational structure

Section 25 of the NRM Act provides for the appointment of the board. The board comprises of nine members appointed by the Minister for Environment and Water. Each of the appointed members of the board is a person who in the opinion of the Minister meets the requirements of section 25(4) of the NRM Act. See the table below in 'Meetings of the board' for a list of the board members.

### Sub-committees of the board

Governance Finance and Audit Committee

NRM Plan Steering Committee

Lower Limestone Coast Water Allocation Plan Science Review Steering Committee

Lower Limestone Coast Water Allocation Plan Stakeholder Advisory Group

Tatiara Water Allocation Plan Advisory Group

Padthaway Water Allocation Plan Stakeholder Advisory Group

Box Flat Dingo Committee

### South East NRM Groups (placed in recess)

Upper South East NRM Group

Lower South East NRM Group

## Meetings of the board: general and special

A total of five board meetings were held during the 2019-20 financial year and five special (out-of-session) board meetings were held during this period. The table below lists attendance by appointed board members at meetings.

Board member	Meetings Attended	Comments
Fiona Rasheed, Presiding Member	2	Term expired 30/10/19
Deb Agnew	5	Appointment ended 12/2/20
Michael Bleby	0	Term expired 13/8/19
Robyn Campbell	4	Appointment ended 12/2/20

Faith Coleman	4	Appointment ended 12/2/20
Kerry DeGaris	10	Appointed Presiding Member 31/10/19
Graham Gates	5	Appointment ended 12/2/20
Kerry Gilkes	5	Appointment ended 12/2/20
Doug Nicholls, proxy for Robyn Campbell	0	Appointment ended 12/2/20

### Changes to the board

During 2019-20 there was a significant change to the agency's structure and objectives as a result of machinery of government changes. As at 12 February 2020, with the implementation of some elements of the *Landscape South Australia Act 2019*, the majority of the board was retired and Kerry DeGaris remained as the sole member of the board.

### Our Minister

The South East NRM Board is a portfolio agency of the Minister for Environment and Water, the Hon David Speirs MP.

### Our Executive team

The board does not employ staff. Those staff who undertake the work of the board are employed through the Department for Environment and Water in accordance with a Service Level Agreement.

The Office of the Commissioner of Public Sector Employment has a data dashboard for further information on the breakdown of executive gender, salary and tenure by agency.

### Legislation administered by the agency

*Natural Resources Management Act 2004.*

### Other related agencies (within the Minister's area/s of responsibility)

- Department for Environment and Water
- Environment Protection Authority
- SA Water
- South Eastern Water Conservation Drainage Board
- Green Industries SA
- Adelaide and Mount Lofty Ranges Natural Resources Management Board

- Alinytjara Wilurara Natural Resources Management Board
- Eyre Peninsula Natural Resources Management Board
- Kangaroo Island Natural Resources Management Board
- Northern and Yorke Natural Resources Management Board
- South Australian Arid Lands Natural Resources Management Board
- South Australian Murray-Darling Basin Natural Resources Management Board

## The Board's performance

### Performance at a glance

2019-20 saw the implementation of the first year of the board's Business Plan 2019/20 – 2021/22. This plan was the result of significant community consultation in the previous year and aligns the Goals of the Regional NRM Plan to the board's four key priorities for investment.

The board continued to develop its relationship with partners and collaborators in delivering the first full year of National Landcare Program funded projects and all projects that were previously funded for one year had their funding extended to five years for completion in 2022-23.

Following the first year of subregional plans in 2018-19, the board was able to report to the South East community on the progress and success of a number of community-driven initiatives and held regional forums to consult on projects for the next twelve months.

The business plan identified target investment for each of the board's four priorities. The table below shows the proportion of actual expenditure against each priority, compared to the targets.

Investment Priority	Target investment	Actual \$
Maintaining water quality and availability	34%	39%
Minimising impacts of pest plants and animals	33%	31%
Maintaining the health of soils and land	12%	8%
Conserving native vegetation, wetlands and coastal habitats	21%	22%
	100%	100%

### Board contribution to whole of Government objectives

Projects that meet the board's objectives also contribute to the Government's key NRM objectives as detailed in the table below.

<b>Key objective</b>	<b>Agency's contribution</b>
<p><b>Vibrant Biodiversity</b></p> <p>Healthy native species and ecosystems that are able to adapt and persist in the face of change.</p>	<p>Combined ground and aerial control seen to be most effective tactic for culling feral deer in the South East with approximately 1000 deer removed from the landscape in 2019-20.</p> <p>Site action plans prepared for 10 sites of international and national significance from the Coorong, south to Port MacDonnell including important refugia such as Lake Hawdon, Lake George and Mullins Swamp.</p> <p>Winter migratory shorebird counts conducted in the Coorong by BirdLife Australia, and along the southern coast by Friends of Shorebirds SE.</p>
<p><b>Sustainable Economy</b></p> <p>Prosperous businesses now and in the future, able to adapt as the economy and primary industries transform over time.</p>	<p>Australian Government funded Adaptive Agriculture project hosted primary producer bus tours on increasing soil carbon, sandy soils management and dryland pasture.</p> <p>Lower Limestone Coast Water Allocation Plan: Forestry and MacDonnell licensees consulted on Ministerial strategy resulting from science review and risk assessment.</p>
<p><b>Resilient Communities</b></p> <p>Capable local people and groups leading stewardship of their natural environment, contributing to strong social networks that can cope with changing environments.</p>	<p>The Young Environmental Leaders Program (YELP) engaged 90 students from 23 schools in the South East, introducing a range of environmental and sustainability topics, and focussing on practical hands-on activities students could share with their classmates.</p> <p>The Board sponsored a place for a community member in the Limestone Coast Leadership Program, hosted by Limestone Coast Local Government Association. This sponsorship is for three iterations of the program, starting in 2019-20.</p> <p>The Adaptive Agriculture project and NRM Education staff ran a basic soils workshop live streamed on the Interact Limestone Coast Facebook page. The workshop reached 6000 people, with a peak of 46 people watching live.</p>

### **Board specific objectives and performance**

The board undertook a range of activities throughout 2019-20 to meet its objectives, and the performance of these is described in the table below. Further detail can be found in the [Achievement Report 2019-20](#).

<b>Board objectives</b>	<b>Indicators</b>	<b>Performance</b>
Maintaining water quality and availability	<p>Revision of the Tatiara Water Allocation Plan (WAP)</p> <p>Revision of the Padthaway WAP</p>	<p>Drafting of Tatiara WAP policy commenced. RCL and RCT implementation schedule agreed by Stakeholder Advisory Group. Additional modelling of Poocher Swamp scoped.</p> <p>Padthaway WAP – working closely with community on country to talk about the cultural importance of water in providing food and materials throughout the seasons to be incorporated into the Padthaway WAP.</p>
Minimising impacts of pest plants and animals	<p>Engagement and advice for landholders on pest plant and animals management, including control techniques and new technology</p> <p>Managing threats to coastal habitats and shorebirds, including fox deer and boxthorn control</p>	<p>100 ha spiny rush controlled at Lake George, 80 ha spiny rush controlled at Lake Frome including private land, 40 ha spiny rush on private land controlled.</p> <p>70 landholders participated in workshops about rabbit and fox control held at Mil Lel, Avenue, Wild Dog Valley, Taunta Hut, Lochaber, Willalooka and Taratap run by PIRSA and NRSE NRM Officers</p> <p>Weed control in the Coorong – 26,000 ha Boxthorn covered by aerial weed control in often difficult to access terrain.</p>
Maintaining healthy soils and lands	<p>Technical engagement and advice to landholders on soils, land use and water use efficiency</p> <p>Capacity building of regional primary production industries to be climate change ready</p>	<p>Revegetation advice and other support provided by staff to landholders post Keilira bushfire, including erosion control and fencing.</p> <p>5 factsheets produced: Building resilience into agricultural businesses in the Limestone Coast, and 4 x Climate Data; average seasonal rainfall and temperature for each subregion.</p>

<p>Conserving native vegetation, wetlands and coastal habitats</p>	<p>Support landholders to manage surface water and wetlands on their land</p> <p>Subregional forums identify priority actions including protecting and establishing paddock trees</p>	<p>In collaboration with Flinders University, a Management Plan was developed for Sandy's Hut wetland, Aboriginal managed land near Kingston SE.</p> <p>The Power of Paddock Trees project sought photographs for an exhibition celebrating paddock trees in our landscape. The images and Facebook posts reached over 26,000 people.</p>
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### Corporate performance summary

The Department for Environment and Water provides the corporate, governance and administrative support services to the South East NRM Board on a fee for service basis in accordance with a Service Level Agreement.

### Employment opportunity programs

Program name	Performance
Nil.	The South East NRM Board does not employ staff. Those staff who undertake the work of the board are employed through the Department for Environment and Water in accordance with a Service Level Agreement.

## Board performance management and development systems

<b>Performance management and development system</b>	<b>Performance</b>
Service Level Agreement	Not assessed during this reporting period.
Government employees supporting the board	Employees supporting the board participated in DEW's annual performance review and development processes.
Australian Government Performance Framework	Not assessed during this reporting period.
Board Presiding Member one on one with Board members	<p>The board undertakes a review of each board meeting as part of that meeting's agenda. It also reviews its performance on an annual basis.</p> <p>The presiding member held one on one conversations with individual board members and agency representatives as required during this reporting period to address issues as they arose.</p>

## Work health, safety and return to work programs

The South East NRM Board operates in accordance with the relevant safety policies and procedures that have been adopted by the Department for Environment and Water to meet whole of Government and legislative requirements.

Reporting on compliance with the relevant safety policies and procedures forms part of the DEW Annual Report 2019-20.

<b>Program name and brief description</b>	<b>Performance</b>
The board operates in accordance with the relevant safety policies and procedures adopted on 26 October 2017.	There have been no incidents recorded.

<b>Workplace injury claims</b>	2019-20	2018-19	% Change (+ / -)
Total new workplace injury claims	0	0	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0

\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

<b>Work health and safety regulations</b>	2019-20	2018-19	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	0
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0

<b>Return to work costs**</b>	2019-20	2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0
Income support payments – gross (\$)	0	0	0

\*\*before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-east-nrm-board-annual-report-data>

**Executive employment in the agency**

Executive classification	Number of executives
The South East Natural Resources Management Board does not employ staff. Those staff who undertake the work of the board are employed through the Department of Environment and Water in accordance with a Service Level Agreement.	0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-east-nrm-board-annual-report-data>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

## Financial performance

### Financial performance at a glance

The financial performance and position as at 30 June 2020 are contained within the audited financial statements and attached to the Annual Report Appendix.

### Consultants disclosure

Consultant disclosures are not required to be reported by NRM Boards.

### Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

#### Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$ 58,128

#### Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Coorong District Council	Establish trial sites in Mallee Woodland Subregion, Rivers and Cross Borders Creek Subregion. Farm walks, communications through NRSE and CTLAP websites newsletters and online information.	\$12,500
Ngarrindjeri Lands Progress Association	Provision of fulltime project officer Our Coorong   Our Coast (OC OC)	\$25,000
Mister Tuckers Business	Development and delivery of a Coorong Vegetation Plan	\$18,500
Burrandies Aboriginal Corporation	Services to assist SENRM staff with the OC OC project (fox baiting, weed control, monitoring & Community Engagement)	\$30,000
Ngarrindjeri Lands Progress Association	Provision of fulltime project officer OC OC	\$70,600
WF Zacharin	Deer Fence Audit	\$17,370

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Terrestrial Ecosystem Services Pty Ltd	Aerial Survey and technical report and pre shoot map of feral deer - Gum Lagoon Conservation Park	\$14,081
Coorong District Council	Sandy Soils and Acidity Mallee Woodland Subregion	\$15,000
Shaun Mills - Outback Hunting	Feral Deer Pest Control Services	\$25,450
Alto People	Review of Landscape Operations Team	\$12,000
Mister Tuckers Business	Review of Bucks for Bush and other landholder grants from 2010-2018	\$11,712
Nature Glenelg Trust	Mosquito Creek Native Fish Population	\$16,325
Trees for Life	Revegetation, community engagement, monitoring and reporting to deliver the Communities helping Cockies project.	\$277,012
Birdlife Australia	Community engagement, planning, population and habitat monitoring and reporting to deliver the Communities helping Cockies project.	\$88,141
Zoos South Australia	Revegetation, community engagement, monitoring and reporting to deliver the Communities helping Cockies project.	\$263,460
Helifarm	Aerial boxthorn control operations and aerial feral animal culling operations.	\$184,980
Birdlife Australia	Hooded Plover and Migratory Bird counts, workshops and education, site plans.	\$22,500
	<b>Total</b>	<b>\$1,104,631</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-east-nrm-board-annual-report-data>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

### **Other financial information**

Under section 42(5) of the NRM Act, financial assistance can be made to third parties such as community groups, industry, state and local government, land

owners and individuals for various projects and programs under the Regional NRM Plan. During 2019-20, the board provided \$102,750 in grants and other financial assistance to the following:

- (\$20,000) Local government
- (\$82,750) Volunteer groups and NGOs

## **Other information**

### **Statement of fact for significant ministerial directives**

In accordance with section 10(5) of the *Natural Resources Management Act 2004* (the NRM Act), the board advises that no ministerial directives were received during this reporting period.

### **Statement of fact for significant functions assigned by the Minister**

The Minister did not assign to the South East NRM Board any significant functions in accordance with section 29 of the NRM Act.

### **Statement of fact for functions or powers delegated to the board**

The Minister did not assign to the board any significant additional functions or powers under the NRM Act or any other act in accordance with regulation 9e of the *NRM (General) Regulations 2005*.

### **Statement of fact for functions or powers delegated by the board**

The South East NRM Board operates pursuant to the provisions in, and functions and powers delegated under, the NRM Act.

The Board has delegated appropriate procurement, finance and contracting powers to relevant members of DEW staff assigned to work on board programs in accordance with regulation 9d of the *NRM (General) Regulations 2005* and section 36 of the NRM Act. This enables assigned staff to undertake operational board business.

## **NRM Groups' Reports**

The two NRM Groups (Upper South East and Lower South East) were placed into recess in June 2018.

## Risk management

### Fraud detected in the agency

Category/nature of fraud	Number of instances
There were no instances of fraud detected in the activities undertaken by the board in this reporting period.	0

*NB: Fraud reported includes actual and reasonably suspected incidents of fraud.*

### Strategies implemented to control and prevent fraud

Financial services are provided to the board by the Department for Environment and Water (DEW). Strategies to detect instances of fraud are reported in the DEW Annual Report 2018-19.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-east-nrm-board-annual-report-data>

### Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*: 0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-east-nrm-board-annual-report-data>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

## Reporting required under any other act or regulation

Act or Regulation	Requirement
<b>Development Regulations 2008</b>	<p><b>12—Activities that would otherwise require a permit under the <i>Natural Resources Management Act 2004</i></b></p> <p>(1) Development comprising or including an activity for which a permit would be required under section 127(3)(d) or (5)(a) of the <i>Natural Resources Management Act 2004</i> if it were not for the operation of section 129(1)(e) of that Act (on the basis that the referral required by virtue of this item operates in conjunction with section 129(1)(e) of that Act), other than development within a River Murray Protection Area under the <i>River Murray Act 2003</i>.</p> <p>The Board received four mandatory development assessment referrals during this reporting period.</p>

### Reporting required under the Carers' Recognition Act 2005

The South East Natural Resources Management Board is not a required 'reporting agency', and all staff who undertake the work of the board, are employed through a service level agreement with the Department for Environment and Water (DEW).

DEW has a strong commitment and provides support to ensure all employees who provide ongoing care for a person who has a disability or a chronic illness (including mental illness) or who is frail have flexible working arrangements to meet their situation.

Employees are encouraged to speak with their manager to seek support with flexible working arrangements including special leave with pay, compressed weeks, part-time hours or working from home. Employees can also seek support and guidance through the Health and Wellbeing Program, which incorporates the Employee Assistance Program.

## **Public complaints**

Any complaints specifically related to NRM boards are documented in the Department for Environment and Water (DEW) Annual Report.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-east-nrm-board-annual-report-data>

## **Appendix: Audited financial statements 2019-20**

# **South East Natural Resources Management Board**

## **Financial Statements**

For the year ended 30 June 2020

**South East Natural Resources Management Board**  
**Certification of Financial Statement**  
*for the year ended 30 June 2020*

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We certify that the attached general purpose financial statements for the South East 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 East Natural Resources Management Board
- present a true and fair view of the financial position of the South East Natural Resources Management Board as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the South East 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.



Kerry Degaris  
**Presiding Member**  
25 November 2020



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

**South East Natural Resources Management Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2020*

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	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Regional NRM and Water Levies	2.1	8 355	8 307
Commonwealth funding	2.2	2 046	1 755
Grants	2.3	10	110
Interest	2.4	17	44
Other income	2.5	391	536
<b>Total Income</b>		<b>10 819</b>	<b>10 752</b>
<b>Expenses</b>			
Board, group and committee	3.2	61	92
Supplies and services	4.1	9 779	10 022
Grants and subsidies	4.2	78	67
Depreciation	4.3	63	19
Borrowing costs	4.4	4	-
Other expenses	4.5	76	39
<b>Total expenses</b>		<b>10 061</b>	<b>10 239</b>
<b>Net result</b>		<b>758</b>	<b>513</b>
<b>Total comprehensive result</b>		<b>758</b>	<b>513</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 East Natural Resources Management Board**  
**Statement of Financial Position**  
*as at 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	3 072	2 061
Receivables	6.2	1 494	1 635
Inventories		35	41
<b>Total current assets</b>		<b>4 601</b>	<b>3 737</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	264	38
Receivables	6.2	-	20
<b>Total non-current assets</b>		<b>264</b>	<b>58</b>
<b>Total assets</b>		<b>4 865</b>	<b>3 795</b>
<b>Current liabilities</b>			
Payables	7.1	489	415
Financial liabilities	7.2	50	-
<b>Total current liabilities</b>		<b>539</b>	<b>415</b>
<b>Non-current liabilities</b>			
Financial liabilities	7.2	188	-
<b>Total non-current liabilities</b>		<b>188</b>	<b>-</b>
<b>Total liabilities</b>		<b>727</b>	<b>415</b>
<b>Net assets</b>		<b>4 138</b>	<b>3 380</b>
<b>Equity</b>			
Retained earnings		4 138	3 380
<b>Total equity</b>		<b>4 138</b>	<b>3 380</b>

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

**South East Natural Resources Management Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2020*

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	Note	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>		2 867	2 867
Net result for 2018-19		513	513
<b>Total comprehensive result for 2018-19</b>		<b>513</b>	<b>513</b>
<b>Balance at 30 June 2019</b>		<b>3 380</b>	<b>3 380</b>
Net result for 2019-20		758	758
<b>Total comprehensive result for 2019-20</b>		<b>758</b>	<b>758</b>
<b>Balance at 30 June 2020</b>		<b>4 138</b>	<b>4 138</b>

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

**South East Natural Resources Management Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2020*

		2020	2019
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Regional NRM and water levies received		8 306	8 217
Commonwealth funding received		2 171	926
Grants received		10	110
Interest received		21	44
Other receipts		401	536
<b>Cash generated from operating activities</b>		<b>10 909</b>	<b>9 833</b>
<b>Cash outflows</b>			
Board, group and committee member payments		(61)	(92)
Payments for supplies and services		(9 682)	(9 841)
Payments of grants and subsidies		(65)	(89)
Interest paid		(4)	-
Other payments		(35)	(36)
<b>Cash used in operating activities</b>		<b>(9 847)</b>	<b>(10 058)</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>1 062</b>	<b>(225)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(51)	-
<b>Cash used in financing activities</b>		<b>(51)</b>	<b>-</b>
<b>Net cash used in financing activities</b>		<b>(51)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 011</b>	<b>(225)</b>
Cash and cash equivalents at the beginning of the period		2 061	2 286
<b>Cash and cash equivalents at the end of the period</b>	6.1	<b>3 072</b>	<b>2 061</b>

The accompanying notes form part of these financial statements.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

<b>1.</b>	<b>About the South East Natural Resources Management Board.....</b>	<b>9</b>
1.1.	Basis of preparation.....	10
1.2.	Objectives and programs.....	11
1.3.	Impact of COVID-19 pandemic on the Board.....	12
<b>2.</b>	<b>Income .....</b>	<b>13</b>
2.1.	Regional NRM and water levies .....	13
2.2.	Commonwealth funding .....	13
2.3.	Grant revenues .....	14
2.4.	Interest .....	14
2.5.	Other income .....	14
<b>3.</b>	<b>Board, committees and employees .....</b>	<b>15</b>
3.1.	Key management personnel.....	15
3.2.	Remuneration of Board and committee members.....	15
<b>4.</b>	<b>Expenses .....</b>	<b>16</b>
4.1.	Supplies and services.....	16
4.2.	Grants and subsidies.....	16
4.3.	Depreciation.....	17
4.4.	Borrowing costs .....	17
4.5.	Other expenses .....	17
<b>5.</b>	<b>Non-financial assets.....</b>	<b>18</b>
5.1.	Property, plant and equipment by asset class.....	18
5.2.	Property, plant and equipment owned by the Board .....	18
5.3.	Property, plant and equipment leased by the Board .....	19
<b>6.</b>	<b>Financial assets .....</b>	<b>20</b>
6.1.	Cash and cash equivalents.....	20
6.2.	Receivables .....	20
<b>7.</b>	<b>Liabilities .....</b>	<b>21</b>
7.1.	Payables .....	21
7.2.	Financial Liabilities.....	21
<b>8.</b>	<b>Changes in accounting policy.....</b>	<b>22</b>
8.1.	AASB 16 Leases.....	22
8.2.	AASB 15 Revenue from Contracts with Customers .....	23
8.3.	AASB 1058 Income of Not-for-Profit Entities.....	23
8.4.	Presentation of Financial Statements.....	24
<b>9.</b>	<b>Outlook .....</b>	<b>24</b>
9.1.	Unrecognised contractual commitments .....	24
9.2.	Contingent assets and liabilities .....	25

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

---

9.3. COVID-19 pandemic outlook for the Board .....	25
9.4. Events after the reporting period .....	25
<b>10. Measurement and risk.....</b>	<b>25</b>
10.1. Fair value .....	25
10.2. Financial instruments.....	26

# **South East Natural Resources Management Board**

## **Notes to and forming part of the financial statements**

*for the year ended 30 June 2020*

---

### **1. About the South East Natural Resources Management Board**

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

The Board operates under a Natural Resources Management Plan (NRM Plan) which was approved by the Minister for Environment and Water (the Minister) on 31 May 2010. The NRM Plan contains a three year business plan, strategies and management action targets commencing 1 July 2010. The Board's Business Plan for 2019-20 to 2021-22 was approved by the Minister on 27 March 2019.

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

On 1 July 2020, the NRM Act was repealed, and the Board was abolished. By notice in the Government Gazette on 25 June 2020 the property, assets, rights and liabilities of the Board, with effect from 1 July 2020, are vested or attached to the Limestone Coast Landscape Board.

#### NRM Groups

On the 10 April 2013, pursuant to section 45 of the NRM Act, the South East Natural Resources region was divided into two Group areas, the Upper South East area and the Lower South East area.

On the 10 April 2013, pursuant to section 46 of the NRM Act, the Upper South East Group and the Lower South East Group were established.

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

The NRM Group's function included the active involvement in the development and implementation of the Board's regional NRM Plan at the local level and the provision of advice to 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.

In August 2018, the Groups were placed into recess and did not have any Group members or financial activity throughout the 2019-20 financial year. The Board has ensured that proper accounts have been kept of the NRM Group's activities and the related financial information, prior to being placed into recess, 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 for Environment and Water, 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 Service Level Agreement (SLA) with DEW in 2019-20 which includes the delivery of support services to the Board to ensure it is able to meet its statutory requirements under the NRM Act and an annual work plan for the delivery of the Board's Business Plan. This agreement details the services, projects and funds to deliver the annual work plan. This SLA is reviewed and updated on an annual basis.

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

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**1. About the South East Natural Resources Management Board (continued)**

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 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.

**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; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the 2019-20 financial statements the Board adopted *AASB 15 – Revenue from Contracts with Customers*, *AASB 16 – Leases* and *AASB 1058 – Income of Not-for-Profit Entities*. Further information is provided in note 8.

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

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

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

# South East Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2020

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### 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.

#### Board programs

In achieving its objectives the Board has defined a series of strategies to manage the region's natural resources, these strategies have been divided into themes of activity which are:

##### ***Maintain water quality and availability***

Activities in this area include enhancing community understanding of the value of water resources, techniques for improving water use efficiency and water policy

##### ***Minimise impacts of pest plants and animals***

Activities in this area include assisting landholders and the community to identify declared species, techniques for control/eradication of pest plants and animals

##### ***Maintain the health of soils and land***

Activities in this area include enhancing the capacity of landholders, industries and community in valuing healthy soil, soil management techniques and working with agricultural industries to adapt to land management practices for climate change

##### ***Conserve native vegetation, wetlands and coastal habitats***

Activities in this area include both levy and externally funded programs, including projects designed to engage community and landholders to support native and threatened species recovery, wetland restoration and revegetation techniques and enhancing resilience to a changing climate.

The disaggregated disclosures schedules present expenses and income information attributable to each of the activities for the years ended 30 June 2020 and 30 June 2019.

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

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

**Disaggregated Disclosures - Expenses and Income**

	Maintain water quality and availability		Minimise impacts of pest plants and animals		Maintain the health of soils and land		Conserve native vegetation, wetlands and coastal habitats		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>										
Regional NRM and										
Water Levies	3 477	3 457	2 543	2 528	407	405	1 928	1 917	8 355	8 307
Commonwealth funding	107	255	79	200	347	133	1 513	1 167	2 046	1 755
Grants	-	10	10	100	-	-	-	-	10	110
Interest	7	18	5	14	1	2	4	10	17	44
Other income	1	92	390	437	-	2	-	5	391	536
<b>Total income</b>	<b>3 592</b>	<b>3 832</b>	<b>3 027</b>	<b>3 279</b>	<b>755</b>	<b>542</b>	<b>3 445</b>	<b>3 099</b>	<b>10 819</b>	<b>10 752</b>
<b>Expenses</b>										
Board, group and committee	25	6	19	61	3	9	14	16	61	92
Supplies and services	4 070	711	2 976	6 577	477	1 042	2 256	1 692	9 779	10 022
Grants and subsidies	-	-	-	22	73	4	5	41	78	67
Depreciation	16	1	37	14	2	2	8	2	63	19
Borrowing costs	-	-	4	-	-	-	-	-	4	-
Other expenses	31	3	24	25	3	4	18	7	76	39
<b>Total expenses</b>	<b>4 142</b>	<b>721</b>	<b>3 060</b>	<b>6 699</b>	<b>558</b>	<b>1 061</b>	<b>2 301</b>	<b>1 758</b>	<b>10 061</b>	<b>10 239</b>
<b>Net result</b>	<b>(550)</b>	<b>3 111</b>	<b>(33)</b>	<b>(3 420)</b>	<b>197</b>	<b>(519)</b>	<b>1 144</b>	<b>1 341</b>	<b>758</b>	<b>513</b>

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

**1.3. Impact of COVID-19 pandemic on the Board**

The COVID-19 pandemic impacted from March 2020. DEW on behalf of the NRM Board managed the move of a significant number of staff to work from home arrangements where feasible. DEW also ensured precautions were taken for staff and the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

The key impacts to the Board in 2019-20 were:

- Cancellation of staff in-person attendance at meetings, training and conferences
- Delay of non-critical field work
- Cancellation or postponement of public-facing events

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

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**2. Income**

**2.1. Regional NRM and water levies**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Regional NRM Levy collected through Councils	4 579	4 459
Water Levies collected through DEW	3 776	3 848
<b>Total regional NRM and Water Levies</b>	<b>8 355</b>	<b>8 307</b>

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

Regional NRM levy collected through Councils

The Minister declares contributions by councils under section 92 of the NRM Act 2004 for the relevant financial year by notice in the Government Gazette. The Regional NRM levy is then collected by constituent councils from ratepayers and is based on the value of rateable land. The Regional NRM levies are recognised as revenue when the Board obtains controls over the assets comprising these receipts which is the beginning of the levy period to which they relate. Councils may also seek to recover any outgoing costs associated with the collection of the levy.

Water levies collected through DEW

The water-based levy is collected by DEW from licensed water users. This levy is based on water allocated and water used. This income is recorded as revenue when the Board receives the funds from DEW.

**2.2. Commonwealth funding**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Commonwealth funding</b>		
Regional Land Partnerships Program*	2 046	1 755
<b>Total Commonwealth funding</b>	<b>2 046</b>	<b>1 755</b>

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>* Regional Land Partnerships Program funding consists of the following components</b>		
Regional Agricultural Landcare Facilitator	135	133
Adaptive Agriculture for Variable Climates and Markets	200	200
Core Services	257	255
RLP Bushfire Recovery	90	-
Communities Helping Cockies	688	541
Our Coorong Our Coast	676	626
<b>Total Regional Land Partnership funding</b>	<b>2 046</b>	<b>1 755</b>

Assets arising from Commonwealth funding in scope of AASB 1058 are recognised at their fair value when an asset is received. Commonwealth funding is paid in arrears, subject to an approved declaration of claim. The Board has determined that it has an unconditional contractual right to receive a portion of the funding under AASB 9 when a claim is submitted, as it has satisfied the eligibility criteria and expects that the claim will be accepted. Accordingly, revenue and a receivable are recognised when the claim is submitted.

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

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**2.3. Grant revenues**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants from SA Government	-	100
Sundry Grants	10	10
<b>Total grant revenues</b>	<b>10</b>	<b>110</b>

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

**2.4. Interest**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	17	44
<b>Total interest revenues</b>	<b>17</b>	<b>44</b>

**2.5. Other income**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of goods	385	428
Other revenue	6	108
<b>Total other income</b>	<b>391</b>	<b>536</b>

Other income includes revenue generated through the contracting of animal and plant control services conducted on Crown or private land and the sale of goods such as fox baits, flora and fauna. All revenue from the sale of goods is revenue from contracts with customers. This revenue is recognised upon the delivery of the service to the customer, which is in arrears, therefore no contract liability is recognised.

# South East Natural Resources Management Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2020

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### 3. Board, committees and employees

#### 3.1. Key management personnel

Key management personnel of the Board comprise the Minister for Environment and Water, the Presiding Member, other members of the Board and the Natural Resources Management (NRM) Manager.

Total compensation of the Board's key management personnel was \$177 000 in 2019-20 and \$129 000 in 2018-19.

The compensation disclosed in this note excludes salaries and other benefit of 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*.

No transactions with key management personnel or related parties have occurred during 2019-20.

#### 3.2. Remuneration of Board and committee members

Members of the South East Natural Resources Management Board during the financial year were:

F C Rasheed (Presiding Member, retired October 2019)  
D J Agnew (ceased February 2020)  
M H Bleby (retired August 2019)  
R H Campbell (ceased February 2020)  
F S Coleman (ceased February 2020)  
K A DeGaris (Presiding Member, ceased June 2020)  
G J Gates (ceased February 2020)  
K A Gilkes (ceased February 2020)  
D Nicholls (Deputy Member, ceased February 2020)

Members of groups and committees during the financial year were:

##### **Aboriginal Focus Group**

R H Campbell (Co-Chair)  
B E Hammond (Co-Chair)  
M A Bonney (Proxy)  
V Brennan  
W C Casey  
F H Clarke  
A S Clarke  
P Clarke  
D Nicholls  
G Owen  
K Reilly  
S J Smith  
C Wanganeen (Proxy)  
P M Watson

##### **Box Flat Dingo Control Committee**

J Arthur  
B J Bateman  
G J Gates (ceased February 2020)  
D Hayward  
B Page\*  
N K Pfeiffer  
R J Vickery (ceased October 2019)  
R Pudney  
P Gillen \*  
H Miller (appointed March 2020)  
D K Hartman

##### **Governance, Finance and Audit Committee**

M H Bleby (retired August 2019)  
K A Gilkes (ceased February 2020)  
F C Rasheed (retired October 2019)  
D J Agnew (ceased February 2020)  
K A DeGaris (appointed October 2019)  
F S Coleman (ceased February 2020)

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

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

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**3.2 Remuneration of Board and committee members (continued)**

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

	<b>2020</b>	<b>2019</b>
\$0 - \$19 999	29	29
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>30</b>	<b>30</b>

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

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 \$40 000 (2019: \$54 000).

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 \$21 000 (2019: \$38 000).

**4. Expenses**

**4.1. Supplies and services**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Fee for service - Board funded DEW salaries	3 454	3 853
Fee for service - Water planning management	2 435	2 376
Fee for service	1 934	1 647
Fee for service - Corporate fee	754	885
Motor vehicles expense	320	345
General administration	206	235
Accommodation	214	226
Cost of goods sold	95	93
Contracted staff training and development	55	65
Travel and accommodation	55	65
Minor works, maintenance and equipment	90	61
Information technology and communication charges	59	39
Transport	4	7
Other supplies and services	104	125
<b>Total supplies and services</b>	<b>9 779</b>	<b>10 022</b>

**4.2. Grants and subsidies**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants and subsidies	78	67
<b>Total grants and subsidies</b>	<b>78</b>	<b>67</b>

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.

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

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**4.3. Depreciation**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and equipment	3	15
Buildings	4	4
Right-of-use buildings	56	-
<b>Total depreciation</b>	<b>63</b>	<b>19</b>

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

**Review of accounting estimates**

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

**Useful life**

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Plant and Equipment	10
Buildings	20
Right-of-use buildings	2-7

**4.4. Borrowing costs**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on lease liabilities	4	-
<b>Total Borrowing costs</b>	<b>4</b>	<b>-</b>

**4.5. Other expenses**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fees paid/payable to the Auditor-General's Department	36	36
Bad and doubtful debts	41	3
Other	(1)	-
<b>Total other expenses</b>	<b>76</b>	<b>39</b>

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

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**5. Non-financial assets**

**5.1. Property, plant and equipment by asset class**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	248	248
Accumulated depreciation	(244)	(241)
<b>Total plant and equipment</b>	<b>4</b>	<b>7</b>
<b>Buildings</b>		
Buildings at cost (deemed fair value)	87	87
Accumulated depreciation	(60)	(56)
<b>Total buildings</b>	<b>27</b>	<b>31</b>
<b>Right-of-use buildings</b>		
Right-of-use buildings at cost	289	-
Accumulated depreciation	(56)	-
<b>Total right-of-use buildings</b>	<b>233</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>264</b>	<b>38</b>

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

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

**Impairment**

There were no indications of impairment of property, plant and equipment as at 30 June 2020.

**5.2. Property, plant and equipment owned by the Board**

**Reconciliation 2019-20**

	<b>Plant and equipment</b>	<b>Buildings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2019</b>	7	31	38
Depreciation	(3)	(4)	(7)
<b>Carrying amount at 30 June 2020</b>	<b>4</b>	<b>27</b>	<b>31</b>

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

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**5.3. Property, plant and equipment leased by the Board**

Property leased by the Board is recorded at cost. Net additions to leased property during 2019-20 were \$0.198 million (2019: \$nil).

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Board has three leases for depots utilised for storage of equipment, chemicals and baits with landlords external to the SA Government:

- the Grant District lease is for a period of one year commencing on 1 September 2019. The lease contains options for two 2-year lease extension options. The Board is reasonably certain that it will exercise both extension options
- the Tatiara District lease is for a period of twenty years commencing on 1 February 2007. There are no extension options for this lease in the current lease agreement
- the Naracoorte lease is for a period of one year commencing on 11 March 2020. The lease contains options for a 1-year lease extension. The Board is reasonably certain that it will exercise this extension option.

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

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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	3 072	2 061
<b>Total cash and cash equivalents</b>	<b>3 072</b>	<b>2 061</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.

**6.2. Receivables**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
<b>Trade receivables</b>		
From government entities	1 416	1 554
From non-government entities	68	81
Accrued revenues	65	-
Less allowance for doubtful debts	(55)	(14)
<b>Total trade receivables</b>	<b>1 494</b>	<b>1 621</b>
Accrued interest	-	4
Prepayments	-	10
<b>Total current receivables</b>	<b>1 494</b>	<b>1 635</b>
<b><u>Non-current</u></b>		
Prepayments	-	20
<b>Total non-current receivables</b>	<b>-</b>	<b>20</b>
<b>Total receivables</b>	<b>1 494</b>	<b>1 655</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

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**6.2. Receivables (continued)**

**Impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Board uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

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

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	14	11
Increase/(decrease) in the allowance	41	3
<b>Carrying amount at the end of the period</b>	<b>55</b>	<b>14</b>

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

**7. Liabilities**

**7.1. Payables**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Creditors	318	302
Accrued expenses	171	113
<b>Total current payables</b>	<b>489</b>	<b>415</b>
<b>Total payables</b>	<b>489</b>	<b>415</b>

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

**7.2. Financial Liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	50	-
<b>Total current financial liabilities</b>	<b>50</b>	<b>-</b>
<b>Non-current</b>		
Lease liabilities	188	-
<b>Total non-current financial liabilities</b>	<b>188</b>	<b>-</b>
<b>Total financial liabilities</b>	<b>238</b>	<b>-</b>

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

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**8. Changes in accounting policy**

**8.1. AASB 16 Leases**

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. *AASB 16 Leases* replaces *AASB 117 Leases* and related interpretations.

The adoption of *AASB 16 Leases* from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- *AASB 117 Leases* only required the recognition of an asset and lease liability in relation to finance leases. *AASB 16 Leases* applies a comprehensive model to all leases. 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
- *AASB 117 Leases* resulted in operating lease payments being recognised as an expense under Supplies and Services. *AASB 16 Leases* largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

**Impact on retained earnings**

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

The Board disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$190 000 under AASB 117.

Accommodation services provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) are issued in accordance with Government-wide accommodation policies and are provided to the Board by way of a Service Level Agreement with DEW. These MoAA do not meet the definition of lease set out in AASB 16.

**Accounting policies on transition**

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The Board has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining leases payments discounted using the relevant incremental borrowing rate published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.53%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020.

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

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**8.1. AASB 16 Leases (continued)**

**Ongoing accounting policies**

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Board's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Board, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

**8.2. AASB 15 Revenue from Contracts with Customers**

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

***Impact on retained earnings***

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

**8.3. AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

***Impact on retained earnings***

The total impact on the Board's retained earnings as at 1 July 2019 was \$ nil.

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

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**8.4. Presentation of Financial Statements**

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Board. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

**9. Outlook**

**9.1. Unrecognised contractual commitments**

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

**Expenditure commitments**

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

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	798	858
Later than one year but not later than five years	1 262	2 044
<b>Total expenditure commitments</b>	<b>2 060</b>	<b>2 902</b>

The Board's commitments are non-cancellable contracts relating to grant payments or services.

**Operating lease commitments**

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

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	-	51
Later than one year but not later than five years	-	82
Later than five years	-	57
<b>Total operating lease commitments</b>	<b>-</b>	<b>190</b>

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee.

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

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**9.2. Contingent assets and liabilities**

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

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

**9.3. COVID-19 pandemic outlook for the Board**

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

- Staff to continue to work from home
- Amendments to project delivery to enable social distancing and online delivery wherever possible
- The value of these impacts cannot be reliably measured

**9.4. Events after the reporting period**

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

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

**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 tangible 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.

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

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

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

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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.

***Categorisation of financial instruments***

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

***Classification of financial instruments***

The Board measures all financial instruments at amortised cost.

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Carrying amount</b>	<b>Contractual Maturities</b>	<b>Carrying amount</b>
	<b>\$'000</b>	<u>Within 1 year</u>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Financial assets</u></b>			
<b>Cash and cash equivalents</b>			
Cash and cash equivalents	3 072	n/a	2 061
<b>Financial assets at amortised cost</b>			
Receivables	655	n/a	880
<b>Total financial assets</b>	<b>3 727</b>	<b>-</b>	<b>2 941</b>
<b><u>Financial liabilities</u></b>			
<b>Financial liabilities at amortised cost</b>			
Payables	426	426	363
<b>Total financial liabilities</b>	<b>426</b>	<b>426</b>	<b>363</b>

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; 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 amortised cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2