



SOUTH AUSTRALIA

ANNUAL REPORT

OF THE

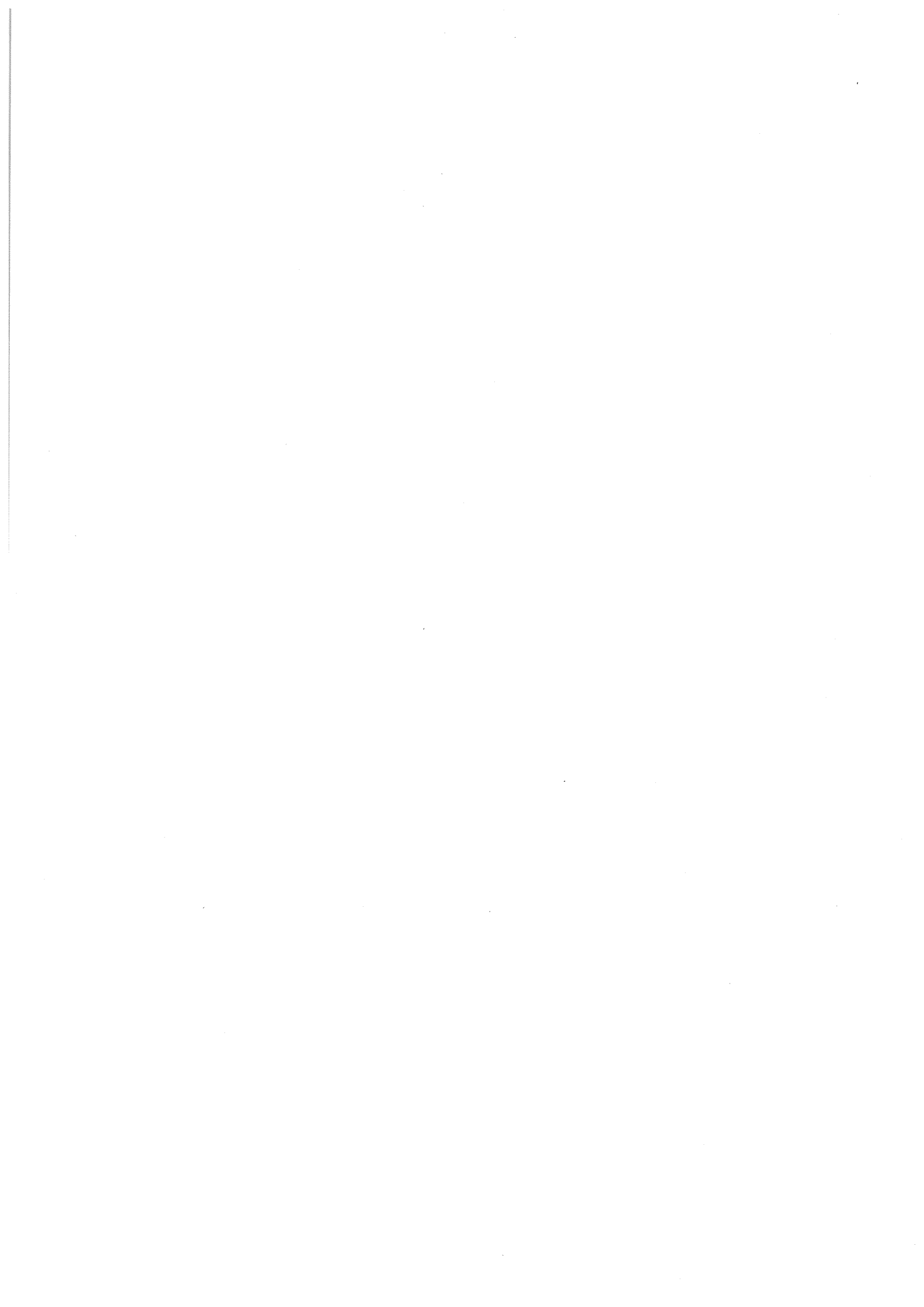
DOG FENCE BOARD

2012-2013



**Government
of South Australia**

ISSN 1832-0694



LETTER OF TRANSMITTAL

Hon Ian Hunter MLC
Minister for Sustainability,
Environment and Conservation
9th Floor Chesser House
91- 97 Grenfell Street
ADELAIDE SA 5000

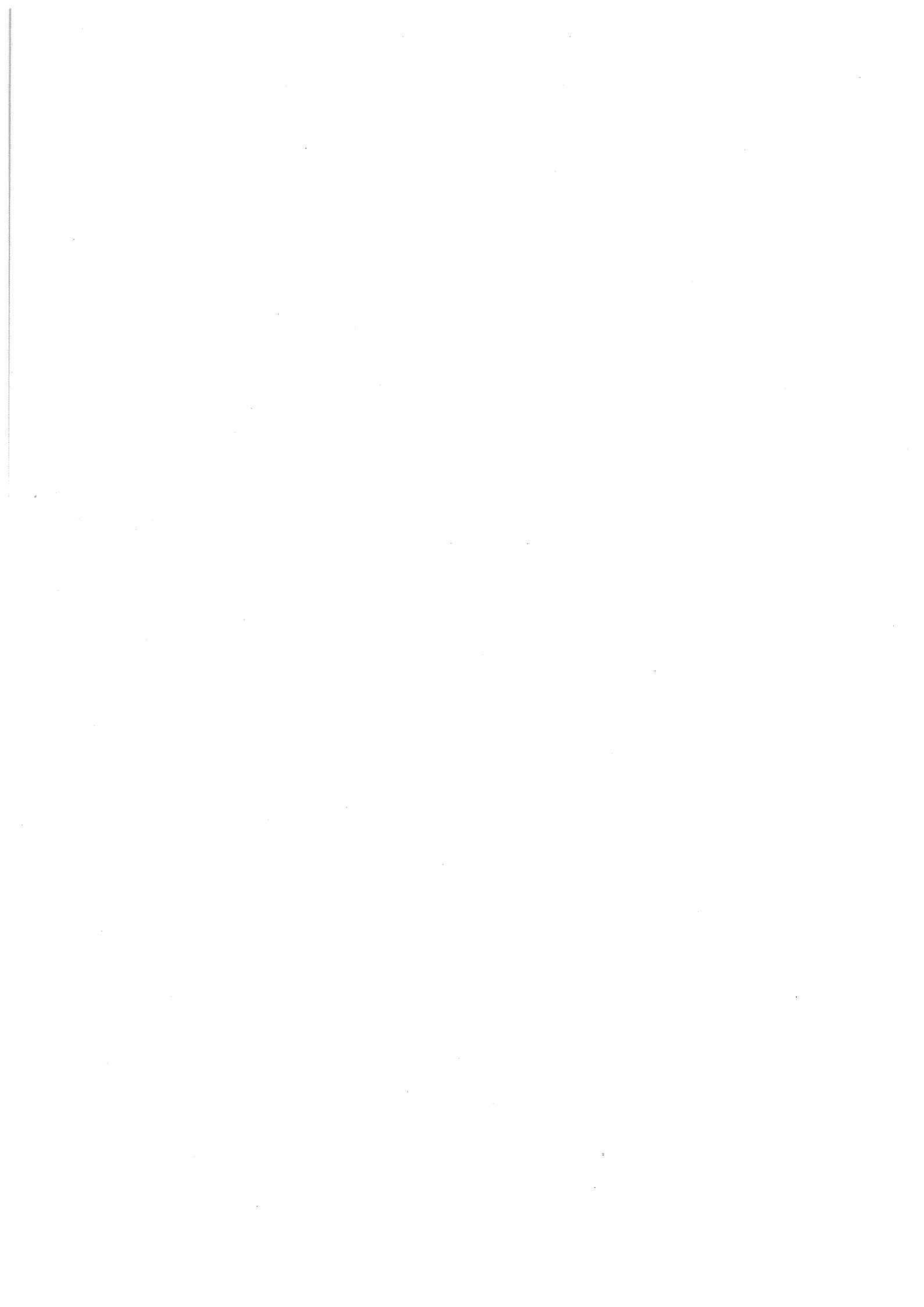
Dear Minister

As Members of the Dog Fence Board appointed under Section 6 of the *Dog Fence Act 1946*, we are pleased to present the Annual Report and Statement of Accounts for the year ended 30 June 2013, as required under Section 34 of that *Act* and Section 66 of the *Public Sector Management Act 1995 (SA)*.



J H MacLachlan
Chairman
Dog Fence Board

SA Dog Fence Administration
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CONTENTS

SECTION

1. Chairman's Foreword
 - Map
 2. Background
 3. Highlights – 2012-2013
 4. Future Directions – 2013-2014
 5. Acknowledgements
 6. Reporting Requirements
 7. The Dog Fence Act 1946
 8. The Dog Fence Board
 9. Local Boards
 10. 2012-2013 Achievements
 11. 2012-2013 Finance Report
-
- APPENDIX 1: Members of SA Dog Fence Board
- APPENDIX 2: Staff of the Dog Fence Board
- APPENDIX 3: Functional Structure of the SA Dog Fence Board at 30 June 2013
- APPENDIX 4: Members of Local Dog Fence Boards
- APPENDIX 5: Relationship of the Dog Fence Board to other Agencies responsible to the Minister for Environment and Conservation
- APPENDIX 6: Freedom of Information



1. CHAIRMAN'S FOREWORD

The South Australian Dog Fence Board is pleased to present the 2012-2013 Annual Report on the condition of the Dog Fence and work carried out this past year.

The Board inspected the Western half of the fence from the coast to Roxby Downs in May this year.

We met with the members of the West Coast Boards and I thank them for their effort in making time to meet with the board.

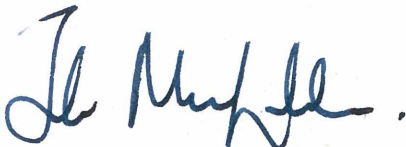
Dog activity outside the fence has been normal and baiting has been regularly carried out along the total fence and strategic buffer zone baiting carried out on the outside of the fence. This year over 10,000 baits have been placed along the fence.

It was a quiet summer with little storm activity and this meant little flooding or storm damage along the fence. We inspected 18 kilometres of upgrade taking place on Parakylia section and the Lyndhurst depot where the local boards store their fence material.

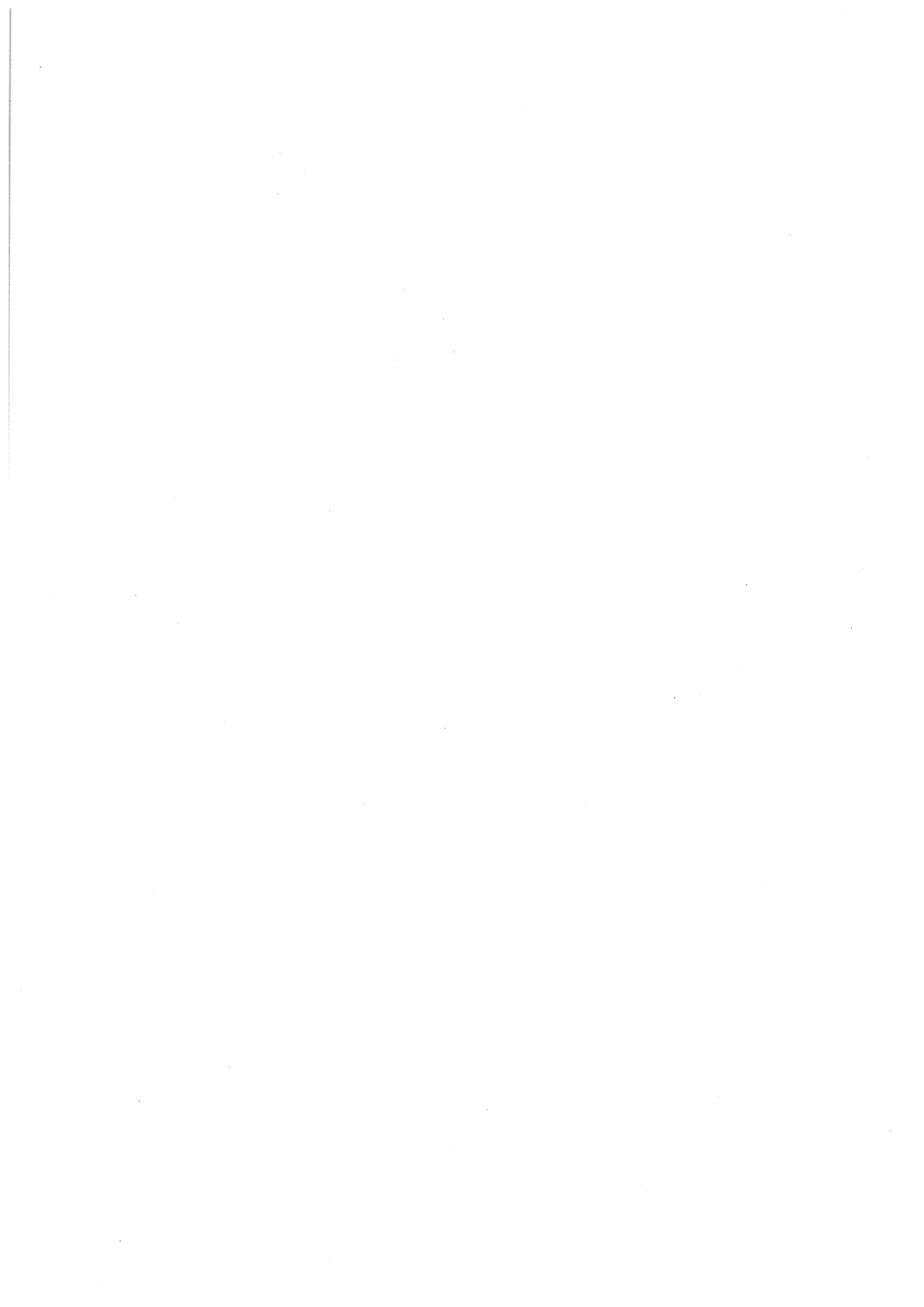
Patrols by Local Dog Fence Board Contractors are carried out on a two week basis as per the *Dog Fence Act 1946*; they are dedicated personal who will go to any length to keep the fence dog proof, we thank them for their dedication.

We inspected along with the local board fences one private fence owner who has also kept their fence to a high standard and are to be commended for their dedication.

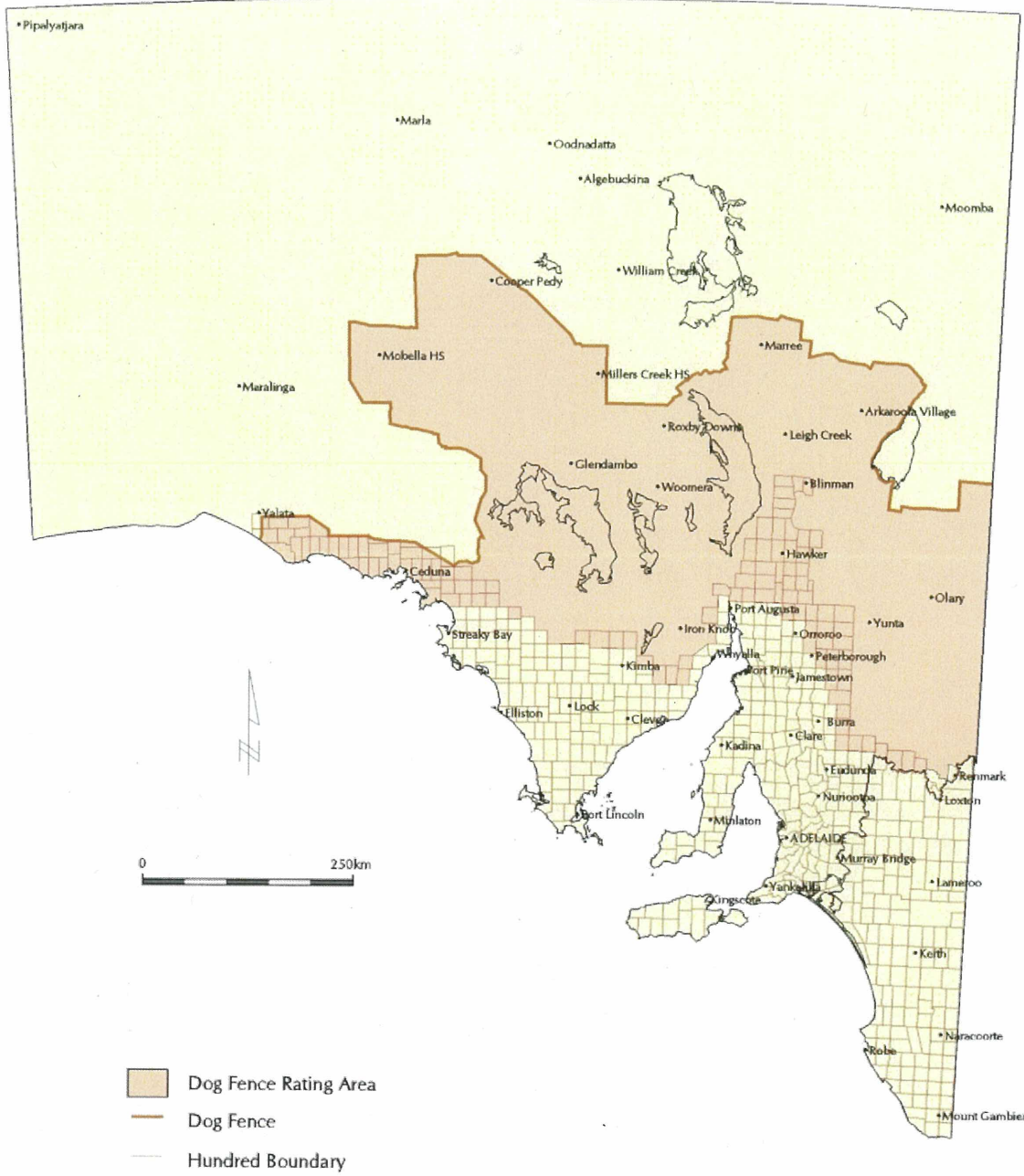
Thanks to fellow Dog Fence Board members, Local Board members and the Manager Michael Balharry and Supervisor Bill Sandow for their support during the year.



Jock MacLachlan
Chairman, Dog Fence Board

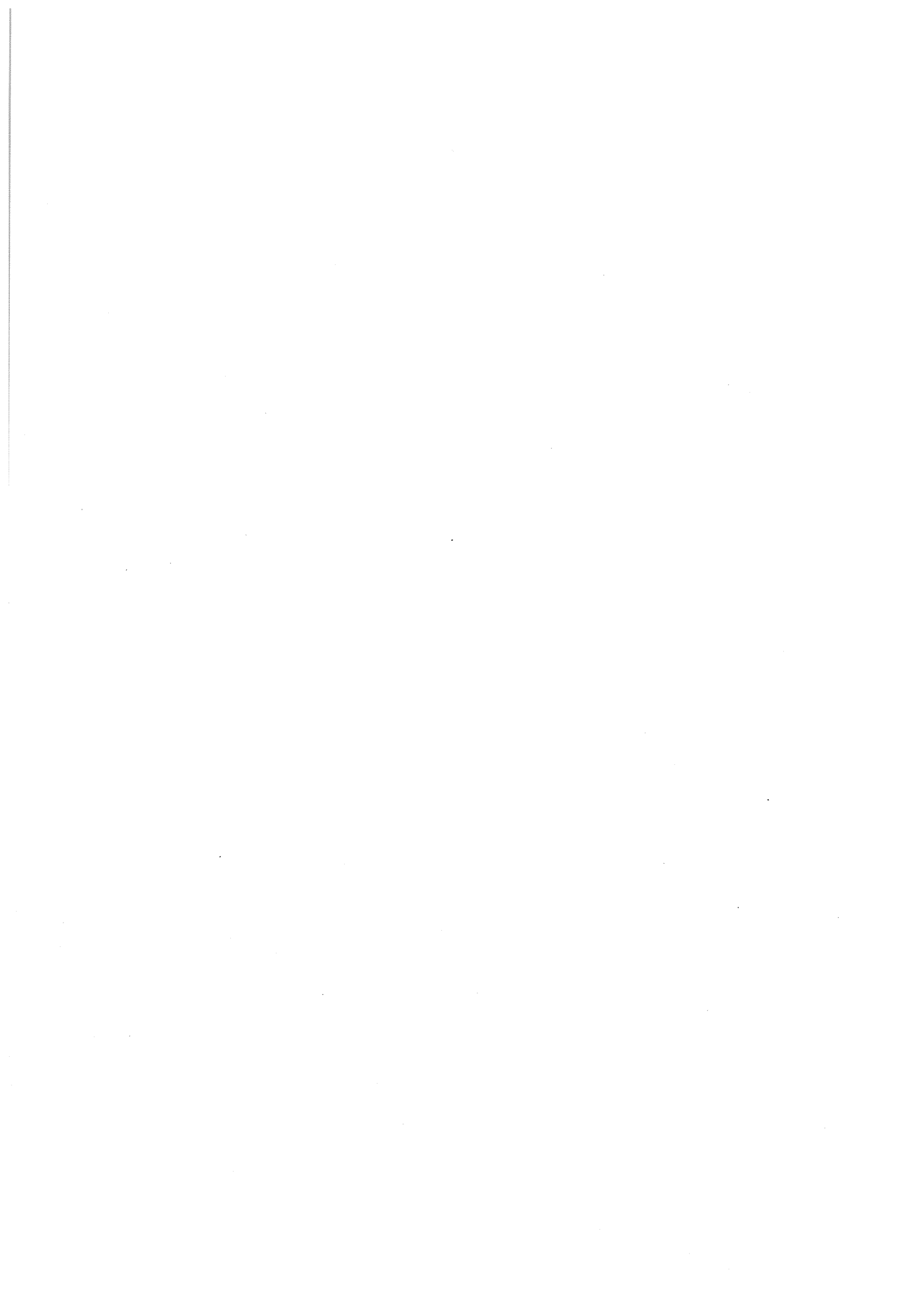


SOUTH AUSTRALIA DOG FENCE



MAP PRODUCTION: Geographic Information Services,
Primary Industries and Resources, S.A.

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2. BACKGROUND

2.1 The Dog Fence

The Dog Fence starts on the cliffs overlooking the Great Australian Bight and winds its way for more than 5,400 kilometres across three States - an unbroken barrier of wire netting, electric or combination of netting and electric fence, protecting Australia's sheep industry from the ravages of the dingo.

The Dog Fence Board administers the *Dog Fence Act 1946* and has responsibility to ensure that the Fence is properly maintained and is at all times dog proof, that it is properly inspected, and that wild dogs are destroyed in the vicinity of the Fence by the owners of the Fence. The Board is responsible for sound financial management including approval of collection of rates and budgets for Local Boards. The Board oversees the maintenance and replacement of the Dog Fence as required.

The Fence in South Australia is unique in that it is owned either by the Pastoral Lessees whose properties abut it on the inside or by a Local Dog Fence Board (Section 24A, *Dog Fence Act 1946*). Barrier fences in NSW and Queensland are owned by the State.

Section 22 (1) and (2) of the *Dog Fence Act 1946* establishes the duty of the owner to inspect and maintain the Dog Fence and to destroy wild dogs in the vicinity of the Fence.

Under the provisions of the *Pastoral Land Management and Conservation Act 1989* Section 22 (1)(a)(v)(B), it is also a condition of the relevant pastoral leases that the Lessees are obliged to comply with, amongst other things, the *Dog Fence Act 1946*.

New fence designs, including the use of electric fence and wider mesh sizes, will reduce the impact of the Dog Fence on the environment by allowing interchange of native animal populations while preventing movement of dingoes.

2.2 The Dog Fence Act

The *Dog Fence Act 1946* was assented to on 19 December 1946 and proclaimed on 17 June 1947. The *Act* is vested in the Minister for Environment and Conservation and provides for the establishment and maintenance of a dog-proof fence in the State of South Australia in order to prevent the entry of wild dogs into the pastoral areas and for incidental purposes.

Section 23 (1) (a) of the *Act* specifies that the Board must ensure that the Dog Fence is properly maintained and that it is at all times dog-proof. Section 23 (1) (b) specifies that the Board must ensure that the Dog Fence is properly inspected. Section 23 (1) (c) specifies that the Board must ensure that wild dogs are destroyed in the vicinity of the Dog Fence by the owners of the Dog Fence.

3. HIGHLIGHTS – 2012-2013

3.1 Fence Highlights

This year 18kms of mesh was installed on the Parakylia section which had been electric.

23 kms of mesh was installed on the Penong section.

6kms of the Muloorina fence was topped with mesh.

5 dog scarers were installed across the state on the road grids and rail crossings to keep animals away from them.

3.2 Buffer Zone Baiting

The Buffer Zone Baiting Program continued with the aid of Patrolmen and Landowners. Baits were distributed along the entire fence. The number of baits injected this year was about 10,000 excluding Commonwealth Hill and Mulgathing stations who do their own baiting. Two extra baitings were done on Quinyambie and Frome Downs stations to reduce the number of dogs along that section of fence.

3.3 Inspections

The Fence was monitored regularly by the Manager, Supervisor, and Local Boards.

The SA Dog Fence Board completed an inspection of the western half of the fence from the coast to Roxby Downs. Fence was in dog-proof condition.

4. FUTURE DIRECTIONS – 2013-2014

4.1 MAINTENANCE OF FENCE

The Dog Fence Board supports an ongoing maintenance program to rehabilitate or replace as much old fencing as is financially viable. Funding is available in the Dog Fence Board budget 2013-2014 for distribution to Local Boards, not only for day-to-day inspection and maintenance but also, for work projects to improve sections of their fence and maintenance track.

The projects to be undertaken by Local Dog Fence Boards during 2013-2014 are as follows:

- Fowlers Bay Local Board -** Continue track maintenance.
- Penong Local Board -** Change electric fence from all electric to a composite fence from Penong corner east for 21Km.
- Pureba Local Board –** Track maintenance.
- Central Local Board –** Electrifying the top wire of Mabel Creek fence to deter camels will continue.
Replace 16Km of fence along Parakylia with five foot mesh fence.
- Marree Local Dog Board –** Build 3Km new mesh fence along Mundowdna.
Upgrade 6Km of fence along cells Muloorina.
- Frome Local Dog Board –** Repair maintenance track west from NSW border to Balcanoona approx 250Km.

4.2 LOCAL BOARDS

The SA Dog Fence Board will continue to give administrative and technical advice, and pay subsidies to Local Boards for projects to improve their sections of fence.

5. ACKNOWLEDGEMENTS

The Board appreciates the excellent co-operation it received from:

- Private Fence Owners
- Far West Dog Fence Boards Association
- Local Boards
- Local Board Patrolmen
- Natural Resource Management (NRM), Biosecurity S.A.

The Board acknowledged working with the following agencies during 2012-2013

- NRM, Biosecurity S.A.
- Crown Solicitor's Office, Attorney General's Department.
- The Department of Sustainability, Environment and Conservation.
- Primary Industries and Regions S.A.
- The Pastoral Board / Unit.
- South Australian Farmers' Federation.

The Board acknowledges the dedicated and professional efforts of Michael Balharry (Executive Officer of the Board / Manager, Administration), Bill Sandow (Fence Supervisor), without whose efforts, the Board would be much less effective and the role of Fence owners considerably more difficult.

6. REPORTING REQUIREMENTS

Section 66 of the *Public Sector Management Act 1995*, requires each public sector Agency to report according to the information required in the Regulations under that Act. The staff of the Board is now employed by the Primary Industries and Resources S.A. (PIRSA) under the terms and conditions of the *Public Sector Management Act 1995*. However, the Board, in accordance with Section 36 of the *Dog Fence Act 1946*, and with the approval of the Minister, makes use of the services of the staff. Consequently, the following human resource and safety issues will be covered in the relevant sections of the PIRSA Annual Report for 2012-2013

- executive employment in the agency;
- equal employment opportunity programs;
- workforce diversity information;
- voluntary flexibility working arrangements;
- fraud detection and fraud detection strategies;
- occupational health, safety and rehabilitation strategies;
- external consultants engaged;
- human resource and personnel matters;
- energy efficiency action plan reporting;
- triple bottom line reporting;
- account payment performance.

Overseas Travel

It is declared that no member of the Dog Fence Board has travelled overseas on the business of the Board during the reporting period.

Disability Action Plans

The Dog Fence Board uses the facilities and services of PIRSA. The members of the Board are aware of and abide by their obligations under the *Commonwealth Disability Discrimination Act 1992* and the *SA Equal Opportunity Act 1984*. Reporting on this matter is contained in the PIRSA Annual Report 2012-2013.

Greening of Government Operations Framework

The ongoing maintenance of the Dog Fence has no impact on the biodiversity of the area. All waste products are removed from the area and disposed of appropriately. As solar panels are used extensively on the fence, energy usage is very minimal.

Reconciliation Statement

The Dog Fence Board acknowledges all the traditional owners of the lands in which the Dog Fence operates. In fulfilling its functions, the Dog Fence Board is cognizant of the cultural and natural heritage of traditional owners and strives to achieve positive outcomes whenever these matters are concerned.

Regional Impact Assessment Statement

The Dog Fence Board undertook no Regional Impact Assessment Statements in 2012-2013.

All other reports required under the Act appear in this Report.

7. DOG FENCE ACT 1946

OBJECT OF THE ACT

The object of the *Dog Fence Act, 1946* is to provide for the establishment and maintenance of dog-proof fences in the State in order to prevent the entry of wild dogs into pastoral areas and for incidental purposes.

Late in 1998, the review of the *Dog Fence Act 1946* was initiated with public consultations. The *Dog Fence (Miscellaneous) Amendment Act 2006* has been proclaimed and came into operation on 10 November 2006.

ADMINISTRATION

Responsibility for administering the *Dog Fence Act 1946* is under the general control of the Minister for Sustainability, Environment and Conservation.

The *Act* allows for the purpose of defraying the costs of erecting and maintaining part of the Dog Fence, or a fence that the Board proposes to substitute as part of the Dog Fence, for the establishment of local dog fence boards.

As at 30 June 2013, there are six Local Dog Fence Boards proclaimed for that purpose. This organisational structure together with the assistance and technical advice provided by the Board and their staff, has streamlined the maintenance of the Dog Fence.

WARNING - ACCESS TO TRACK

The Maintenance Track adjacent to the Dog Fence is not a public access route. The Dog Fence Board maintains it for its employees.

Occupational health and safety, and public liability concerns give the Dog Fence Board no option but to ban all vehicles from the Maintenance Track other than authorised maintenance workers' vehicles.

8. THE DOG FENCE BOARD

8.1 MEMBERSHIP

The Board consists of five Members. One is a person nominated by the Minister; and two (each of whom is an occupier of rateable land and at least one of whom is an occupier of rateable land adjoining the Dog Fence) are appointed by the Governor on the nomination of the South Australian Farmers' Federation Inc (SAFF); and one (who is an occupier of rateable land but not a Public Service Employee) is appointed by the Governor on the nomination of the NRM Council; and one is appointed by the Governor on the nomination of the Far West Dog Fence Boards Association Incorporated (FWDFBA). The Minister will appoint from amongst the Members of the Board a person to chair the meetings of the Board.

8.2 FUNCTIONS

The Board must ensure that the Dog Fence is properly maintained and, that it is at all times dog-proof, that the Fence is properly inspected, and that wild dogs are destroyed in the vicinity of the Dog Fence by the owners of the Dog Fence.

8.3 MEETINGS

During 2012-2013, four formal Board Meetings were held in accordance with the *Act*, Section 14(1).

Meetings addressed general business, collection of rates, setting budgets, reports from the Manager and Supervisor on the condition of the fence and any other issues needed to be brought to the Board's attention.

9. LOCAL BOARDS

Under Section 35A of the *Dog Fence Act 1946*, local boards can be formed inside the Dog Fence.

Three Local Dog Fence Boards on the Far West Coast, Fowlers Bay, Penong and Pureba, own and maintain 454 km of the Dog Fence. They employ a contractor to patrol and keep the Fence in dog proof condition.

The Central Local Dog Fence Board is responsible for the section of fence from Mabel Creek/Commonwealth Hill boundary to Mulgaria/Witchelina boundary. The Board employs two contractors to patrol and maintain 608 km of fence, each doing approximately half of the fence in the Board area.

The Marree Local Dog Fence Board is responsible for the section of fence from Mulgaria/Witchelina boundary to Mt Freeling/Moolawatana boundary. The Board employs a contractor to patrol and maintain 284 km of fence.

The Frome Local Dog Fence Board is responsible for the section of fence starting at Moolawatana/Mt Freeling boundary and ending at the NSW border, excluding Erudina/Billeroo West lease. The Board employs a contractor to patrol and maintain 389 km of fence.

The results of patrolling and maintenance of the Fence by these Boards were excellent with a high level of accountability.

In addition to the length of fence owned and managed by Local Dog Fence Boards, a total of 412 km is owned and managed by the Lessees of the Stations Mulgathing, Mobella/Commonwealth Hill and Erudina/Billeroo West. These owners also kept their fences in a dog-proof condition.

Annual General Meetings, for all the Local Dog Fence Boards, are held during July each year to comply with their Constitutions.

10. 2012-2013 ACHIEVEMENTS

10.1 REPLACEMENT OF FENCE

Funding was available in the SA Dog Fence Board's budget for Local Boards to continue to upgrade and renew old fences. Projects undertaken by the Local Dog Fence Boards were:

- Fowlers Bay Local Dog Fence Board-** Replaced 15Km of foot netting between Eyre highway and the coast.
- Penong Local Dog Fence Board -** Track maintenance
- Pureba Local Dog Fence Board –** Track maintenance
- Central Local Dog Fence Board –** Continued electrifying top wire of Fence for camels at Mabel Creek. Attached 18 km's of mesh to Parakylia fence.
- Marree Local Dog Fence Board –** Replace 5 km's of mesh fence on Mundowdna. 6kms of fence at Muloorina netting topped with mesh.
- Frome Local Dog Fence Board –** Fitted dog scarers to 3 grids.

10.2 BUFFER ZONE BAITING

Baits were laid regularly around waters in a zone up to 35 kilometres from the outside of the fence to keep the area free of dingoes, thereby reducing high dingo numbers on the fence. Buffer zone dingo baiting is conducted during the months of November and April.

The Dog Fence Board provided funds to cover the cost of this program.

10.3 INSPECTIONS

Sections of the Fence were inspected by the Supervisor in an irregular timing pattern, with the objective of producing an audit of fence condition along the whole length of the Fence, approximately four times a year.

Each year, the Dog Fence Board inspects half of the South Australian Dog Fence. This year in May, the eastern half from the Roxby Downs to New South Wales border was inspected.

11.1 THE DOG FENCE BOARD FUNDING

The financial arrangements of the Dog Fence Board are specified in Section 25 of the *Dog Fence Act 1946*. This Section provides for the imposition of rates on rateable land. Rateable land is any holding of more than 10 square kilometres of land inside the dog fence as gazetted on 3 May 2012. This land was rated in 2012-2013 at 118 cents per km² with a minimum of \$83.50 p.a. The South Australian Sheep Advisory Group collected rates from properties in the inner Local Government Area via a sheep transaction levy. The total income from the rates was matched \$1:\$1 by the South Australian Government. These funds provided a budget within which the Dog Fence Board must operate. (See section 6, Financial Reports)

11.2 FINANCIAL ARRANGEMENTS

The Board must, in each financial year, pay to each private owner of part of the dog fence an amount (not exceeding \$250 for each kilometre of Fence owned) to assist them in the maintenance and inspection of the fence, and to destroy wild dogs in the vicinity. This year, the Board paid \$206 per kilometre.

An amount paid to a private owner, under this section, must be applied to the maintenance of the Fence during the Financial Year in respect of which it is paid or during such other period as may be directed in writing by the Board and in accordance with any other directions in writing given by the Board at the time of payment to the owner.

11.3 FINANCE AND ADMINISTRATION

The Dog Fence Administration processed and posted out 595 Invoices for Dog Fence rates.

The Dog Fence Board's database continues to save the staff time in preparing rate notices and answering enquiries from ratepayers.

The Dog Fence Administration staff co-ordinates the purchase of fence material for the repair and maintenance of the Dog Fence.



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**To the Chairman
Dog Fence Board**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 35 of the *Dog Fence Act 1946*, I have audited the accompanying financial report of the Dog Fence Board for the financial year ended 30 June 2013. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2013
- a Statement of Financial Position as at 30 June 2013
- a Statement of Changes in Equity for the period year ended 30 June 2013
- a Statement of Cash Flows for the year ended 30 June 2013
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman and the Executive Officer of the Dog Fence Board.

The Dog Fence Board's Responsibility for the Financial Report

The Members of the Dog Fence Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Members of the Dog Fence Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Dog Fence Board, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Dog Fence Board as at 30 June 2013, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

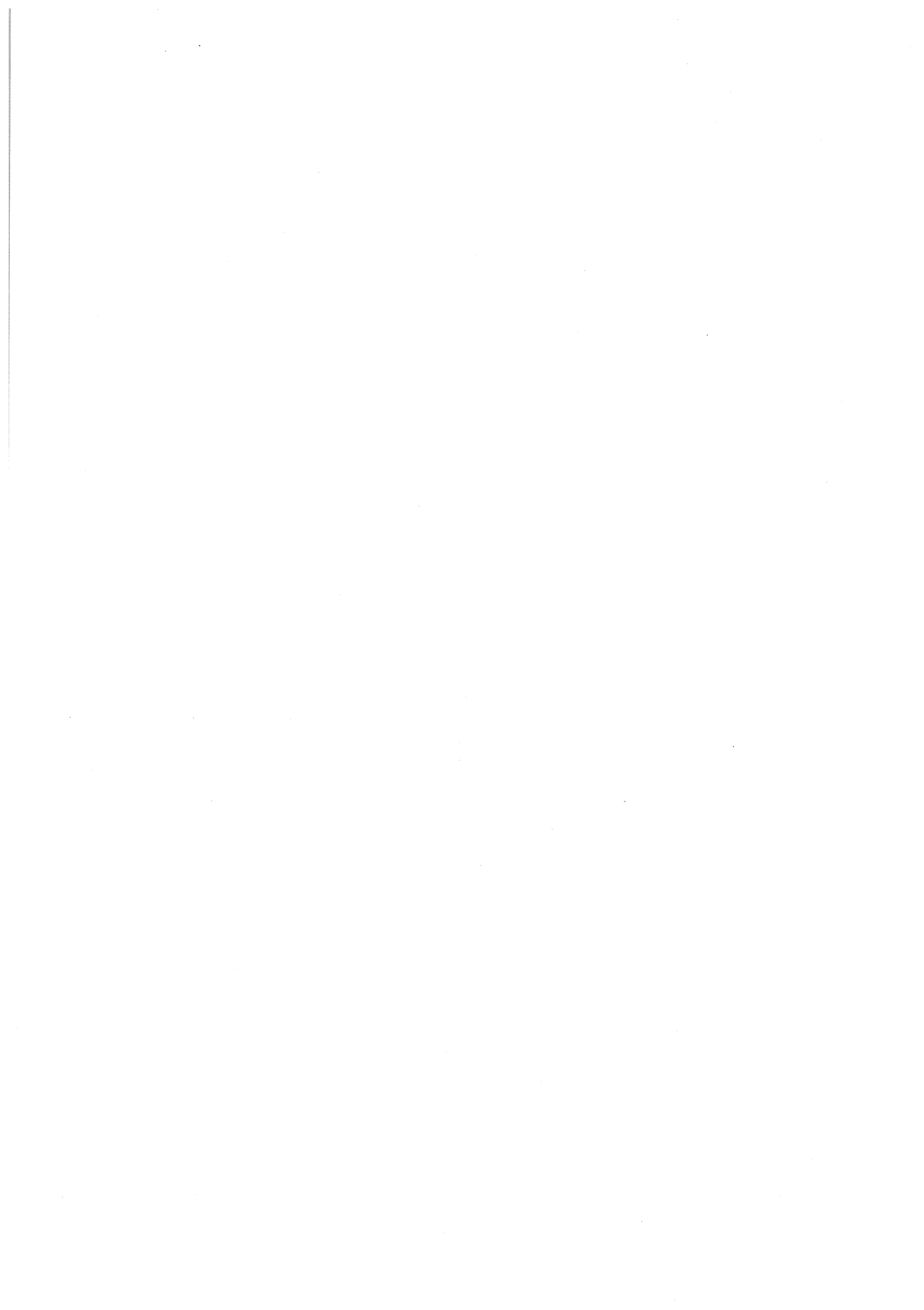


S O'Neill
AUDITOR-GENERAL
30 September 2013

DOG FENCE BOARD

Financial Statements

For the Year Ended 30 June 2013



DOG FENCE BOARD

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Dog Fence Board:

- comply with any relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Board; and
- present a true and fair view of the financial position of the Board as at 30 June 2013 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Dog Fence 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.



Michael Balharry
EXECUTIVE OFFICER

27 September 2013



Jock MacLachlan
CHAIRMAN

27 September 2013

DOG FENCE BOARD

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Expenses			
Staffing costs	4	166	191
Fence maintenance		91	39
Hire of motor vehicles		27	37
Subsidies	5	598	764
Depreciation expense	6	1	5
Auditor's remuneration	7	16	22
Other expenses	8	40	46
Total expenses		939	1,104
Income			
Rates, levies and penalties	9	508	494
SA Government subsidies	9	509	480
Interest revenues		14	22
Other income	10	4	5
Total income		1,035	1,001
Net result		96	(103)
Other Comprehensive Income			
Changes in property, plant and equipment asset revaluation surplus	14	10	-
Total other comprehensive income		10	-
Total comprehensive result		106	(103)

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

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

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DOG FENCE BOARD

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Current assets			
Cash	11	157	119
Receivables	12	21	7
Inventories	13	149	212
Total current assets		327	338
Non-current assets			
Property, plant and equipment	14	70	39
Total non-current assets		70	39
Total assets		397	377
Current liabilities			
Payables	15	39	125
Total current liabilities		39	125
Total liabilities		39	125
Net assets		358	252
Equity			
Retained earnings	16	348	252
Asset revaluation surplus	14	10	-
Total equity		358	252

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

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

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DOG FENCE BOARD

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2013

	Note	Asset revaluation surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2011		-	340	340
Net income for 2011-12		-	(103)	(103)
Total comprehensive result for 2011-12		-	(103)	(103)
Balance at 30 June 2012		-	237	237
Prior period adjustment	16	-	15	15
Balance at 30 June 2012	16	-	252	252
Net income for 2012-13		-	96	96
Gain on revaluation of buildings during 2012-13	14	10	-	10
Total comprehensive result for 2012-13		10	96	106
Balance at 30 June 2013	16	10	348	358

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

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

DOG FENCE BOARD

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Subsidies paid		(598)	(764)
Payments for staffing expenses		(232)	(191)
Fence maintenance		(20)	(42)
Hire of motor vehicles		(27)	(35)
Auditor's remuneration		(38)	(13)
Other payments		(46)	(46)
Cash used in operations		(961)	(1,091)
Cash inflows			
Rates and levies received		513	510
Interest received		14	22
SA Government subsidies		490	480
Other receipts		4	5
Cash generated from operations		1,021	1,017
Net cash provided by/(used in) operating activities	19	60	(74)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(22)	-
Cash used in investing activities		(22)	-
Net cash provided by/(used in) investing activities		(22)	-
Net increase/(decrease) in cash		38	(74)
Cash at 1 July		119	193
Cash at 30 June	11	157	119

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

NOTE INDEX

Objectives of the Dog Fence Board	Note 1
Summary of significant accounting policies	Note 2
Financial risk management	Note 3
Expense notes	
Staffing costs	Note 4
Subsidies	Note 5
Depreciation expense	Note 6
Auditor's remuneration	Note 7
Other expenses	Note 8
Income notes	
Rates, levies and penalties	Note 9
Other income	Note 10
Asset notes	
Cash	Note 11
Receivables	Note 12
Inventories	Note 13
Property, plant and equipment	Note 14
Liability notes	
Payables	Note 15
Equity notes	
Equity	Note 16
Other notes	
Unrecognised contractual commitments	Note 17
Contingent assets and liabilities	Note 18
Cash flow reconciliation	Note 19
Remuneration of board and committee members	Note 20

DOG FENCE BOARD

Notes to the Financial Statements

1. Objectives of the Dog Fence Board

The Dog Fence Board (the Board) was established pursuant to the *Dog Fence Act 1946* (the Act), on 17 June 1947. The primary purpose of the Board is to provide for the establishment and maintenance of particular dog proof fences in South Australia, in order to prevent the entry of wild dogs into pastoral areas, and for incidental purposes.

2. Summary of significant accounting policies

a) Statement of compliance

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

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, that have been included in these financial statements:
 - a) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Board's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented.

c) Reporting entity

The Board is a body corporate of the State of South Australia, established pursuant to the *Dog Fence Act 1946*. The financial statements and accompanying notes include all the controlled activities of the Board.

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard has required a change.

Where presentation or classification of items in the financial statements have been amended comparative amounts have been reclassified unless reclassification is impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

f) Taxation

The Board is not subject to income tax. The Board is liable for payroll tax, fringe benefits tax, and goods and services tax (GST). GST collections and payments are carried out by the Department of Primary Industries and Regions (PIRSA) on behalf of the program. GST in relation to the Board is reported in PIRSA Controlled Financial Statements.

g) Events after the reporting period

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

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

There were no events after the reporting period for 30 June 2013.

DOG FENCE BOARD

Notes to the Financial Statements

h) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Board will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Rates, levies and penalties

The Board receives funding via annual rates charged to occupiers of property whose land is south of the dog fence, and whose land is more than 10 square kilometres in size. Revenue includes amounts not yet received as at 30 June 2013 (refer Note 9).

SA Government subsidies

Subsidies from the SA Government are reported on a cash basis and are recognised on receipt (refer Note 9).

Interest

Interest includes interest accrued from the imprest bank account and the account held with the Department of Treasury and Finance.

Other revenue

Other revenue is recognised on an accrual basis.

i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Board will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100,000 have been included with the non-government transactions, classified according to their nature.

The following are specific recognition criteria:

Subsidies

Local boards were first established in October 1975 pursuant to section 35A of the Act. The local boards receive subsidies (section 24 of the Act) in order to maintain their fences in a dog proof condition.

Private fence owners also receive subsidies from the Board under section 24 of the Act, to allow the owners to maintain their dog fence section in a dog proof condition.

For subsidies payable, the subsidy will be recognised as a liability and expense when the Board has a present obligation to pay the subsidy and the expense recognition criteria are met.

Staffing costs

Resources from PIRSA are made available to support the operations and administration of the Board. The annual salary costs of these resources together with a loading to cover their accruing employee entitlements and associated payroll on-costs for payroll tax and superannuation are paid to PIRSA.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Board to the superannuation plan in respect of current services of current Board staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Depreciation and amortisation

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. Depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values and useful lives are reviewed and adjusted if appropriate, on an annual basis.

Land is not depreciated.

DOG FENCE BOARD

Notes to the Financial Statements

Depreciation/amortisation is calculated on a straight line basis either over the estimated useful life of the asset, where this can be reasonably determined or a class rate taken from the table below:

Class of asset	Useful life (years)
Buildings and infrastructure	20 – 70
Leasehold improvements	10
Plant and equipment	3 – 20
Intangibles	1 – 4

Fence maintenance

As per section 21 of the Act, the Board may carry out work for the construction, alteration or replacement of the fence. Maintenance expenses are recognised when incurred.

j) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

k) Cash

Cash in the Statement of Financial Position comprises deposits at call with the Treasurer and imprest account.

For the purposes of the Statement of Cash Flows, cash consists of cash as defined above.

Cash is measured at nominal value.

l) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the Board has separately disclosed the amounts expected to be recovered after more than twelve months.

Receivables

Receivables include amounts receivable from rates, penalties and other accruals.

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

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

Inventories

Inventories consist of all material including netting, mesh, plain wire, barb wire, posts (either wood or steel) and incidental fittings and fixtures that are needed to maintain the fence dog-proof.

Inventories held for distribution for no or nominal consideration are measured at the lower of cost and replacement cost. Cost is allocated in accordance with the first-in, first-out method.

Non-current assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation.

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 restructuring of administrative arrangements then assets are recognised at book value i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value of \$10,000 or greater are capitalised.

Revaluation of non-current assets

The land and buildings of the Dog Fence Board were independently reviewed to fair value, by Liquid Pacific, as at 30 June 2013. This was performed as part of the five year revaluation cycle undertaken by PIRSA.

DOG FENCE BOARD

Notes to the Financial Statements

Impairment

All non-current assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. There were no indications of impairment for 2012-13.

m) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the Board has separately disclosed the amounts expected to be settled after more than twelve months as non-current.

Payables

Payables include creditors.

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

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

n) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

The Board has entered into an operating lease for a motor vehicle.

Operating leases

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

o) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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.

3. Financial risk management

The Board has cash, non-interest bearing assets (receivables) and liabilities (payables). The Board's exposure to market risk and cash flow interest risk is minimal.

The Board has no significant concentration of credit risk. The Board has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

In relation to liquidity/funding risk, the continued existence of the Board in its present form, is dependent on the funding provisions of the Act.

DOG FENCE BOARD

Notes to the Financial Statements

Note 4 Staffing costs	2013	2012
	\$'000	\$'000
Staffing costs ⁽¹⁾	161	185
Board fees	5	6
Total staffing costs	166	191

⁽¹⁾ The Board has 2 FTE staff allocated from PIRSA to assist with the operations and administration of the Board.

Note 5 Subsidies	2013	2012
	\$'000	\$'000
Local boards	512	680
Private fence owners	86	84
Total subsidies	598	764

Note 6 Depreciation expense	2013	2012
	\$'000	\$'000
Building	1	5
Total depreciation expense	1	5

Note 7 Auditor's remuneration	2013	2012
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	16	22
Total auditor's remuneration	16	22

Other services

No other services were provided by the Auditor-General's Department.

Note 8 Other expenses	2013	2012
	\$'000	\$'000
Staff travel and accommodation	12	17
Materials warehousing charges	6	8
Insurance	4	3
Telecommunication and data access charges	2	3
Office supplies	1	1
Debt collection costs	1	2
Courier, freight and postage	2	3
Other	12	9
Total other expenses	40	46

Note 9 Rates, levies and penalties	2013	2012
	\$'000	\$'000
Rates and penalties collected/collectable by Dog Fence Board	291	285
Levy collected by Sheep Advisory Group	209	204
Levies collected from occupiers of land outside of the dog fence	8	5
Total rates, levies and penalties	508	494
SA Government \$1 for \$1 subsidy	509	480

The Board receives funding via annual rates charged to occupiers of property whose land is south of the dog fence, and whose land is more than 10 square kilometres in size. As per section 25 of the Act, the rate was \$1.18 per square kilometre (\$1.15). The minimum charge was \$83.50 (\$81.50).

The proportion of rates for 2012-13 amounting to \$209,180 (\$204,260) which had been collected from the Local Government area included in the rating area on 11 September 1998, were collected by the Sheep Advisory Group via a sheep transaction levy.

The collection of the sheep transaction levy by the Sheep Advisory Group is supported by the South Australian Government Gazette dated 12 June 2008.

Additionally, under section 31 of the Act, the Treasurer pays the Board a subsidy at the rate of \$1 for every dollar of the rates and contributions by councils declared by the Board for each financial year. Revenue includes amounts not yet received however Government subsidy is based on actual rates received.

DOG FENCE BOARD

Notes to the Financial Statements

Note 10 Other Income		
	2013	2012
	\$'000	\$'000
Recovery of legal fees	4	4
Other	-	1
Total other income	4	5

Note 11 Cash		
	2013	2012
	\$'000	\$'000
Special deposit account with the Treasurer	109	40
Imprest account	48	49
Cash on hand	-	30
Total cash	157	119

Interest rate risk

The imprest account is interest bearing. Deposits at call and with the Treasurer earn a floating interest rate, based on daily banking deposit rates.

Note 12 Receivables		
	2013	2012
	\$'000	\$'000
Debtors	21	6
Interest	-	1
Total receivables	21	7

Note 13 Inventories		
	2013	2012
	\$'000	\$'000
Current inventories		
Raw materials and stores (at the lower of cost and realisable value) ⁽¹⁾	141	212
Publications (at the lower of cost and realisable value)	8	-
Total current inventories	149	212
Total inventories	149	212

⁽¹⁾ Consists of fencing materials for the establishment and maintenance of dog proof fences, managed by the Dog Fence Board.

Note 14 Property, plant and equipment		
	2013	2012
	\$'000	\$'000
Land and buildings		
Land at fair value	3	3
Buildings at fair value	54	42
Accumulated depreciation	-	(6)
Total land and buildings	57	39
Plant and equipment		
Plant and equipment at cost (deemed fair value)	24	11
Accumulated depreciation	(11)	(11)
Total plant and equipment	13	-
Total property, plant and equipment	70	39

Reconciliation of non-current assets

The following table shows the movement of non-current assets during 2012-13

	Land	Buildings and infrastructure	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3	21	-	24
Prior period adjustment ⁽¹⁾	-	15	-	15
Carrying amount after prior period correction	3	36	-	39
Acquisitions	-	9	13	22
Revaluation increment/(decrement)	-	10	-	10
Depreciation	-	(1)	-	(1)
Carrying amount at the end of the period	3	54	13	70

⁽¹⁾ Prior period adjustment resulted from the increase of asset useful life from 6 years to 40 years and the correction of accumulated depreciation.

Valuation of land and buildings

The valuation of land and buildings was performed by Liquid Pacific, an independent valuer, as at 30 June 2013. The valuer arrived at the fair value based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

DOG FENCE BOARD

Notes to the Financial Statements

Note 15 Payables	2013	2012
	\$'000	\$'000
Current payables		
Supply creditors	6	4
Audit fees payable to the Auditor-General's Department	33	55
Staffing costs	-	66
Total payables current	39	125
Total payables	39	125

Annual Leave and Long Service Leave liabilities are recognised within the Department for Primary Industries and Regions.

Note 16 Equity	2013	2012
	\$'000	\$'000
Retained earnings	348	252
Asset revaluation surplus	10	-
Total equity	358	252

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

Note 17 Unrecognised contractual commitments	2013	2012
	\$'000	\$'000
Operating lease commitments		
Within one year	4	16
Later than one year but not longer than five years	-	4
Total operating lease contractual commitments	4	20

The Board has a three year lease on a motor vehicle from January 2011. The motor vehicle is leased from LeasePlan and is non-cancellable. The lease is paid monthly.

Note 18 Contingent assets and liabilities

The Board has no known contingent assets or contingent liabilities.

Note 19 Cash flow reconciliation	2013	2012
	\$'000	\$'000
Reconciliation of cash at the end of reporting period:		
Statement of Financial Position	157	119
Statement of Cash Flows	157	119

Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by/(used in) operating activities	60	(74)
Add/(less) non-cash items		
Depreciation expense	(1)	(5)
Movement in assets and liabilities		
Increase/(decrease) in receivables	14	(16)
Increase/(decrease) in inventories	(63)	3
(Increase)/decrease in payables	86	(11)
Net result	96	(103)

Note 20 Remuneration of board and committee members

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

	2013	2012
\$1 - \$9 999	5	5
Total number of members	5	5

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$5,831 (\$6,998).

Amounts paid to a superannuation plan for board/committee members was \$482 (\$572).

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Members of the Dog Fence Board during the 2012-13 financial year were:

The Dog Fence Board
 Fargher K J
 Ireland C
 Irwin J A
 Lawrie J P
 MacLachlan J H

APPENDIX 1: MEMBERS OF SA DOG FENCE BOARD

The Board Members appointed on 14 July 2011 until 13 July 2015 are:

Board Members:

Nominee:

Chairman

Jock Hugh MacLachlan

South Australian Farmers' Federation

Members

James Alexander Irwin

South Australian Farmers' Federation

Kathryn June Fargher

Natural Resource Management Council

James Peter Lawrie

Far West Dog Fence Boards Association

Dr Carolyn Ireland

Minister for Sustainability, Environment and Conservation

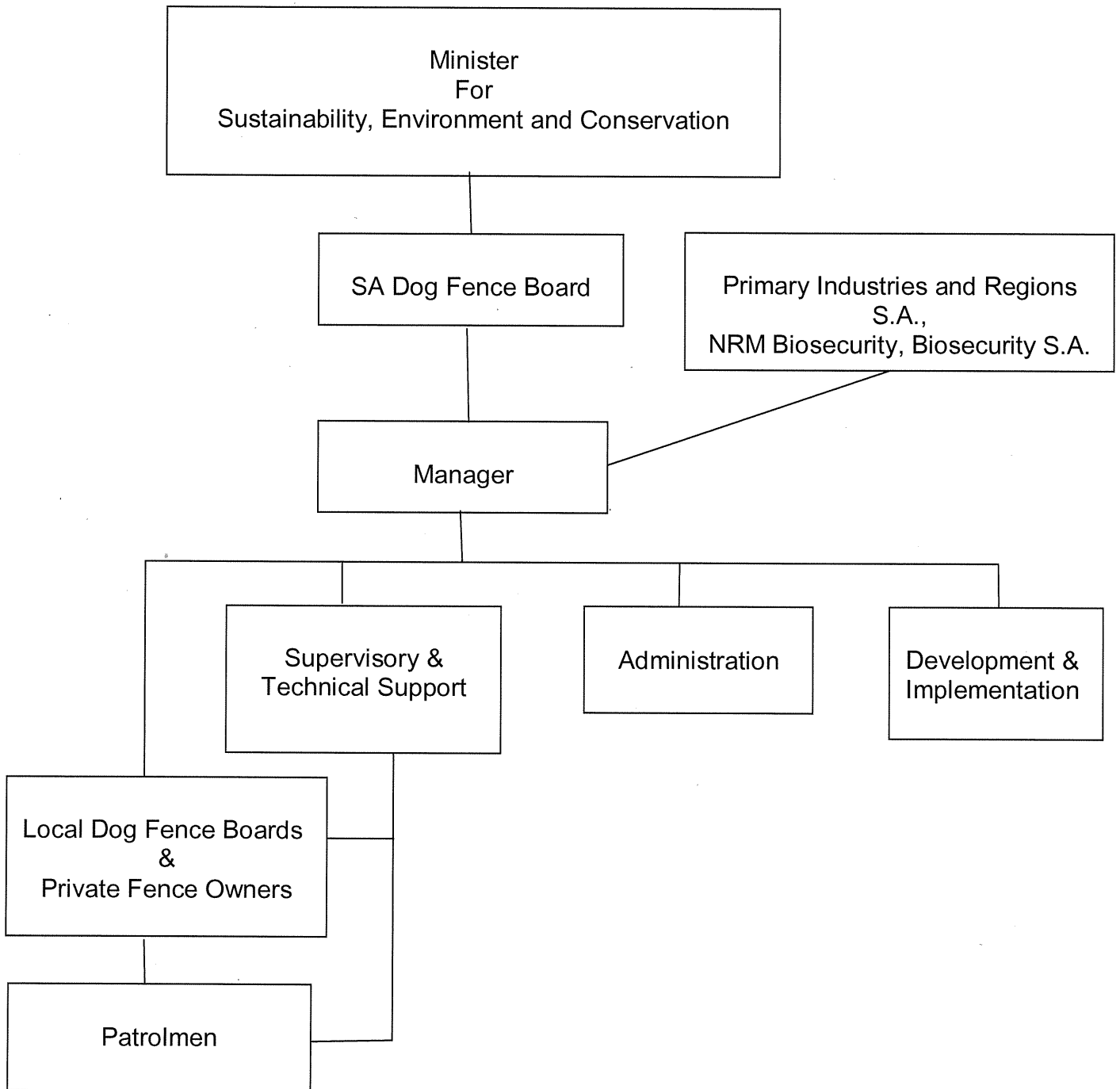
APPENDIX 2: STAFF OF THE DOG FENCE BOARD

At 30 June 2013, the Dog Fence Board funded 2 positions.

In accordance with Section 16 of the *Dog Fence Act 1946*, the following people were employed during 2012-2013 under the terms and conditions of the *Public Sector Management Act 1995 (SA)* on behalf of the Dog Fence Board:

Balharry, Michael J	Manager, Administration (1.0 FTE)
Sadow, William H	Supervisor (1.0 FTE)

**APPENDIX 3: FUNCTIONAL STRUCTURE OF THE SA DOG FENCE BOARD
AT 30 JUNE 2012**



APPENDIX: 4 MEMBERS OF LOCAL DOG FENCE BOARDS

FOWLERS BAY LOCAL DOG FENCE BOARD:

Members: Ricky Miller (Chairperson)
Peter Stott
Anthony Klook
Bryan Smith
Michael Balharry

Secretary: Terresa Gurney

Patrolman: Anthony Yendall

PENONG LOCAL DOG FENCE BOARD:

Members: Craig Trowbridge (Chairperson)
Lynton Murray
George Trewartha
Brian Dunn
Milton Chandler
Michael Balharry

Secretary: Laurie Bailey

Patrolman: Anthony Yendall

PUREBA LOCAL DOG FENCE BOARD:

Members: Brenton Bergmann (Chairperson)
Leon Bubner
Milton Tremaine
James Lawrie
Anthony W Nicholls
Michael Balharry

Secretary: Nancy Bubner

Patrolman: Anthony Yendall

CENTRAL LOCAL DOG FENCE BOARD:

Members: Richard Mould (Chairperson)
Rosslyn Nitschke
Colin Greenfield
Ryan Rankin
Sharon Rankin
Michael Balharry (Secretary)

Patrolmen: Jeffrey Boland (West side)
Manfred Zeptner (East side)

FROME LOCAL DOG FENCE BOARD:

Members: James Morgan (Chairperson)
Maurice Francis
James Irwin
Richard Treloar
Hamish Bartholomaeus
Michael Balharry (Secretary)

Patrolman: Bill Reschke

MARREE LOCAL DOG FENCE BOARD:

Members: Peter Litchfield (Chairperson)
Graham Ragless
Geoff Mengerson
Leonard Nutt
Michael Balharry (Secretary)

Patrolman: Ron Ireland

APPENDIX 5: RELATIONSHIP OF THE DOG FENCE BOARD TO OTHER AGENCIES RESPONSIBLE TO THE MINISTER FOR SUSTAINABILITY ENVIRONMENT AND CONSERVATION.

Pastoral Board
Natural Resources Management, Biosecurity S.A.
Department for Sustainability, Environment and Conservation.

APPENDIX: 6 FREEDOM OF INFORMATION

No requests for information under the *Freedom of Information Act, 1991*, were received during 2011-2012.

FREEDOM OF INFORMATION STATEMENT: SA DOG FENCE BOARD

The Dog Fence Board conforms to Section 9 of the *Freedom of Information Act, 1991*. This Statement also contains information relating to Local Dog Fence Boards.

Structure and functions

See earlier Sections in this Report.

Ways in which the functions of the Board affects the relevant public:

Members of the public have input into the formulation of policy as follows:

- a) All Members of the Dog Fence Board are primary producers and ratepayers except the Member nominated by the Minister and the Member nominated by the Far West Dog Fence Boards Association.
- b) Local Dog Fence Board Members are selected from their Local Board ratepayers except the Dog Fence Board Nominee.
- c) Members of the public may apply to attend a Meeting of the Dog Fence Board and, Local Dog Fence Boards to present a point of view.

Board documents

- i) Available for inspection:
Minutes of Dog Fence Board and, Local Dog Fence Boards Meetings,
Agenda Items for Dog Fence Board and, Local Dog Fence Boards Meetings,
Also available for inspection are the Dog Fence Board and Local Dog Fence Boards dockets and correspondence.
- ii) Available for purchase:
Annual Reports of the Dog Fence Board.

Arrangements for access

Documents can be inspected at the Dog Fence Board Office at Soil and Water Environs Centre, Entry Four, Waite Road, Urrbrae.

Applications for access to documents should be forwarded to: -

The Manager
Dog Fence Administration
Entry Four
Waite Road
URRBRAE SA 5064

Phone enquires: Manager - (08) 8303 9517

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