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## To the Presiding Member South Eastern Water Conservation and Drainage Board

### Opinion

I have audited the financial report of the South Eastern Water Conservation and Drainage Board (the Board) for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant 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 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, Manager, Drainage Operations and the Finance and Business Officer.

### 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 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 (including Independence Standards)* have been met.

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

### **Responsibilities of the Manager, Drainage Operations and the Board for the financial report**

The Manager, Drainage Operations is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Manager, Drainage Operations is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Manager, Drainage Operations is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 23(2) of the *South Eastern Water Conservation and Drainage Act 1992*, I have audited the financial report of the Board for the financial year ended 30 June 2024.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager, Drainage Operations
- conclude on the appropriateness of the Manager, Drainage Operations' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Presiding Member and Manager, Drainage Operations 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.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

30 September 2024

**SOUTH EASTERN WATER CONSERVATION AND DRAINAGE BOARD**

**CERTIFICATION OF THE FINANCIAL STATEMENTS**

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We certify that the:

- financial statements of the South Eastern Water Conservation and Drainage Board:
  - are in accordance with the accounts and records of the Board;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Board at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the South Eastern Water Conservation and Drainage Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



David Williamson  
Manager, Drainage Operations  
30 / 09 / 2024



Kylie Grosser  
Finance and Business Officer  
30 / 09 / 2024



Brett McLaren  
Presiding Member  
30 / 09 / 2024

**SOUTH EASTERN WATER CONSERVATION AND DRAINAGE BOARD**

**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b><u>Income</u></b>			
Intra-government transfers	2.1	2,726	2,660
Fees and charges	2.2	46	85
Resources received free of charge	2.3	241	-
Other income	2.4	1,042	-
<b>Total income</b>		<b>4,055</b>	<b>2,745</b>
<b><u>Expenses</u></b>			
Board member expenses	3.3	18	22
Supplies and services	4.1	2,153	1,881
Depreciation	5.1, 4.3	3,784	3,870
Borrowing costs	4.4	3	1
Other expenses	4.5	107	54
<b>Total expenses</b>		<b>6,065</b>	<b>5,828</b>
<b>Net result</b>		<b>(2,010)</b>	<b>(3,083)</b>
<b><u>Other comprehensive income</u></b>			
Changes in asset revaluation surplus		24,273	-
<b>Total other comprehensive income</b>		<b>24,273</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>22,263</b>	<b>(3,083)</b>

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

The accompanying notes form part of these financial statements.

**SOUTH EASTERN WATER CONSERVATION AND DRAINAGE BOARD**

**STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b><u>Current assets</u></b>			
Cash and cash equivalents	6.1	1,303	884
Receivables	6.2	55	23
Inventories	5.3	26	29
<b>Total current assets</b>		<b>1,384</b>	<b>936</b>
<b><u>Non-current assets</u></b>			
Property, plant, equipment and infrastructure	5.1	142,386	120,560
<b>Total non-current assets</b>		<b>142,386</b>	<b>120,560</b>
<b>Total assets</b>		<b>143,770</b>	<b>121,496</b>
<b><u>Current liabilities</u></b>			
Payables	7.1	120	105
Financial liabilities	7.2	43	53
<b>Total current liabilities</b>		<b>163</b>	<b>158</b>
<b><u>Non-current liabilities</u></b>			
Financial liabilities	7.2	39	33
<b>Total non-current liabilities</b>		<b>39</b>	<b>33</b>
<b>Total liabilities</b>		<b>202</b>	<b>191</b>
<b>Net assets</b>		<b>143,568</b>	<b>121,305</b>
<b><u>Equity</u></b>			
Retained earnings		74,653	76,663
Asset revaluation surplus		68,915	44,642
<b>Total equity</b>		<b>143,568</b>	<b>121,305</b>

The total equity is attributable to the SA Government as owner.

The accompanying notes form part of these financial statements.

**SOUTH EASTERN WATER CONSERVATION AND DRAINAGE BOARD**

**STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 30 June 2022</b>		<b>44,642</b>	<b>79,746</b>	<b>124,388</b>
Net result for 2022-23		-	(3,083)	(3,083)
<b>Total comprehensive result for 2022-23</b>		<b>-</b>	<b>(3,083)</b>	<b>(3,083)</b>
<b>Balance at 30 June 2023</b>		<b>44,642</b>	<b>76,663</b>	<b>121,305</b>
Net result for 2023-24		-	(2,010)	(2,010)
Change in asset revaluation surplus		24,273	-	24,273
<b>Total comprehensive result for 2023-24</b>		<b>24,273</b>	<b>(2,010)</b>	<b>22,263</b>
<b>Balance at 30 June 2024</b>		<b>68,915</b>	<b>74,653</b>	<b>143,568</b>

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

The accompanying notes form part of these financial statements.

**SOUTH EASTERN WATER CONSERVATION AND DRAINAGE BOARD**

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b><u>Cash flows from operating activities</u></b>			
<i>Cash Inflows</i>			
Intra-government transfers		2,726	2,660
Fees, charges and other income		1,060	110
GST recovered from the ATO		161	153
<b>Cash generated from operations</b>		<b><u>3,947</u></b>	<b><u>2,923</u></b>
<i>Cash Outflows</i>			
Board member payments		(19)	(23)
Payments for supplies and services		(2,300)	(1,967)
Other payments		(19)	(18)
Interest paid		(3)	(1)
<b>Cash used in operations</b>		<b><u>(2,341)</u></b>	<b><u>(2,009)</u></b>
 <b>Net cash provided by operating activities</b>	 8.2	 <b><u>1,606</u></b>	 <b><u>914</u></b>
<b><u>Cash flows from investing activities</u></b>			
<b>Cash Outflows</b>			
Purchase of property, plant, equipment and infrastructure	5.1	<u>(1,126)</u>	<u>(714)</u>
<b>Cash used in investing activities</b>		<b><u>(1,126)</u></b>	<b><u>(714)</u></b>
 <b>Net cash used in investing activities</b>		 <b><u>(1,126)</u></b>	 <b><u>(714)</u></b>
<b><u>Cash flows from financing activities</u></b>			
<b>Cash Outflows</b>			
Repayment of principal portion of lease liabilities		<u>(61)</u>	<u>(56)</u>
<b>Cash used in financing activities</b>		<b><u>(61)</u></b>	<b><u>(56)</u></b>
 <b>Net cash used in financing activities</b>		 <b><u>(61)</u></b>	 <b><u>(56)</u></b>
 <b>Net increase/(decrease) in cash and cash equivalents</b>		 <b><u>419</u></b>	 <b><u>144</u></b>
 <b>Cash and cash equivalents at beginning of the period</b>		 <b><u>884</u></b>	 <b><u>740</u></b>
 <b>Cash and cash equivalents at the end of the period</b>	 6.1	 <b><u>1,303</u></b>	 <b><u>884</u></b>

The accompanying notes form part of these financial statements.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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### 1 About the South Eastern Water Conservation and Drainage Board

The South Eastern Water Conservation and Drainage Board (the Board) is a body corporate established in 1992 pursuant to the South Eastern Water Conservation and Drainage Act 1992.

The Board does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Board.

#### 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.

For the purpose of preparing the financial statements the Board is a not-for-profit entity. 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.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating 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.

Where assets and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Board has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

#### 1.2 Objective

The objective of the Board is to manage and conserve the quality and flow of water in the South East of South Australia by maintaining drainage reserves (including issuing of occupational licences to adjoining landowners for grazing purposes), effectively managing flooding, redirecting water to areas of greatest need and reducing salinity.

#### 1.3 Significant transactions with government related entities

Significant transactions with the SA Government entities are identifiable throughout this financial report. In addition:

- 100% of lease payments relate to cars supplied by South Australian Government Financing Authority, through their agent. See note 5.2 for further information.
- The Board does not directly employ any staff, but is assigned with staff resources by the Department for Environment and Water (DEW) through a service level agreement. This is recorded as a fee for service expense in note 4.1.

<b>2</b>	<b>Income</b>		
<b>2.1</b>	<b>Intra-government transfers</b>	<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	Intra-government transfers	2,726	2,660
	<b>Total intra-government transfers</b>	<b>2,726</b>	<b>2,660</b>

Intra-government transfers are recognised as income on receipt. Intra-government transfers relates to appropriation received by DEW.

Total funding of \$2.191m (2023: \$2.138m) was for operational activities and \$0.535m (2023: \$0.522m) was for capital projects.

<b>2.2</b>	<b>Fees and charges</b>	<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	Licence revenues	18	31
	Other fees and charges	28	54
	<b>Total fees and charges</b>	<b>46</b>	<b>85</b>

The Board charges regulatory fees for the issuing of occupational licences under the South Eastern Water Conservation and Drainage Act 1992, to allow the grazing of stock on drainage reserves . The Act sets out the basis for the regulatory fees and provides that the Board may use fees collected for its purposes.

Fees and charges are recognised when fees are received.

<b>2.3</b>	<b>Resources received free of charge</b>	<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	Resources received free of charge	241	-
	<b>Total resources received free of charge</b>	<b>241</b>	<b>-</b>

***Resources received free of charge***

On 30 June 2024, the Department for Water and Environment transferred \$189,295 of plant and equipment to the Board, free of charge, which included a drone, data logger, trailer and a monitoring station. The Department for Water and Environment also transferred \$40,033 of infrastructure to the Board, free of charge, which consisted of two drop weirs. The Department for Infrastructure and Transport transferred a building valued at \$12,000, free of charge, to the Board.

<b>2.4</b>	<b>Other income</b>	<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	Debt recovery	727	-
	Insurance recovery	163	-
	Recovery from DEW	152	-
	<b>Total other income</b>	<b>1,042</b>	<b>-</b>

### 3 Board, Committees and Employees

The Board does not have any staff, but is assigned staff resources by the Department for Environment and Water (DEW).

DEW staff are not considered key management personnel of the Board.

#### 3.1 Key management personnel

Key management personnel of the Board comprise the Minister for Climate, Environment and Water and Board members.

Total compensation for key management personnel was \$10,000 in 2023-24 and \$13,000 in 2022-23.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Climate, Environment and Water receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

Compensation	2024 \$'000	2023 \$'000
Salaries and other short term employee benefits	9	12
Post employment benefits	1	1
<b>Total Compensation</b>	<b>10</b>	<b>13</b>

#### *Transactions with key management personnel and other related parties*

No related party transactions to disclose.

#### 3.2 Board and committee members

Members during the 2023-24 financial year were:

##### **South Eastern Water Conservation and Drainage Board**

BN McLaren (Presiding Member)

JJ Mullins

M Hanneman

M Bleby (term ended 04/09/2023)

S Klose (appointed 11/04/2024)

LA Rasenberg (reappointed 11/04/2024)

J Fetherstonhaugh

A Thamm (term ended 24/06/2024)

J Holyman (resigned 24/07/2023)

P Ross (appointed 11/04/2024)

##### **South Eastern Water Conservation and Drainage Board - Governance and Finance Sub-Committee**

J Fetherstonhaugh (Chair person)

JJ Mullins

BN McLaren

M Bleby (term ended 04/09/2023)

**Board and committee remuneration**

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

	2024	2023
	No. of members	No. of members
\$0 – \$19 999	10	8
<b>Total number of members</b>	<b>10</b>	<b>8</b>

The total remuneration received or receivable by members was \$10,000. (2023: \$13,000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax.

3.3 Board member expenses	2024	2023
	\$'000	\$'000
Board and committee fees	9	12
Board member on costs - superannuation	1	1
Board member on costs - payroll tax	1	1
Board member costs - reimbursement of costs	7	8
<b>Total Board member expenses</b>	<b>18</b>	<b>22</b>

**4 Expenses**

4.1 Supplies and Services	2024	2023
	\$'000	\$'000
Fee for service - DEW <sup>(i)</sup>	1,142	926
Information technology and communications	43	57
Consultants	58	83
Contractors	316	173
Operation and maintenance works	120	183
General administration and consumables	380	373
Other expenses	94	86
<b>Total supplies and services</b>	<b>2,153</b>	<b>1,881</b>

(i) DEW provides financial support services, staffing, human resources and work health, safety and injury management services to the Board pursuant to a service level agreement.

**Consultants**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2024		2023	
	Number	\$'000	Number	\$'000
Below \$10 000	2	16	-	-
Above \$10 000	1	42	3	83
<b>Total</b>	<b>3</b>	<b>58</b>	<b>3</b>	<b>83</b>

## 4.2 Expenditure - SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included. Expenditure is inclusive of non-recoverable GST.

	2024 \$'000	Proportion SA and non- SA businesses
Total expenditure with South Australian businesses	356	68%
Total expenditure with non-South Australian businesses	168	32%
	<u>524</u>	<u>100%</u>

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into prior to 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Board, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

## 4.3 Depreciation

The depreciation expenses for property, plant, equipment and infrastructure are presented in Note 5.1.

All non-current assets with a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Land is not depreciated.

### *Useful life*

Depreciation is calculated on a straight-line basis. Property, plant, equipment and infrastructure depreciation is calculated over the estimated useful life as follows:

<b>Class of Asset</b>	<b>Useful life (years)</b>
Plant and equipment	5-20
Buildings	10-40
Drainage channels/access roads and tracks	5-80
Drainage structures	1-100
Fences and gates	14-50
Right-of-use vehicles	3-5

### *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 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.

<b>4.4 Borrowing Costs</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on lease liabilities	3	1
<b>Total borrowing costs</b>	<b><u>3</u></b>	<b><u>1</u></b>

The Board does not capitalise borrowing costs.

<b>4.5 Other Expenses</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fees <sup>(i)</sup>	20	19
Loss on Disposal of Assets	87	35
<b>Total other expenses</b>	<b><u>107</u></b>	<b><u>54</u></b>

(i) Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$19,800 (2023: \$19,200). No other services were provided by the Audit Office of South Australia.

## 5 Non-financial assets

Assets and infrastructure are maintained by the Board to provide an effective and efficient system for managing the surface water of the non-urban lands in the South East, by conserving, draining, altering the flow of or utilising that water in any manner.

### 5.1 Property, plant, equipment and infrastructure by asset class

Property, plant and equipment owned and leased by the Board with a value equal to or in excess of \$10,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned and leased by the Board is recorded at fair value. Detail about the Board's approach to fair value is set out in note 11.1.

	Land and Buildings	Plant and Equipment	Fences and Gates	Drainage Channels	Drainage Structures	Capital works in progress	Right of Use Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	628	2,922	9,136	41,194	90,508	406	183	144,977
Accumulated Depreciation	(215)	(2,225)	(16)	-	(28)	-	(107)	(2,591)
<b>Carrying amount</b>	<b>413</b>	<b>697</b>	<b>9,120</b>	<b>41,194</b>	<b>90,480</b>	<b>406</b>	<b>76</b>	<b>142,386</b>

#### Reconciliation 2023-24

	Land and Buildings	Plant and Equipment	Fences and Gates	Drainage Channels	Drainage Structures	Capital works in progress	Right of Use Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	415	504	7,733	35,200	76,122	501	85	120,560
Acquisitions	-	87	247	-	668	124	57	1,183
Assets received free of charge	12	189	-	-	40	-	-	241
Disposals / Write offs	-	-	-	-	(87)	-	-	(87)
Transfers between asset classes	-	-	-	-	219	(219)	-	-
Revaluation increment/(decrement)	-	-	1,451	6,830	15,992	-	-	24,273
Depreciation expense	(14)	(83)	(311)	(836)	(2,474)	-	(66)	(3,784)
<b>Carrying amount at the end of the period</b>	<b>413</b>	<b>697</b>	<b>9,120</b>	<b>41,194</b>	<b>90,480</b>	<b>406</b>	<b>76</b>	<b>142,386</b>

#### Reconciliation 2022-23

	Land and Buildings	Plant and Equipment	Fences and Gates	Drainage Channels	Drainage Structures	Capital works in progress	Right of Use Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	616	2,647	8,654	37,708	83,863	501	219	134,208
Accumulated Depreciation	(201)	(2,143)	(921)	(2,508)	(7,741)	-	(134)	(13,648)
<b>Carrying amount</b>	<b>415</b>	<b>504</b>	<b>7,733</b>	<b>35,200</b>	<b>76,122</b>	<b>501</b>	<b>85</b>	<b>120,560</b>

	Land and Buildings	Plant and Equipment	Fences and Gates	Drainage Channels	Drainage Structures	Capital works in progress	Right of Use Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	433	363	8,008	36,036	78,329	441	112	123,722
Acquisitions	-	200	35	-	308	171	29	743
Disposals / Write offs	-	-	-	-	(35)	-	-	(35)
Transfers between asset classes	-	11	-	-	100	(111)	-	-
Depreciation expense	(18)	(70)	(310)	(836)	(2,580)	-	(56)	(3,870)
<b>Carrying amount at the end of the period</b>	<b>415</b>	<b>504</b>	<b>7,733</b>	<b>35,200</b>	<b>76,122</b>	<b>501</b>	<b>85</b>	<b>120,560</b>

## 5.2 Property, plant and equipment leased by the Board

Right-of-use assets for property, plant and equipment leased by the Board as lessee are measured at cost.

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 Board has 10 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Board's maturity analysis of its lease liabilities is disclosed in note 11.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 5.1 and 4.4 respectively. Cash outflows related to leases are disclosed in note 8.2

### *Impairment*

Property, plant and equipment leased by the Board has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

<b>5.3 Inventories</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current - held for distribution at no or nominal amount</b>		
Materials at cost	26	29
<b>Total current inventories held for distribution at no or nominal amount</b>	<b>26</b>	<b>29</b>
<b>Total inventories</b>	<b>26</b>	<b>29</b>

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential.

Cost is measured on the basis of the first-in, first-out method.

## 6 Financial assets

<b>6.1 Cash and cash equivalents</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer (Special deposit accounts)	1,303	884
<b>Total deposits with the Treasurer (Special deposit accounts)</b>	<b>1,303</b>	<b>884</b>

### *Deposits with the Treasurer*

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The Board does not earn interest on its deposits with the Treasurer.

<b>6.2 Receivables</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current statutory receivables</b>		
GST input tax recoverable	55	23
<b>Total current receivables</b>	<b>55</b>	<b>23</b>



## 7 Liabilities

<b>7.1 Payables</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current contractual payables</b>		
Accrued expenses	95	81
<b>Current statutory payables</b>		
GST payable	5	5
Audit fees	20	19
<b>Total current payables</b>	<b>120</b>	<b>105</b>
<b>Total payables</b>	<b>120</b>	<b>105</b>

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual 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.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. Statutory payables are carried at cost.

<b>7.2 Financial liabilities</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	43	53
<b>Total current financial liabilities</b>	<b>43</b>	<b>53</b>
<b>Non-current</b>		
Lease liabilities	39	33
<b>Total non-current financial liabilities</b>	<b>39</b>	<b>33</b>
<b>Total financial liabilities</b>	<b>82</b>	<b>86</b>

Financial liabilities are measured at amortised cost.

## 8 Other Disclosures

### 8.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant, equipment and infrastructure to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

### 8.2 Cash flow

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Total cash outflows for leases was \$64,000 (2023: \$57,000)

	2024 \$'000	2023 \$'000
<b>Reconciliation of net cash provided by operating activities to net result:</b>		
Net cash provided by (used in) operating activities	1,606	914
<b>Add/less non-cash items:</b>		
Depreciation expense of non-current assets	(3,784)	(3,870)
Loss on disposal of non-current assets	(87)	(35)
Resources received free of charge	241	-
<b>Movement in assets and liabilities:</b>		
Increase (decrease) in receivables	32	(15)
Increase (decrease) in inventories	(3)	(35)
(Increase) decrease in payables	(15)	(42)
<b>Net result</b>	<b>(2,010)</b>	<b>(3,083)</b>

## 9 Changes in accounting policy

There have been no changes in accounting policies during 2023-2024.

## 10 Outlook

### 10.1 Unrecognised Commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

	2024 \$'000	2023 \$'000
<b>Contractual commitments to acquire property, plant and equipment</b>		
Within one year	444	180
Later than one year but not longer than five years	-	-
Later than five years	-	-
<b>Total Capital Commitments</b>	<b>444</b>	<b>180</b>

These capital commitments are for the painting of bridges and the supply of a walkway at the Lake George outlet.

### 10.2 Contingent assets and liabilities

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

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

### 10.3 Impacts of standards not yet effective

The Board has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective. No Australian Accounting Standards have been early adopted.

### 10.4 Events after the reporting period

There are no known events after balance date that affects these general purpose financial statements in a material manner.

## 11 Measurement and risk

### 11.1 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 costs involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

#### **Revaluation**

Property, plant and equipment, other than right-of-use assets, are subsequently measured at fair value after allowing for accumulated depreciation.

An assessment of fair value is reviewed by the Finance and Governance Officer and Finance and Governance committee each year.

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 \$1.5 million and estimated useful life is greater than 3 years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

#### **Fair value hierarchy**

The Board classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in an active market and derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in an active market and are derived from unobservable inputs.

The Board's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2023 and 2024, the Board had no valuations categorised into level 1 or level 2; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

<b><i>Fair value classification - non-financial assets at 30 June 2024</i></b>	<b>Level 3 \$'000</b>
<b><u>Recurring fair value measurements</u></b>	
Fences and Gates	9,120
Drainage Channels	41,194
Drainage Structures	90,480
<b>Total recurring fair value measurements</b>	<b><u>140,794</u></b>

<b><i>Fair value classification - non-financial assets at 30 June 2023</i></b>	<b>Level 3 \$'000</b>
<b><u>Recurring fair value measurements</u></b>	
Fences and Gates	7,733
Drainage Channels	35,200
Drainage Structures	76,122
<b>Total recurring fair value measurements</b>	<b><u>119,055</u></b>

***Fences and gates, drainage channels & structures***

A desktop valuation over fences and gates, drainage channels and drainage structures was performed as at 30 June 2024 by a Certified Practising Valuer from Tonkins Consulting.

The index applied was the Building Price Index (BPI) which reflects the effect on building costs brought about by periodic variations in the rates of labour and material related to the construction industry. The fair value of fences and gates, drainage channels and drainage structures was determined by applying the BPI of 20.45%, to the unit costs determined in 2020 to reflect a valuation as of 30 June 2024.

***Plant and equipment***

All items of plant and equipment owned by the Board that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

**Reconciliation of level 3 recurring fair value measurements as at 30 June 2024**

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Land and Buildings \$'000	Plant and Equipment \$'000	Fences and Gates \$'000	Drainage Channels \$'000	Drainage Structures \$'000	Total \$'000
<b>Opening balance at the beginning of the period</b>	415	504	7,733	35,200	76,122	119,974
Acquisitions	-	87	247	-	668	1,002
Assets received free of charge	12	189	-	-	40	241
Disposals / Write offs	-	-	-	-	(87)	(87)
Transfer between asset classes	-	-	-	-	219	219
Revaluation increment/(decrement)	-	-	1,451	6,830	15,992	24,273
<b>Gains/(Losses) for the period recognised in net result</b>						
Depreciation	(14)	(83)	(311)	(836)	(2,474)	(3,718)
<b>Total gains/(losses) recognised in net result</b>	(2)	193	1,387	5,994	14,358	21,930
<b>Carrying amount at the end of the period</b>	413	697	9,120	41,194	90,480	141,904

**Reconciliation of level 3 recurring fair value measurements as at 30 June 2023**

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Land and Buildings \$'000	Plant and Equipment \$'000	Fences and Gates \$'000	Drainage Channels \$'000	Drainage Structures \$'000	Total \$'000
<b>Opening balance at the beginning of the period</b>	433	363	8,008	36,036	78,329	123,169
Acquisitions	-	200	35	-	308	543
Transfer between asset classes	-	11	-	-	100	111
Disposals / Write offs	-	-	-	-	(35)	(35)
<b>Gains/(Losses) for the period recognised in net result</b>						
Depreciation	(18)	(70)	(310)	(836)	(2,580)	(3,814)
<b>Total gains/(losses) recognised in net result</b>	(18)	141	(275)	(836)	(2,207)	(3,195)
<b>Carrying amount at the end of the period</b>	415	504	7,733	35,200	76,122	119,974

## **11.2 Financial Instruments**

### ***Financial risk management***

Risk management is managed by the Board's Drainage Operations section. Board risk management policies are in accordance with the SA Government Risk Management Guide and the principles established in the Australian Standard Risk Management Principles and Guidelines.

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

### ***Liquidity risk***

The Board is funded principally from appropriation by the SA Government received via the Department for Environment and Water (refer to note 2.1). The Board works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet expected cash flows.

### ***Credit Risk***

The Board has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by the Board.

### ***Cash and debt investments***

The Board considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

### ***Market risk***

The Board does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The Board does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in TI 23 Management of Foreign Currency Exposures.

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

### ***Categorisation of financial instruments***

Details of the material accounting policy information 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.

**Maturity analysis of financial instruments**

Category of financial asset and financial liabilities	2024 Carrying amount / Fair value \$'000	2024 Contractual maturities*		
		Within 1 Year \$'000	1-5 Years \$'000	More than 5 years \$'000
<b>Financial assets</b>				
Cash and equivalent				
Cash and cash equivalents	1,303	n/a	n/a	n/a
Loans and receivables				
Contractual receivables**	-	n/a	n/a	n/a
<b>Total financial assets</b>	<b>1,303</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Financial liabilities at cost:				
Contractual payables**	95	95	-	-
Lease liabilities	82	43	39	-
<b>Total financial liabilities</b>	<b>177</b>	<b>138</b>	<b>39</b>	<b>-</b>
<b>Category of financial asset and financial liabilities</b>				
	2023 Carrying amount / Fair value \$'000	2023 Contractual maturities*		
		Within 1 Year \$'000	1-5 Years \$'000	More than 5 years \$'000
<b>Financial assets</b>				
Cash and equivalent				
Cash and cash equivalents	884	n/a	n/a	n/a
Loans and receivables				
Contractual receivables**	-	n/a	n/a	n/a
<b>Total financial assets</b>	<b>884</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Financial liabilities at cost:				
Contractual payables**	81	81	-	-
Lease liabilities	86	53	33	-
<b>Total financial liabilities</b>	<b>167</b>	<b>134</b>	<b>33</b>	<b>-</b>

\* Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

\*\* Contractual receivables do not include prepayments as these are not financial instruments