ANNUAL REPORT AND STATEMENT

THE BORDER FENCE MAINTENANCE BOARD OF NEW SOUTH WALES

AS REQUIRED BY THE
GOVERNMENT SECTOR FINANCE ACT 2018
AND
ANNUAL REPORT (STATUTORY BODIES) ACT 1984

FOR THE YEAR ENDED – 31 DECEMBER 2022

BORDER FENCE MAINTENANCE BOARD

(FOR THE WESTERN DIVISION OF NEW SOUTH WALES)

ABN: 14 286 958 340

Please address all communications to
The Secretary
PO Box 279
Broken Hill NSW 2880
Phone: (08) 8088 4724
Fax: (08) 8088 2051

18 April 2023

The Hon. Tara Moriarty, MLC
Minister for Agriculture, Minister for Regional New South Wales,
and Minister for Western New South Wales
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Minister,

I am pleased to present the Annual Report of the Border Fence Maintenance Board for the year ending 31 December 2022 for your information and presentation to Parliament.

This Report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Government Sector Audit Act 1983*.

Yours sincerely,

Andrew Bell
Chairman
Border Fence Maintenance Board

Charter

The NSW Border Fence Maintenance Board is established and administered in accordance with the provisions of the *Border Fence Maintenance Act 1921.*

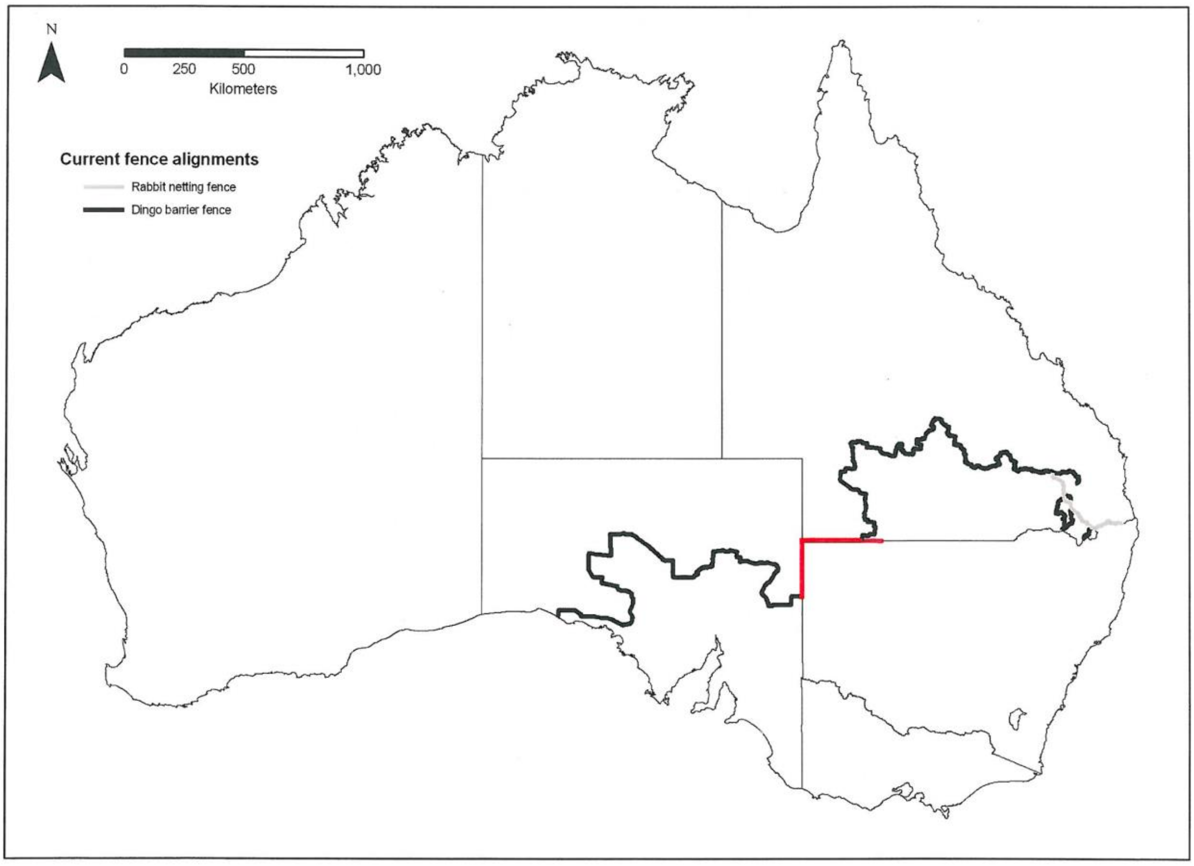
The *Border Fence Maintenance Act 1921* originally placed responsibility for the fence under the Western Lands Commission. An amending Act in 1957 established the Wild Dog Destruction Board and transferred responsibility for maintaining the fence to the Board. In 2017, the name of the Board was changed to the Border Fence Maintenance Board to better reflect its purpose.

The Board's primary function is to erect, maintain and repair a dog-proof fence along specified sections of the New South Wales (NSW) borders with Queensland and South Australia, thereby excluding wild dogs from grazing lands of the Western Division of NSW.

The South Australian section of the border fence is erected on or near the western border of NSW and extends from the north west corner of the State (Cameron Corner) in a southerly direction for approximately 222 kilometres (km) along the NSW/SA border.

The Queensland section of the border fence is erected approximately 15 metres north of the border of NSW and extends easterly from Cameron Corner for 349 km to a point 15 km east of Hungerford.

The *Border Fence Maintenance Act 1921* requires the Board to establish a fund, and for the Board to use that fund for the purposes of maintaining the fence. The Board is also able to charge a levy in the form of wild dog rates on certain landholders in the Western Division. These rates must be paid into the fund.



MANAGEMENT AND STRUCTURE

The Board

The Border Fence Maintenance Board comprises six Members, including the Chairperson, who in accordance with the provisions of the *Border Fence Maintenance* Act *1921* is the Commissioner. The Minister may appoint, under the provisions of the Act, a person to exercise the function of the Commissioner for the purposes of this Act. The other five Members are all resident pastoral landholders of the Western Division of NSW. Appointment to the Board occurs on nomination by the Western Local Lands Services (three Members) and one each from the Western Division Council of New South Wales Farmers' Association and the Pastoralists' Association of West Darling.

Details of current Board Membership;

Mr Andrew Bell	Chairman Director Regional Operations West Department of Planning and Environment – Crown Lands 45 Wingewarra Street DUBBO NSW 2830
Mr Callum Robinson	Western Division Council NSW Farmers' Association 4/154 Pacific Hwy ST LEONARSDS NSW 2065
Mr Neill Leigo	Western Local Lands Services BROKEN HILL NSW 2880
Mr Luke Reynolds	Pastoralists' Association of West Darling BROKEN HILL NSW 2880
Mr Nicolaas Bonselaar	Western Local Lands Services BROKEN HILL NSW 2880
Mr Robert Wason	Western Local Lands Services BROKEN HILL NSW 2880

Board Members and Operations Manager conducting annual inspections of the Boards heavy plant

Current Staffing

The Board's administration is based in Broken Hill in an office situated on the Adelaide Road, approximately 8 km from Broken Hill. The Board Secretary, Ms Robyn Mann is employed to manage the administrative and accounting functions of the Board.

The Operation Manager is based at Smithville Depot located 240 km north of Broken Hill on the South Australian border fence. This position is occupied by Mr Dan Mayo.

Other operational staff comprise a Leading Hand based at Wompah, eight Fence Maintenance Officers and two Plant Operators. The Fence Maintenance Officers are located at various locations along the length of the fence and are accommodated in cottages provided by the Board.

Fence Maintenance Officers are assigned a section of the fence to both monitor and maintain. The length of the section assigned to each individual varies between 60 – 100 km. Fence inspections are undertaken by each Maintenance Employee twice weekly (Monday and Friday) to ensure the fence remains in a dog proof condition and has not been compromised. Maintenance of the fence is undertaken where required during each inspection and throughout the week.

Contact Officers

The Border Fence Maintenance Board's contact officers are:

Secretary	Miss Robyn Mann
Site Address	Adelaide Road BROKEN HILL NSW 2880
Postal Address	PO Box 279, Broken Hill NSW 2880
Telephone	08 8088 4724
Email	wdboard@bigpond.com

Office hours are from 7:00 am – 3:00 pm ACST, Monday to Friday.

Operations Manager	Operations Manager Border Fence Maintenance Board Smithville BROKEN HILL NSW 2880
Telephone	08 8091 3582
Email	smithvilleoutpost1@bigpond.com

Properties

The Border Fence Maintenance Board owns and maintains houses along both the Queensland and South Australian fences. Maintenance Employees, Leading Hand, Plant Operators and the Operations Manager reside in cottages located at the following locations:

Queensland Border Fence

Wompah Gate, Toona Gate and Hamilton Gate.

South Australian Border Fence

White Catch, Smithville and Broughams Gate.

Chair's Report

Seasonal conditions along and in the vicinity of the fence throughout the year were variable, and wetter than the previous year. The Smithville Depot, located on the South Australia fence, recorded 312 millimetres of rain for the full year, being more than twice the rainfall for 2021. Tibooburra received 425 millimetres and Hungerford received 483 millimetres. The Bulloogree remained dry throughout the year, with the exception of the Two-Mile Channel which was impassable and held water for approximately four months. The Paroo channels ran water all year long and this has affected the integrity of sections of the netting, which will require replacement in early 2023 when conditions permit.

Vegetation growth was stimulated throughout the year with regular small showers. Vegetation in the fence has been substantially controlled by the diligent and tireless effort of the dedicated staff, with the exception of the Toona run. The Toona run has experienced wetter conditions than other areas along the fence, and vegetation growth remains unabated due to staffing issues. The Board has addressed this by transferring an employee who will now be permanently located at Toona. Mechanical removal of this vegetation by hand remains the only option.

Westerly winds throughout the year were not overly common or strong. There were only a couple of events that resulted in accumulated buck bush being pushed against the fence, and one instance where about 20 fence panels were leant over as a result.

Build up of buck bush on the fence from prevailing westerly winds

There were very few sightings and evidence of wild dog activity along the fence during the year. Baits were laid the full length of the South Australia fence in September, however the Queensland fence was too wet at this time to allow baiting to occur.

The Board purchased sufficient material at the start of the year to complete 15 kilometres of new fence. This enabled its works program which included a 10-kilometre section of new fence in the Hawker Gate run during the year using contractors. This section was quite aged and was identified for replacement during 2021 when it was severely affected during a windstorm. It became clear that owing to the age and condition of this section, that a full replacement was necessary as opposed to repair.

A section of fence that has recently been repaired together with flood gate

A five-kilometre section of sandhills, together with the flats between the sandhills, was scheduled for clay capping during the year. This section is located in the Broughams Gate run and comprises 13 sandhills. Temporary fencing was erected along the full five-kilometre section, a distance of approximately 100 metres off-set from the current alignment. This enabled the removal of the old fence from the current alignment and allow for res-shaping of the sandhills and capping to occur. The contracted works commenced late in the year and was not completed by 31 December. The works are scheduled for completion in early 2023 as well as the erection of five kilometres of new fencing when the capping is complete.

Repairs and improvements to houses and buildings during the year included a new kitchen, bathroom, laundry, floor coverings and air-conditioning in the Leading Hands cottage at Wompah. These works were carried over from 2021, and not able to be progressed during that year due to the availability of building contractors. The construction of a new six-bay shed has also been finalised at Wompah which will allow for under-cover parking of Board vehicles and small plant above flood levels, which from time to time impact the Wompah compound via the Wanpah Creek. New flooring was also installed in the Toona and Hamilton houses as well as new kitchens in both Hamilton houses.

Two long term fence maintenance employees resigned during the year. The Board was successful in recruiting two new fence maintenance staff as well as a Plant Operator. Staff retention rates in recent years have not been very high as the NSW labour market remains hot and there is no indication that it will ease any time soon. It also remains difficult to attract staff given the challenging conditions and type of work, as well as the remoteness and isolated living conditions. The Board continues to supplement its workforce with contractors as required.

The Board held four meetings during the year and conducted its annual fence inspection in the last week of August. The restrictions imposed by the Queensland government on cross border access resulting from the COVID-19 Pandemic had significantly eased from the previous year. Forecast wet weather prevented the Board from inspecting the full length of the fence, in particular that part between Hungerford and Hamilton Gate. The fence was found to be in good order other than the Toona run where it was agreed that contracted grading was required between Cameron Corner and Warri Gate. Some of this work was completed in the latter part of the year and further works are scheduled for 2023.

The Board continued to engage with and support the Soil Conservation Service during the year in reviewing and endorsing plans and specifications for construction for the Wild Dog Fence Extension Project. This support and engagement is expected to continue until the fence extension is completed.

Andrew Bell
Chair

Motor Vehicles and Plant

One Argo Amphibious Vehicle
One Isuzu 4Wd Tray Top Truck
Two D-Max Isuzu 4WD Single Cab Tray Tops
Five Toyota Hi-Lux Single Cab 4WD Tray Tops
One Toyota Landcruiser Twin Cab 4WD Tray Top
One Toyota Hi-Lux Extra Cab 4WD Tray Top
One Toyota Landcruiser Single Cab 4WD Tray Top
Two Nissan Patrol 4WD Tray Tops
One Volvo FM12 Tip Truck with Tri-Axle Tag Trailer
One Suzuki Quad Bike
One Polaris ATV
One Caterpillar IT28 Loader
Two Caterpillar 12H Motor Grader
One Caterpillar 938G Wheel Loader
One John Deere Tractor
Two Bolton 11 x 7 Trailers
One 924K Loader

Wild Dog Rates

Only the land in the Western Division of NSW is subject to payment of dog rates, and then only where the aggregation of the holding exceeds 1000 hectares. The Board sets the annual dog rate having regard to the annual budgeted cost of maintaining the fence, less any contribution from the State Government. For 2021, the NSW Government paid an amount of $429,170.00 to the Border Fence Maintenance Board to support it in its annual operations. Landholder rates were set at 5.5 cents per hectare for the 2022 year.

The Department of Planning, Industry and Environment – Crown Lands (the Department) continues to issue wild dog rate notices and receipt subsequent monies following collection on behalf of the Border Fence Maintenance Board. The Department also maintains records relating to the collection of wild dog rates and, where necessary, initiates action to recover arrears.

INDEPENDENT AUDITOR'S REPORT

Border Fence Maintenance Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Border Fence Maintenance Board (the Board), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirement of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Board's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The members of the Board's responsibility also include such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the members of the Board are responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Min Lee
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

17 March 2023
SYDNEY

BORDER FENCE MAINTENANCE BOARD
ABN 14 286 958 340

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

BORDER FENCE MAINTENANCE BOARD
ABN 14 286 958 340

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BORDER FENCE MAINTENANCE BOARD
ABN 14 286 958 340

STATEMENT BY THE ACCOUNTABLE AUTHORITY

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), we state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and

- present fairly the Border Fence Maintenance Board's financial position, financial performance and cash flows.

Signed...
Board Member

Date: 16 March 2023

Signed...
Board Member

Date: 16 March 2023

BORDER FENCE MAINTENANCE BOARD
ABN 14 286 958 340

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Continuing operations			
Expenses excluding losses			
Personnel services expense			
- provided by Department of Regional NSW	2(a)	(788,435)	(824,763)
Operating expenses	2(b)	(939,040)	(1,542,700)
Depreciation and amortisation expense	2(c)	(289,489)	(226,796)
Total expenses excluding losses		(2,016,964)	(2,594,259)
Revenue			
Sale of goods and services	3(a)	1,646,517	1,681,412
Investment revenue	3(b)	39,179	3,807
Grants and other contributions	3(c)	472,579	431,173
Other income	3(d)	105,968	1,044,706
Total revenue		2,264,243	3,161,098
Operating result		247,279	566,839
Gains / (losses) on disposal	4	(32,050)	(833)
Net result from continuing operations		215,229	566,006
Other comprehensive income			
Items that will not be reclassified to net result in subsequent periods:			
Change in revaluation surplus of property, plant and equipment	13	-	2,307,103
Total other comprehensive income for the year		-	2,307,103
TOTAL COMPREHENSIVE INCOME		215,229	2,873,109

The accompanying notes form part of these financial statements.

BORDER FENCE MAINTENANCE BOARD
ABN 14 286 958 340

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,353,384	1,056,904
Receivables	6	150,468	140,175
Inventories	7	519,901	421,532
Other financial assets	8	1,091,505	1,085,741
Other assets	9	41,704	37,592
Total Current Assets		3,156,962	2,741,944
Non-Current Assets			
Property, plant and equipment	10	10,890,960	10,998,249
Total Non-Current Assets		10,890,960	10,998,249
TOTAL ASSETS		14,047,922	13,740,193
LIABILITIES			
Current Liabilities			
Payables	11	184,774	116,579
Provisions	12	196,096	166,183
Total Current Liabilities		380,870	282,762
Non-Current Liabilities			
Provisions	12	11,423	17,031
Total Non-Current Liabilities		11,423	17,031
TOTAL LIABILITIES		392,293	299,793
NET ASSETS		13,655,629	13,440,400
EQUITY			
Reserves	13	9,206,319	9,206,319
Accumulated funds		4,449,310	4,234,081
TOTAL EQUITY		13,655,629	13,440,400

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Retained Earnings $	Reserves $	Total $
Balance at 1 January 2022		4,234,081	9,206,319	13,440,400
Net result for the year		215,229	-	215,229
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	13	-	-	-
Total other comprehensive income for the year		-	-	-
Total comprehensive income for the year		215,229	-	215,229
Balance at 31 December 2022		4,449,310	9,206,319	13,655,629
Balance at 1 January 2021		3,668,075	6,899,216	10,567,291
Net result for the year		566,006	-	566,006
Other comprehensive income				
Net change in revaluation surplus of property, plant and equipment	13	-	2,307,103	2,307,103
Total other comprehensive income for the year		-	2,307,103	2,307,103
Total comprehensive income for the year		566,006	2,307,103	2,873,109
Balance at 31 December 2021		4,234,081	9,206,319	13,440,400

The accompanying notes form part of these financial statements.

BORDER FENCE MAINTENANCE BOARD
ABN 14 286 958 340

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Suppliers for goods and services		(1,811,521)	(2,601,222)
Total Payments		(1,811,521)	(2,601,222)
Receipts			
Sale of goods and services		1,869,078	2,911,535
Interest received		29,767	4,260
Grants and other contributions		429,170	388,903
Total Receipts		2,328,015	3,304,698
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	516,494	703,476
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		-	11,364
Purchase of property, plant and equipment		(214,250)	(416,658)
Purchase of financial assets		(5,764)	(996,375)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(220,014)	(1,401,669)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		296,480	(698,193)
Opening cash and cash equivalents		1,056,904	1,755,097
CLOSING CASH AND CASH EQUIVALENTS	5	1,353,384	1,056,904

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting entity

The Board is a not-for-profit statutory body constituted under the *Border Fence Maintenance Act 1921*. The Border Fence Maintenance Board is a continuation of, and the same entity as, the Wild Dog Destruction Board that was constituted under this Act before its amendment by the *Biosecurity Act 2015*.

These financial statements for the year ended 31 December 2022 have been authorised for issue by the Board on 16 March 2023.

b) Basis of preparation

The Board's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* and Government Sector Finance Regulations 2018 and
- Treasurer's Directions issued under the Act.

Property, plant and equipment, assets (or disposal groups) held for sale and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian dollars, which is the Board's presentation and functional currency.

c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d) Accounting for Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Board as a purchaser is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset's cost of acquisition or as part of an item of the expense and
- receivables and payables are stated with the amount of GST included.

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

e) Comparative information

Except when as AAS permits or requires otherwise, comparative information is presented in respect of the previous periods for all amounts reported in the financial statements.

2. EXPENSES EXCLUDING LOSSES

a) Personnel services expense

	2022 $	2021 $
Provided by Department of Regional NSW		
Salaries and wages	568,305	594,892
Superannuation	63,950	67,324
Employee leave entitlements	84,534	92,029
Payroll tax	35,901	37,530
Workers compensation insurance	21,847	20,061
Other employee costs	13,898	12,927
	788,435	824,763

b) Other expenses

	2022 $	2021 $
Auditor's remuneration		
- audit of the financial statements	37,500	36,400
Board member cost	29,364	25,018
Consultants	29,750	40,895
Contractors	-	14,738
Electricity	23,915	15,737
Fence contractor and equipment hire	174,274	548,814
Fence materials	136,457	417,258
Fuel	75,557	65,391
Insurance	38,149	32,418
Repairs and maintenance – contracted labour and other (non-employee related)	285,633	224,357
Service fee to Department of Regional NSW	43,409	42,270
Telephone and office expenses	32,169	38,082
Other	32,863	41,322
	939,040	1,542,700

Recognition and Measurement

Repairs and maintenance expense
Day-to-day servicing costs or maintenance are charged as expenses as incurred. Outgoings in respect of buildings will be treated as maintenance expenditure in the year in which they are incurred, as revaluations are performed on a regular basis.

Fence materials
All expenditure in respect of the fence is to be treated as maintenance expenditure for the year in which it is incurred. The fence is not depreciated, as the loss in service potential is not normally in excess of that which maintenance can restore.

2. EXPENSES EXCLUDING LOSSES (Continued)

c) Depreciation and amortisation expense

	2022 $	2021 $
Depreciation		
- Buildings	119,621	106,253
- Leasehold improvements	22,271	15,359
- Heavy machinery	67,049	33,439
- Motor vehicles	80,548	71,745
	289,489	226,796

Refer to Note 10 for recognition and measurement policies on depreciation and amortisation.

3. REVENUE

a) Sale of goods and services

	2022 $	2021 $
Rendering of services		
Rates income	1,638,517	1,673,412
Fees from Office of Environment and Heritage	8,000	8,000
	1,646,517	1,681,412

Recognition and Measurement

Rates income
Revenue from rates income is recognised as revenue when the Board obtains control over the income which is when it receives the income from the Department of Regional NSW.

In the year, a rate of 5.50 cents per hectare (5.50 cents per hectare in 2021) was levied on land holdings in excess of 1,000 hectares in the Western Division (other than land within a municipality, town or village). The rates levied on landholders in 2022 amounted to $1,638,517 (2021 - $Nil). In 2021 the State Government paid the rates of $1,673,412 on behalf of the ratepayers in drought.

3. REVENUE (Continued)

b) Investment revenue

	2022 $	2021 $
Interest income from financial assets at amortised cost	39,179	3,807

Recognition and Measurement

Interest income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

c) Grants and other contributions

	2022 $	2021 $
Grant – Department of Regional NSW	429,170	388,903
Non-cash contribution from Department of Regional NSW	43,409	42,270
	472,579	431,173

Recognition and Measurement

Grants and other contributions
Income from grants (other than contributions by owners) is recognised when the Board obtains control over the grant. The Board is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contribution of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

The Department of Regional NSW provided a subsidy through Consolidated Fund to the Board for assistance with its infrastructure program. This funding has expenditure constraints as per section 20 of the *Border Fence Maintenance Act 1921*.

d) Other income

	2022 $	2021 $
Insurance recovery	90,192	1,020,213
Other rebates and refunds	13,936	22,553
Rental income	1,840	1,940
	105,968	1,044,706

4. GAINS / (LOSSES) ON DISPOSAL

	2022 $	2021 $
Property, plant and equipment		
Proceeds from disposal	-	11,364
Less carrying amount of assets disposed	(32,050)	(12,197)
	(32,050)	(833)

5. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank and on hand	1,353,384	1,056,904

There is a restriction on the use of cash and cash equivalents under section 20 of the *Border Fence Maintenance Act 1921* of $1,353,384 (2021 - $1,056,904).

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

	2022 $	2021 $
Cash and cash equivalents (per Statement of Financial Position)	1,353,384	1,056,904

Refer Note 19 for details regarding credit risk and market risk arising from financial instruments.

6. CURRENT ASSETS – RECEIVABLES

	2022 $	2021 $
Rates receivable	56,819	23,886
Less: Allowance for expected credit loss	-	-
	56,819	23,886
Other receivables	54,304	58,484
GST receivable	39,345	57,805
	150,468	140,175

6. CURRENT ASSETS – RECEIVABLES (Continued)

Breakdown of receivable are:

	2022 $	2021 $
0 – 2 years in arrears	135,176	123,392
More than 2 years in arrears	15,292	16,783
	150,468	140,175

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 19.

Recognition and Measurement

All "regular way" purchases or sales are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent Measurement

The Board holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Board considers all debts to be recoverable due to legislation allowing debts to be collected on sale of property, therefore, allowance for expected credit loss is not required.

7. CURRENT ASSETS – INVENTORIES

	2022 $	2021 $
Held for distribution		
Fencing material - at cost	492,579	388,990
Fuel - at cost	27,322	32,542
	519,901	421,532

Recognition and Measurement

Inventories are held for distribution and are measured at cost, adjusted for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost at the date of acquisition. Current replacement cost is the cost the Board would incur to acquire the asset.

	2022 $	2021 $
8. CURRENT - OTHER FINANCIAL ASSETS		
Financial assets at amortised cost	1,091,505	1,085,741

There is a restriction on the use of investments under section 20 of the *Border Fence Maintenance Act 1921* of $1,091,505 (2021 - $1,085,741).

Refer to Note 19 for further information regarding fair value measurement, credit risk and market risk arising from financial instruments.

Recognition and Measurement

All "regular way" purchases or sales of other financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of other financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

Other financial assets are initially measured at fair value plus any transaction costs.

Subsequent Measurement

Financial assets at amortised cost

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest.

Impairment

The Board's deposits are issued by financial institutions that have strong credit ratings and therefore considered to be low risk credit investments. Hence the Board measures the loss allowance for term deposits at an amount equal to 12-month expected credit losses. As the Board has never experienced a loss history with term deposits and does not anticipate losses in the future, there is no impairment for other financial assets.

	2022 $	2021 $
9. CURRENT - OTHER ASSETS		
Prepayments	41,704	37,592

10. PROPERTY, PLANT AND EQUIPMENT

	2022 $	2021 $
Dog fence - at fair value	7,511,700	7,511,700
Net carrying amount	7,511,700	7,511,700
Leasehold improvements		
- at fair value	542,200	438,500
Less: accumulated depreciation	(22,271)	-
Net carrying amount	519,929	438,500
Buildings		
- at fair value	1,931,010	1,968,600
Less: accumulated depreciation	(119,621)	-
Net carrying amount	1,811,389	1,968,600
Heavy machinery		
- at fair value	840,378	761,515
Less: accumulated depreciation	(67,049)	-
Net carrying amount	773,329	761,515
Motor vehicles		
- at fair value	737,244	710,229
Less: accumulated depreciation	(462,631)	(392,295)
Net carrying amount	274,613	317,934
Total property, plant and equipment	10,890,960	10,998,249

Buildings are constructed on crown land.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 20.

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

2022	Dog Fence	Leasehold Improvements	Buildings	Heavy Machinery	Motor Vehicles	Total
Balance at 1 January 2022	7,511,700	438,500	1,968,600	761,515	317,934	10,998,249
Transfers	-	103,700	(103,700)	-	-	-
Additions	-	-	66,110	78,863	69,277	214,250
Disposals	-	-	-	-	(32,050)	(32,050)
Depreciation expense	-	(22,271)	(119,621)	(67,049)	(80,548)	(289,489)
Balance at 31 December 2022	7,511,700	519,929	1,811,389	773,329	274,613	10,890,960

2021	Dog Fence	Leasehold Improvements	Buildings	Heavy Machinery	Motor Vehicles	Total
Balance at 1 January 2021	6,102,800	404,580	1,696,647	99,334	210,121	8,513,482
Additions	-	-	-	237,100	179,558	416,658
Revaluation increment	1,408,900	58,151	378,206	461,845	-	2,307,102
Disposals	-	(8,872)	-	(3,325)	-	(12,197)
Depreciation expense	-	(15,359)	(106,253)	(33,439)	(71,745)	(226,796)
Balance at 31 December 2021	7,511,700	438,500	1,968,600	761,515	317,934	10,998,249

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently valued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Assets acquired at no cost, or for nominal consideration, are initially measured at their fair value at the date of acquisition.

Capitalisation thresholds

Outgoings in respect of buildings will be treated as maintenance expenditure in the year in which they are incurred.

All expenditure in respect of the fence is to be treated as maintenance expenditure for the year in which it is incurred. The fence is not depreciated, as the loss in service potential is not normally in excess of that which maintenance can restore.

The capitalisation threshold for all other property, plant and equipment is $5,000.

Depreciation

The Board made an assessment of useful life of its property, plant and equipment during the year. The Board accepted the useful life provided by the valuers in relation to buildings and leasehold improvements. The useful life of heavy machinery and motor vehicles remained consistent from the prior year.

The depreciation rates used for each class of depreciable assets are:

Class of Property, Plant and Equipment	*Depreciation Rate*
Dog fence	0%
Buildings	2.5% - 10%
Heavy machinery	7.5% to 30%
Leasehold improvements	2.5% - 10%
Motor vehicles	10% to 30%

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 21-09). This policy adopts fair value in accordance with AASB 13 and AASB 116.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. This highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. After taking into account these considerations, the highest and best use is the existing use.

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Revaluation of property, plant and equipment (Continued)

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant inputs and minimise unobservable inputs.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset class does not materially differ from its fair value at reporting date. The Board conducts a comprehensive valuation every five years and desktop valuation after three years of the cycle.

The dog fence has been included in the statement of financial position at $7,511,700 being the Aspect Property Consultant's comprehensive valuation of 31 December 2021. The valuation was performed by Registered Valuers. The valuation was made on a written down replacement cost basis for this asset, which is considered non-specialised in nature.

The significant assumptions applied in estimating the written down replacement cost of the dog fence were:

- Utilised section of the dog fence is 584 kilometres in length;
- Cost of new fencing has been estimated at $24,500 per kilometre, based on $16,500 for materials and $8,000 for labour;
- Estimated total life of 40 years, with an estimated remaining useful life of 21 years.

The Board's buildings and leasehold improvements were revalued by Aspect Property Consultants at 31 December 2021 based on written down replacement costs. Heavy equipment was also revalued as part of this comprehensive valuation at fair value based on market value.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously being revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the cost of disposal are material.

The Board assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment of property, plant and equipment (Continued)

Board estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's carrying amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that the impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

11. CURRENT LIABILITIES - PAYABLES

	2022 $	2021 $
Trade creditors and other accruals	166,488	95,293
PAYG payable	10,118	12,509
Superannuation payable	8,168	8,777
	184,774	116,579

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 19.

Recognition and measurement
Payables represent liabilities for goods and services provided to the Board. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method.

12. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2022 $	2021 $
Personnel services provision to Department of Regional NSW	207,519	183,214
Aggregate employee benefits and on-costs		
Personnel services – current	196,096	166,183
Personnel services – non-current	11,423	17,031
	207,519	183,214

12. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS (Continued)

Recognition and measurement
Provision is made for the Board's liability for employee entitlements arising from personnel services rendered by employees to reporting date. Personnel services provision expected to be settled within one year have been measured at their nominal value. Other personnel services provision expected to be settled later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Board to employee superannuation funds and are charged as expenses when incurred.

13. RESERVES

	2022 $	2021 $
Asset revaluation reserve at the beginning of the financial year	9,206,319	6,899,216
Revaluation gains / (losses)	-	2,307,103
Asset revaluation reserve at the end of the financial year	9,206,319	9,206,319

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Board's policy on the revaluation of property, plant and equipment as discussed in Note 10.

The asset revaluation reserve relates to the dog fence, leasehold improvements, buildings and heavy machinery.

14. CAPITAL COMMITMENTS

The Board has capital commitments as at 31 December 2022 of $434,500 within the next 12 months (2021 - $24,750).

15. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The NSW Government has committed to extending the NSW Border Wild Dog Fence by 742km at an estimated cost of $37.5 million. The construction of the new fence commenced during the 2020 year, with approximately 15km of fence as at 31 December 2022 with no new works undertaken during the year. Construction of the fence is project managed and controlled by the NSW Soil Conservation Service.

On completion of the entire fence and amendments to relevant legislation, control and responsibility for maintaining the fence will transfer to Border Fence Maintenance Board. At this time a contributed asset will be recognised by BFMB based on the fair value of the asset transferred.

16. SERVICES PROVIDED BY DEPARTMENT OF REGIONAL NSW

Services provided for the Board in 2022 primarily associated with the issuing of rate notices, debtor records maintenance and outstanding rate collection has been estimated by Department of Regional NSW to total $43,409 ($42,270 in 2021).

This service has been recognised as revenue with an offset expense.

17. CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with deficit from operations

	2022 $	2021 $
Net result for year	215,229	566,006
Depreciation	289,489	226,796
(Gain)/loss on disposal of assets	32,050	833
(Increase)/decrease in receivables	(10,293)	(6,045)
(Increase)/decrease in inventories	(98,369)	32,014
(Increase)/decrease in other assets	(4,112)	(28,271)
Increase/(decrease) in payables	68,195	(72,614)
Increase/(decrease) in provisions	24,305	(15,243)
Net cash flows from operating activities	516,494	703,476

18. RELATED PARTY TRANSACTIONS

Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the Board, directly or indirectly, including any director of the Board, is considered key management personnel.

The totals of remuneration paid to key management personnel of the Board during the year are as follows:

	2022 $	2021 $
Short term benefits	94,368	98,429
Post employment benefits	8,822	9,071
	103,190	107,500

Transactions with Related Parties

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

19. FINANCIAL INSTRUMENTS

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations. The Board does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Board has overall responsibility for establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a continuous basis.

a) Financial instrument categories

Class	Category	2022 $	2021 $
Financial Assets			
Cash and cash equivalents	Amortised cost	1,353,384	1,056,904
Receivables (1)	Amortised cost	111,123	82,370
Other financial assets	Amortised cost	1,091,505	1,085,741
Total Financial Assets		2,556,012	2,225,015
Financial Liabilities			
Payables (2)	measured at amortised cost	166,488	95,293
Total Financial Liabilities		166,488	95,293

1. Excludes statutory receivables and prepayments (not within the scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within the scope of AASB 7).

The Board determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

b) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Board transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either:

- the Board has transferred substantially all the risks and rewards of the asset; or
- the Board has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

19. FINANCIAL INSTRUMENTS (Continued)

b) Derecognition of financial assets and financial liabilities (Continued)

When the Board has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Board has neither transferred or retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Board's continuing involvement in the asset. In that case, the Board also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Board has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Board could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

d) Financial risks

i) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Board.

The Board does not have any material credit risk exposures as the major source of revenue is the receipt of grants and statutory collectable rates. Credit risk is further mitigated as all of the grants being received from state and federal governments are in accordance with funding agreements which ensure regular funding for a period.

Credit risk arises from the financial assets of the Board, including cash, receivables and authority deposits. No collateral is held by the Board. The Board has not granted any financial guarantees.

Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits are held with major Australian Banks.

The Board considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Board may consider a financial asset to be in default when internal or external information indicates that the Board is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

19. FINANCIAL INSTRUMENTS (Continued)

d) Financial risks (Continued)

i) Credit risk (Continued)

Cash and cash equivalents
Cash comprises cash on hand and bank balances with a major Australian Bank. Interest is earned on a daily basis.

Receivables
Collectability of trade receivables is reviewed on an ongoing basis. Procedures are established to recover outstanding amounts.

The Board considers all debts to be recoverable due to legislation allowing debts to be collected on sale of property, therefore, allowance for expected credit loss is not required.

Other financial assets
The Board has term deposits with a major Australian Bank for a fixed term. These term deposits are considered low credit risk and no loss allowance has been recognised.

ii) Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations as they fall due. The Board manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assts.

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Board. Creditors are normally settled within normal trading terms and no interest is incurred on these accounts.

The table below summarises the maturity profile of the Board's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	Floating Interest Rate $	Fixed Interest Less than 1 Year $	Non-Interest Bearing $	Total $	Weighted Average Effective Interest Rate %
2022					
Payables (1)	-	-	166,488	166,488	N/A
2021					
Payables (1)	-	-	95,293	95,293	N/A

1. Excludes statutory payables and unearned revenue (not within the scope of AASB 7).

19. FINANCIAL INSTRUMENTS (Continued)

d) Financial risks (Continued)

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at 31 December 2022. The analysis is performed on the same basis as for 2021. The analysis assumes all other variables remain constant.

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Board is also exposed to earnings volatility on floating rate instruments. Interest rate risk is managed with a mixture of fixed and floating rate debt. At 31 December 2022, the Board had no debt. (2021 - $Nil)

The Board's exposure to interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate as a result of changes in market interest rates.

The Board has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results from a change in the risk.

At reporting date, if interest rates had been 1% higher or lower, the Board's result for the year and the equity at reporting date would have increased or decreased by $22,938 (2021 - $19,934).

20. FAIR VALUE MEASUREMENT

The Board measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Property, plant and equipment.

The Board does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a) Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

20. FAIR VALUE MEASUREMENT

a) Fair Value Hierarchy (Continued)

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined by using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Board selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Board are consistent with one or more of the following valuation approaches.

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Board gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Board's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

20. FAIR VALUE MEASUREMENT

a) Fair Value Hierarchy (Continued)

2022	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Dog fence	10	-	-	7,511,700	7,511,700
Leasehold improvements	10	-	-	519,929	519,929
Buildings	10	-	-	1,811,389	1,811,389
Heavy machinery	10	-	773,329	-	773,329
Motor vehicles	10	-	274,613	-	274,613
Total non-financial assets recognised at fair value		-	1,047,942	9,843,018	10,890,960

2021	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Non-financial assets					
Dog fence	10	-	-	7,511,700	7,511,700
Leasehold improvements	10	-	-	438,500	438,500
Buildings	10	-	-	1,968,600	1,968,600
Heavy machinery	10	-	761,515	-	761,515
Motor vehicles	10	-	317,934	-	317,934
Total non-financial assets recognised at fair value		-	1,079,449	9,918,800	10,998,249

There were no transfers between levels for assets measured at fair value on a recurring basis during the reporting period (2021: no transfers).

20. FAIR VALUE MEASUREMENT (Continued)

b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair value at 31 December 2022 $	Valuation Technique(s)	Inputs Used
Non-financial assets			
Dog fence	7,511,700	Depreciated cost approach – Valuation by Aspect Property Consultants	Price of labour and fencing products, condition assessment, estimated useful life
Leasehold improvements	519,929	Depreciated cost approach – Valuation by Aspect Property Consultants	Construction costs, condition assessment, estimated useful life
Buildings	1,811,389	Depreciated cost approach – Valuation by Aspect Property Consultants	Construction costs, condition assessment, estimated useful life
Heavy machinery	773,329	Market approach using recent observable market data for similar machinery	Price per machine
Motor vehicles	274,613	Depreciated cost	Cost per vehicle, estimated useful life
	10,890,960		

Dog Fence, Leasehold Improvements and Buildings

The Dog fence, leasehold improvements and buildings were comprehensively valued by Aspect Property Consultants in December 2021. Aspect Property Consultants is a professional independent valuation organisation which has no direct or indirect relationship with the Board, other than to undertake the valuation. The valuation was based on the written down replacement cost method.

Heavy Machinery

Heavy machinery was valued by Aspect Property Consultants in December 2021. The valuation was based on market value.

Motor Vehicles

Motor vehicles are valued at depreciated replacement cost. The carrying amount of these assets represents the approximate fair value.

There were no changes during the period in the valuation techniques used by the Board to determine Level 2 fair values.

21. EVENTS OCCURRING AFTER THE BALANCE DATE

There were no matters or circumstances have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Board, the results of those operations, or the state of affairs of the Board in future financial years.

End of audited financial statements