

SOUTH AUSTRALIA

ANNUAL REPORT

OF THE

DOG FENCE BOARD

2013-2014



**Government
of South Australia**

ISSN 1832-0694

LETTER OF TRANSMITTAL

Hon Ian Hunter, MP
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 2014, 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**

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1. CHAIRMAN'S FOREWORD

The South Australian Dog Fence Board is pleased to present the 2013-2014 Annual Report on the condition of the Dog Fence and work carried out this past year.

The Board inspected the Eastern half of the fence from the NSW boarder to Roxby Downs in May this year.

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

Dog activity outside the fence has been above average and more baiting has been carried out along the total fence and strategic buffer zone baiting carried out on the outside of the fence. This year there has been over 12,000 baits placed along the fence.

Unfortunately during summer there were three fires along the west coast fence which burnt 15km of fence along Penong's Board's fence and 35Km in two fires along Pureba board's fence. Our thanks to the local board members and patrolman for having the fence back up and dog proof in record time. There was also flooding along the Central board's fence from Coober Pedy to Roxby Downs in February. This time thanks to the pastoralists, board members and both patrolmen who made the fence dog proof as soon as they could get at the fence.

As we inspected the Marree section we observed the upgraded fences along Mundowdna and Muloorina.

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.

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

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. EVENTS – 2013-2014

3.1 Fence Events

Fires on the West coast caused problems for the local boards. 20 kilometres of fence was burnt on Pureba, 15kms on Lake Everard and 15 kms on Penong. Rebuilding and repair of these fences was underway before the fire was out and the complete repair was done within 9 days.

Floods hit the region along Millers Creek and Coober Pedy. The patrolman with the help of local pastoralists had these fences repaired in 5 days.

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 12,000 excluding Commonwealth Hill and Mulgathing stations who do their own baiting. Baiting is now been done by the patrolman on a demand basis, if they see dog tracks they lay baits. The patrolman carry baits at all times.

4. 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 2013-2014

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.

5. 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 2013-2014

- 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 2013-2014.

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 2013-2014.

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

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 2014, 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.

7. THE DOG FENCE BOARD

7.1 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.

7.2 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 and the property owners.

7.3 MEETINGS

During 2013-2014, 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.

8. 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.

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.

9. FENCE MAINTENANCE 2013-2014

9.1 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:

- Penong Local Dog Fence Board -** Replaced 23 kms of mesh on the western end. Repaired 15 kms of fence after the bush fires.
- Pureba Local Dog Fence Board –** Repaired 20 kms of fence burnt during the bush fires and 15kms on Lake Everard.
- Central Local Dog Fence Board –** Continued electrifying top wire of Fence for camels at Mabel Creek. Repaired 20 kms of maintenance track along Mulgaria.
- Marree Local Dog Fence Board –** Replace 5.5km's of mesh fence on Mundowdna
- Frome Local Dog Fence Board –** Clay topped and repaired the maintenance track along from Wertaloona to the border.

9.2 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.

9.3 INSPECTIONS

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

Each year, the Dog Fence Board inspects half of the South Australian Dog Fence. This year the SA Dog Fence Board completed an inspection of the eastern half of the fence from the New South Wales border to Roxby Downs. They travelled the fence in reverse this time.

10. 2013-2014 FINANCE REPORT

10.1 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 27 June 2013. This land was rated in 2013-2014 at 120 cents per km² with a minimum of \$86.00 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)

10.2 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 \$209 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.

10.3 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 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman and the Executive Officer, 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 2014, 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
29 September 2014

DOG FENCE BOARD

Financial Statements

For the Year Ended 30 June 2014

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 2014 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.



Jock MacLachlan
CHAIRMAN
Dog Fence Board

29TH September 2014



Michael Balharry
EXECUTIVE OFFICER
Dog Fence Board

September 2014

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 of the Board have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

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*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Board's accounting policies. The areas involving a higher degree of judgment 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, which 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 12 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 2014 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 specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation in these financial statements unless 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 Board. GST in relation to the Board is reported in PIRSA Controlled Financial Statements.

DOG FENCE BOARD

Notes to the 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 2014.

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

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 2014 (refer Note 10).

SA Government subsidies

Subsidies from the SA Government are reported on a cash basis and are recognised on receipt (refer Note 10).

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.

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.

DOG FENCE BOARD

Notes to the Financial Statements

Depreciation

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.

Depreciation 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	20 – 70
Plant and equipment	3 – 20

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 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

k) Cash

Cash in the Statement of Financial Position comprises deposits at call with the Department of Treasury and Finance 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 12 months and more than 12 months, the Board has separately disclosed the amounts expected to be recovered after more than 12 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.

DOG FENCE BOARD

Notes to the Financial Statements

Revaluation of non-current assets

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

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 2013-14.

Fair Value measurement

AASB 13 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.

The Board classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the department's 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 are 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.

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 12 months and more than 12 months, the Board has separately disclosed the amounts expected to be settled after more than 12 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.

DOG FENCE BOARD

Notes to the Financial Statements

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.

4. New and revised accounting standards and policies

The Board did not voluntarily change any of its accounting policies during 2013-14.

In accordance with the new AASB 13 Fair Value Measurement, which became effective for the first time in 2013-14, the Board has:

- reviewed its fair value valuation techniques (both internal estimates and independent valuation appraisal) for non-financial assets to ensure they are consistent with the standard. Previously, the Board has used the cost approach or the market approach to determine fair value. The Board will continue to measure its non-financial assets using either the cost or market approach. The application of AASB 13 has not had a material impact on the fair value measurements.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Board for the reporting period ending 30 June 2014. The Board has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Board.

DOG FENCE BOARD

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Expenses			
Staffing costs	5	186	166
Fence maintenance		45	91
Hire of motor vehicles		30	27
Subsidies	6	783	598
Depreciation expense	7	3	1
Auditor's remuneration	8	20	16
Other expenses	9	38	40
Total expenses		1,105	939
Income			
Rates, levies and penalties	10	518	508
SA Government subsidies	10	507	509
Interest revenues		11	14
Other income	11	1	4
Total income		1,037	1,035
Net result		(68)	96
Other Comprehensive Income			
Changes in property, plant and equipment asset revaluation surplus	17	-	10
Total other comprehensive income		-	10
Total comprehensive result		(68)	106

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.

DOG FENCE BOARD

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Current assets			
Cash			
Receivables	12	29	157
Inventories	13	1	2
	14	192	148
Total current assets		222	308
Non-current assets			
Property, plant and equipment	15	67	70
Total non-current assets		67	70
Total assets		289	378
Current liabilities			
Payables	16	18	39
Total current liabilities		18	39
Total liabilities		18	39
Net assets		271	339
Equity			
Retained earnings	17	261	329
Asset revaluation surplus	17	10	10
Total equity		271	339

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

Unrecognised contractual commitments	18
Contingent assets and liabilities	19

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

DOG FENCE BOARD

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2014

		Asset revaluation surplus \$'000	Retained earnings \$'000	Tota \$'000
Balance at 30 June 2012	Note	-	237	237
Prior period adjustment		-	15	15
Restated balance at 30 June 2012		-	252	252
Net result for 2012-13		-	96	96
Gain on revaluation of buildings during 2012-13	17	10	-	10
Total comprehensive result for 2012-13		10	96	106
Balance at 30 June 2013		10	348	358
Prior period adjustment	17		(19)	(19)
Restated balance at 30 June 2013		10	329	339
Net result for 2013-14		-	(68)	(68)
Total comprehensive result for 2013-14		-	(68)	(68)
Balance at 30 June 2014		10	261	271

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

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

2

DOG FENCE BOARD

STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Subsidies paid			
Payments for staffing expenses		(783)	(598)
Fence maintenance		(186)	(232)
Hire of motor vehicles		(88)	(20)
Auditor's remuneration		(32)	(27)
Other payments		(39)	(38)
Cash used in operations		(1,166)	(961)
Cash inflows			
Rates and levies received		519	513
Interest received		11	14
SA Government subsidies		507	490
Other receipts		1	4
Cash generated from operations		1,038	1,021
Net cash provided by/(used in) operating activities	20	(128)	60
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		(128)	38
Cash at 1 July		157	119
Cash at 30 June	12	29	157

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

DOG FENCE BOARD

Notes to the Financial Statements

Note 5 Staffing costs

	2014	2013
	\$'000	\$'000
Staffing costs ⁽¹⁾	172	155
Board fees and related oncosts	14	11
Total staffing costs	186	166

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

Note 6 Subsidies

	2014	2013
	\$'000	\$'000
Local boards	697	512
Private fence owners	86	86
Total subsidies	783	598

Note 7 Depreciation expense

	2014	2013
	\$'000	\$'000
Plant and equipment	1	-
Buildings	2	1
Total depreciation expense	3	1

Note 8 Auditor's remuneration

	2014	2013
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	20	16
Total auditor's remuneration	20	16

Other services

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

Note 9 Other expenses

	2014	2013
	\$'000	\$'000
Staff travel and accommodation	12	12
Office accommodation costs	6	6
Insurance	4	4
Telecommunication and data access charges	3	2
Office supplies	2	1
Debt collection costs	1	1
Courier, freight and postage	5	2
Other	5	12
Total other expenses	38	40

Note 10 Rates, levies and penalties

	2014	2013
	\$'000	\$'000
Rates and penalties collected/collectable by Dog Fence Board	296	291
Levy collected by South Australian Sheep Advisory Group	213	209
Levies collected from occupiers of land outside of the dog fence	9	8
Total rates, levies and penalties	518	508
SA Government \$1 for \$1 subsidy	507	509

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 in 2013-14 was \$1.20 per square kilometre (\$1.18). The minimum charge was \$86.00 (\$83.50).

DOG FENCE BOARD

Notes to the Financial Statements

The proportion of rates for 2013-14 amounting to \$213,000 (\$209,180) which had been collected from the Local Government area included in the rating area on 11 September 1998, were collected by the South Australian Sheep Advisory Group via a sheep transaction levy.

The collection of the sheep transaction levy by the South Australian 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.

Note 11 Other income

	2014	2013
	\$'000	\$'000
Recovery of legal fees	-	4
Other	1	-
Total other income	1	4

Note 12 Cash

	2014	2013
	\$'000	\$'000
Special deposit account with the Department of Treasury and Finance	29	109
Imprest account ⁽¹⁾	-	48
Total cash	29	157

⁽¹⁾ The imprest account was closed during 2013-14, with the balance of cash transferred to the special deposit account held with the Department of Treasury and Finance.

Interest rate risk

The imprest account was interest bearing. Deposits at call and with the Department of Treasury and Finance earn a floating interest rate, based on daily banking deposit rates.

Note 13 Receivables

	2014	2013
	\$'000	\$'000
Debtors	1	2
Total receivables	1	2

Note 14 Inventories

	2014	2013
	\$'000	\$'000
Current inventories		
Raw materials and stores (at the lower of cost and realisable value) ⁽¹⁾	184	141
Publications (at the lower of cost and realisable value)	8	8
Total current inventories	192	149
Total inventories	192	149

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

DOG FENCE BOARD

Notes to the Financial Statements

Note 15: Property, plant and equipment

	2014	2013
	\$'000	\$'000
Land and buildings		
Land at fair value	3	3
Buildings at fair value	54	54
Accumulated depreciation	(2)	-
Total land and buildings	55	57
Plant and equipment		
Plant and equipment at cost (deemed fair value)	24	24
Accumulated depreciation	(12)	(11)
Total plant and equipment	12	13
Total property, plant and equipment	67	70

Reconciliation of non-current assets

The following table shows the movement of non-current assets during 2013-14

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	3	54	13	70
Depreciation	-	(2)	(1)	(3)
Carrying amount at the end of the period	3	52	12	67

Valuation of land and buildings

The valuation of land and buildings was performed by Liquid Pacific Pty Ltd, 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.

Desktop reviews performed as at June 2014 have resulted in minor movements in value that fall under the threshold that requires revaluation changes.

Land, buildings and improvements and plant and equipment acquired since the last formal revaluation are deemed to be at fair value.

Building and plant and equipment assets are classified as Level 3 as there has been no subsequent adjustment to their value, except for management adjustments about the assets condition and remaining effective life.

Note 16: Payables

	2014	2013
	\$'000	\$'000
Current payables		
Trade creditors	1	6
Audit fees payable to the Auditor-General's Department	17	33
Total payables current	18	39
Total payables	18	39

Annual Leave and Long Service Leave liabilities are recognised within PIRSA as the Board does not directly employ staff.

Note 17: Equity

	2014	2013
	\$'000	\$'000
Retained earnings	261	329
Asset revaluation surplus	10	10
Total equity	271	339

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.

DOG FENCE BOARD

Notes to the Financial Statements

Note 18: Unrecognised contractual commitments

	2014	2013
	\$'000	\$'000
Operating lease commitments		
Within one year	19	4
Later than one year but not longer than five years	23	-
Total operating lease contractual commitments	42	4

The Board has a three year lease on a motor vehicle from February 2014. The motor vehicle is leased from LeasePlan and is non-cancellable. The lease is paid monthly.

Note 19: Contingent assets and liabilities

The Board has no known contingent assets or contingent liabilities.

Note 20: Cash flow reconciliation

	2014	2013
	\$'000	\$'000
Reconciliation of cash at the end of reporting period:		
Statement of Financial Position	29	157
Statement of Cash Flows	29	157
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by/(used in) operating activities	(128)	60
Add/(less) non-cash items		
Depreciation expense	(3)	(1)
Movement in assets and liabilities		
Increase/(decrease) in receivables	(1)	14
Increase/(decrease) in inventories	43	(63)
(Increase)/decrease in payables	21	86
Net result	(68)	96

Note 21: Remuneration of board and committee members

The number of members whose remuneration received or receivable falls within the following band:	2014	2013
\$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 \$6,429 (\$5,831).

Amounts paid to a superannuation plan for board/committee members was \$544 (\$482).

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 2013-14 financial year were:

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

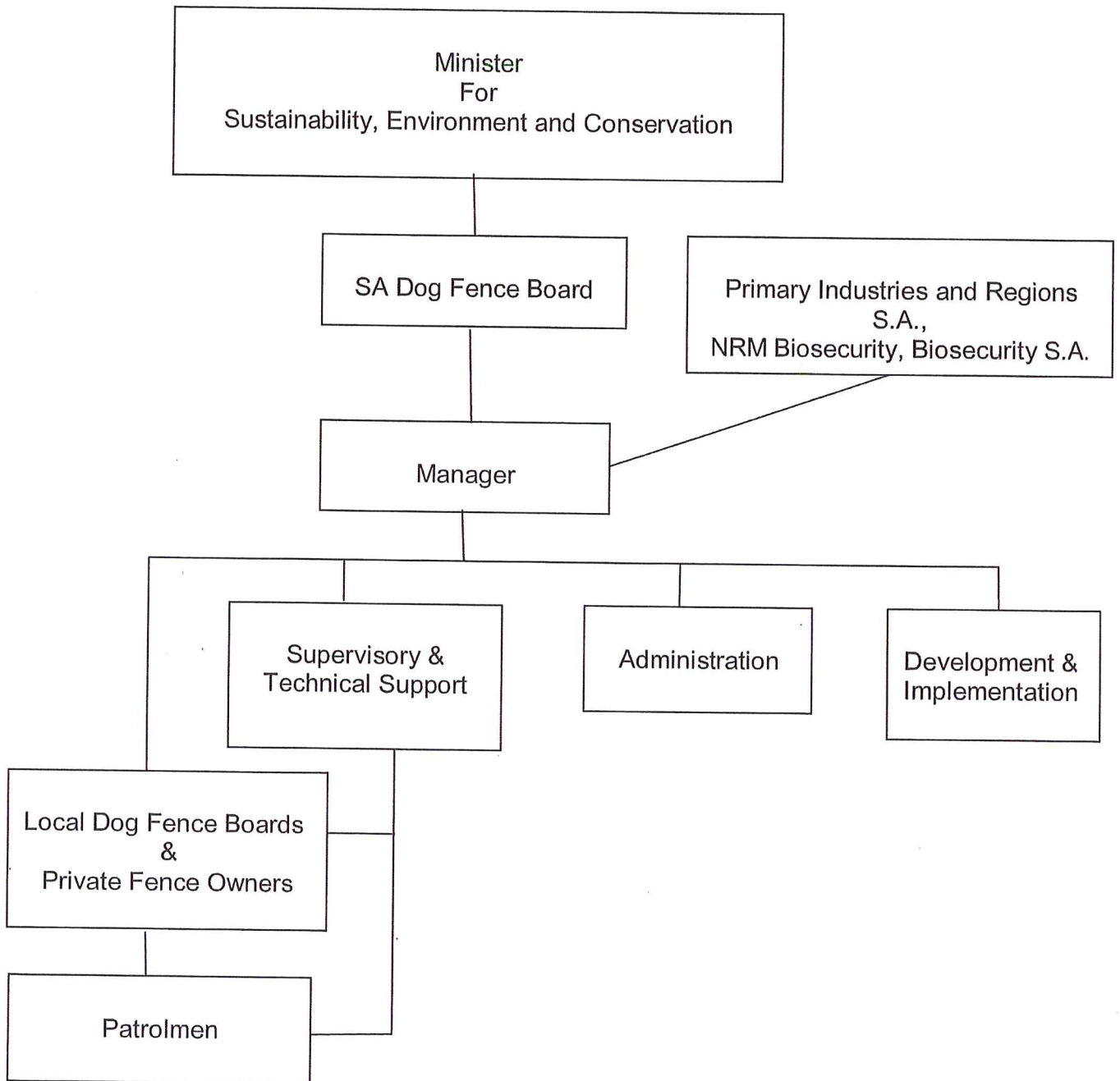
At 30 June 2013, the Dog Fence Board funded 2 positions.

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 2013



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: Teresa Gurney

Patrolman: Anthony Yendall

PENONG LOCAL DOG FENCE BOARD:

Members: Craig Trowbridge (Chairperson)
Lynton Murray
Ryan 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 Mengersen
Leonard Nutt
Ian Ferguson
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 2013-2014.

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