

West Beach Trust Annual Report 2018-19



Government of South Australia
West Beach Trust

West Beach Parks
holiday · sport · adventure

West Beach Trust

The West Beach Trust is a South Australian Government Statutory Authority created to manage the West Beach Recreation Reserve. The West Beach Trust operates as West Beach Parks. Facilities include:

- BIG4 West Beach Parks
- West Beach Parks Resort
- West Beach Parks Boat Haven
- West Beach Parks Football Centre
- West Beach Parks Diamond Sports
- West Beach Parks Golf
- West Beach Parks Sporting Reserves
- The Shack at West Beach Parks
- West Beach Parks Skate and BMX Park
- West Beach Coastal Park

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1. CHAIR'S REPORT

2018-19 Report from the Chair

Dear Minister

After a decade of continued expansion, West Beach Parks experienced a much-needed year of consolidation in 2018-19. A number of major works projects were completed, our re-brand was launched and promoted in a nationwide campaign, long-term partnership negotiations were concluded and important new services were introduced.

We are proud that over 60 years West Beach Parks has grown into an iconic South Australian tourism, sport and leisure precinct. Our 135-hectare coastal site now encompasses a holiday park, resort, two golf courses, adventure activities, sporting fields and boating marina that attracted more than 700,000 visitors in the last year.

Investment

Continually investing in contemporary facilities enables us to remain relevant in what is an increasingly competitive national tourism market. The key project completed in the last year was the construction of the AquaCove at the Resort, a \$2.2 million aquatic facility opened in October 2018. This involved the construction of a new 25m long by 10m wide main swimming pool with dual water slides and play equipment. The new pool surrounds include an exposed aggregate concrete concourse, a timber deck area and amphitheatre and a LED screen.

We also continued our long-term commitment to refurbish and revitalise our cabins across both the Resort and Holiday Park.

Brand

Our name change from Adelaide Shores to West Beach Parks and the striking new brand identity was launched at the beginning of the 2018-19 financial year. A proactive advertising, public relations and social media campaign during the year has helped to reinforce our point of difference as an integrated holiday, sport and adventure offering. This marketing commitment will continue in 2019-20 to ensure we grow our share of the market and compete strongly for the tourism and recreation dollar.

Partnerships

As a community trust, we work energetically to build positive relationships with sporting and recreation organisations. During 2018-2019 we continued to develop partnerships with the SA Department for Education hosting its SAPSASA carnivals; we hosted the State Softball championships and in September we will once again provide the starting gate for the Bay to Birdwood Run and Classic events.

These mass participation events bring guests from all over Australia to use our accommodation and leisure facilities, establishing long-term ambassador relationships.

In 2018 we opened the West Beach Parks Sports Hub, providing administration facilities for three foundation tenants – Triathlon SA, Rugby Union SA and the Australian International Pedal Prix. During the year we were delighted to attract two additional tenants: leisure management provider Belgravia Leisure and NDIS Support Co-ordination organisation, I Can Jump Puddles. This is a new revenue source and also grows our relationship with sports groups in SA.

Golf

After 13 years at West Beach Golf Parks, Peter Ormsby retired from running the Golf Pro Shop in February 2019. This provided an opportunity for West Beach Parks to take over running of the Pro Shop, Driving Range and Golf Academy and review the customer offer.

After a brand refresh and a focus on delivering a more contemporary customer experience we are already seeing an increase in bookings from social groups as well as committed competition golfers. During 2019-20 we aim to position West Beach Parks as the leading public golf course in SA and attract more interstate and country golf groups, as well as build the local competition.

Environment

A commitment to sustainability is now an essential component of every organisation's corporate governance and at West Beach Parks we take our environmental responsibility seriously. A key project completed in 2018-2019 was the installation of LED lighting in cabins, solar bollards and street lights. This, along with the commissioning of a new 30KW solar system in the Holiday Park, will help to reduce our energy costs and carbon footprint.

As the custodians of a pristine strip of coastal land, we also continue to work closely with Department of Environment and Water to manage the buildup of seagrass at the boat harbor and assist with the management of sand erosion at West Beach.

Foundations for the Future

This year of consolidation has enabled us to build a strong foundation for the future. The growth in the Baby Boomer travel market, the demand from younger travellers for diverse adventure experiences, the increasing accessibility of overseas travel and the proliferation of corporate leisure and recreation parks are just some of the competitive trends that West Beach Parks will need to address in 2019-2020.

Our experienced Board, vibrant management team and committed staff are enthusiastic about meeting these ongoing challenges. We look forward to delivering our promise of outstanding visitor experiences, state of the art sport and recreation facilities and world-class leisure attractions on behalf of the West Beach Trust.



Jane Jeffreys
Chair

2. SUMMARY OF ACHIEVEMENTS 2018-19

Visitor Numbers

- Attracted more than 700,000 visitors to the precinct
- Generated 110,055 bed nights.

Financial Results

- Earned income of \$17.0 million from accommodation, boating, reserves, golf and other trading activities
- Accommodation revenue of \$13.1 million
- Generated a cash surplus of \$2.68 million

Precinct Activity

- Continued to grow the new Sports Hub. The Sports Hub is home to administration facilities for five tenants: Triathlon SA, Rugby Union SA, Australian International Pedal Prix, Belgravia Leisure and I Can Jump Puddles
- Welcomed new tenant "The Studio" Personal Training.
- Completed the Resort's new aquatic facility AquaCove. The already popular facility opened in October 2018
- Assumed operation of the Pro Shop as of 1 February 2019. Previous tenant, Mr Peter Ormsby retired
- Hosted numerous community events, including Bay to Birdwood, Australian Prison Officers Golf Championships; School Sport SA carnivals (SAPSASA – Softball, Football and Australian Football); Australian Sharpie Nationals Regatta (Sailing); Adelaide Bite Baseball Series; Baseball SA State Grand Final Series; Primary School Golf State Championships; National Baseball Junior League Championships; and State Softball Championships.

Business Strategy

- Embedded the new *West Beach Parks* brand
- Launched an internal Customer Service Strategy and Charter
- Launched a new Reward and Recognition Framework for our employees
- Developed a new Strategic Plan 2020-2023 for Minister for Planning approval

Corporate Social Responsibility

- Provided 60 product donations to schools, sports, charity and community groups
- Organised and hosted a Charity Slumber Party at the BIG4 Holiday Park in December 2018. West Beach Parks engaged and partnered with four children's charities (Camp Quality, Make A Wish Foundation, Variety the Children's Charity and Puddle Jumpers). Families from each charity enjoyed an overnight stay in the Beach House cabins.

Environmental Activity

- Continued to roll out key actions of the *Environmental Sustainability Plan 2017-2020*
- Partnered with Adelaide and Mount Lofty Natural Resources Management Board to monitor the water levels and flow within the Patawalonga catchment area
- Worked with Adelaide Airport Limited to develop wildlife and environmental management strategies
- Continued to work with the Department for Environment and Water to manage sand dune erosion, plant seedlings and install jute matting
- Completed several utility reduction initiatives across the Resort and Holiday Park including:
 - Installation of new LED external lighting scheme
 - New solar bollards
 - One new 30kw solar system installed on block 4 amenities
 - Installation of new instantaneous hot water systems on 23 Dune cabins. Removal of hot water storage tanks
 - Installation of 17 new solar streetlights along coastal beach path to increase lighting and enhance guest safety
 - Installation of more than 10 tonnes of mulch to reduce precinct watering requirements
 - Replacement of old light fittings with new LED lighting schemes throughout the precinct
 - Investigated opportunities to install a voltage stabiliser system across both properties. The system will potentially save \$20,000 per annum against electricity usage. This will be trialled in the Holiday Park 2019-20.

3. INTRODUCTION

This Annual Report describes the functions and operations of the West Beach Trust, trading as West Beach Parks. It presents Audited Financial Statements for the year ended 30 June 2019 and includes information about the Trust and the management of resources under its control. It is submitted in accordance with the *Public Sector Act 2009*, the *Public Finance and Audit Act 1987* and the *West Beach Recreation Reserve Act 1987*.

4. ROLE AND LEGISLATION

The West Beach Trust is the statutory authority responsible for the management and development of the West Beach Recreation Reserve lands and environment. The West Beach Trust trades and is marketed as West Beach Parks.

The Trust is managed by a Board. The Board is under the control and direction of the Minister for Planning.

The *West Beach Recreation Reserve Act 1987* requires the Trust to:

- Administer and develop the Reserve as a:
 - sporting, cultural and recreational complex of State-wide significance
 - tourist attraction and resort
- Promote and encourage the use and enjoyment of the Reserve by the public
- Care for, control and manage the sand dune and foreshore subject to the *Coast Protection Act 1972*.

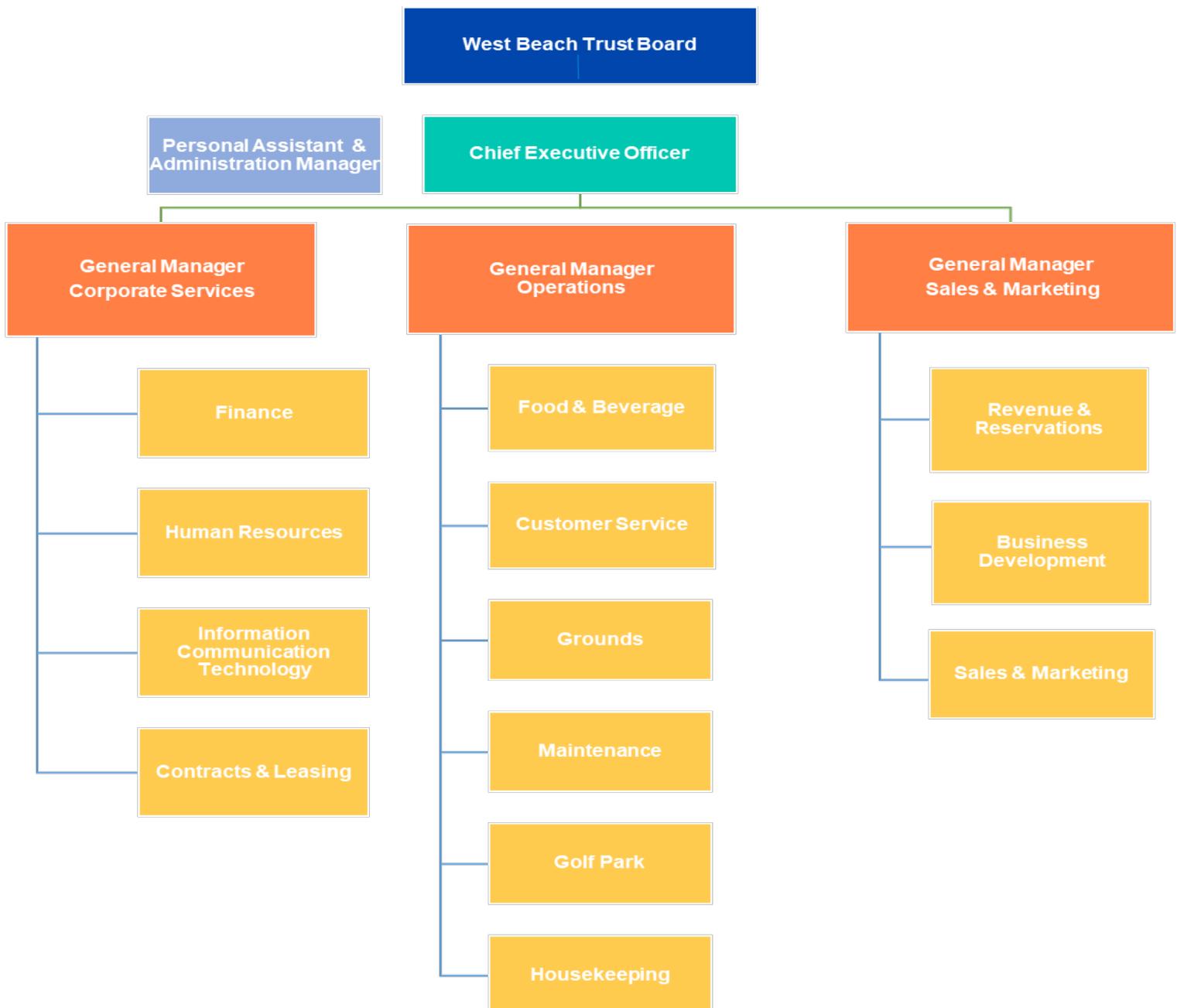
The Act also requires the Minister to approve:

- A Charter that sets out the South Australian Government's strategic objectives, priorities and requirements for the Trust each year
- An annual Performance Agreement that identifies key financial and operational targets
- A Strategic Plan that outlines the long-term direction of the Trust
- An Annual Business Plan that provides short-term annual strategies and targets, and identifies the resources needed to meet the Charter and Performance Agreement.

5. STRUCTURE

Organisational structure

The West Beach Trust is responsible to the Minister for Planning. The Minister appoints a Board of Directors in accordance with Section 7 of the *West Beach Recreation Reserve Act 1987*. The Board has established a schedule of Delegations of Authority to the Chief Executive Officer and approved the following organisational structure as at 30 June 2019.



The total number of active employees at 30 June 2019 was 151. This equates to 97 full-time equivalent (FTE) positions. West Beach Parks has 70 casual employees. Casual employee hours depend on the season and activity levels within the precinct.

6. WEST BEACH PARKS VISION, PURPOSE AND VALUES

Our Vision

West Beach Parks is a world-class tourism, sport and recreation precinct providing exceptional leisure experiences.

Our Purpose

To develop, enhance and promote West Beach Parks for the benefit and enjoyment of the community and visitors.

Our Values

Ethics – we do the right thing

Respect – for our visitors and each other

Teamwork – we work together to create and deliver great visitor experiences

Accountability – we own our actions and behave responsibly

7. STRATEGIC ALLIANCES

West Beach Parks works closely with a wide range of industry organisations. Key alliances are maintained with the following organisations:

- Adelaide Airport Limited (AAL) – Purchased the operating leases for Adelaide and Parafield Airports in May 1998; West Beach Parks leases land from AAL for the Executive Golf Course, Diamond Sports and West Beach Parks Football Centre
- Adelaide and Mount Lofty Natural Resources Management Board – Aquifer Storage and Re-Use Scheme and management of waterways
- Adelaide Convention Bureau – Assistance with securing accommodation, golf and catering business from meetings and events
- Australian Golf Course Superintendents Association – Networking and industry advice on golf course maintenance and development
- Australian Tourism Export Council – Development of international distribution networks
- BIG4 Holiday Parks – West Beach Parks Holiday Park is a member of BIG4 and branded accordingly. Membership provides marketing, group buying power and valuable industry networks and knowledge
- Business SA – Provides advice, training and networking opportunities for South Australian businesses
- Caravan and Camping Industries Association of SA – The State association for the caravan and camping industry
- Caravan, RV and Accommodation Industry of Australia – Undertakes national marketing, research and lobbying for the caravan and motorhome industry
- The Cities of Charles Sturt, Holdfast Bay and West Torrens – A representative of each council sits on the West Beach Trust Board
- Crown Solicitor's Office – Provides legal advice to South Australian Government agencies.
- Department of Environment and Water (DEW) – The department's Coastal Protection Branch leads the management of South Australia's natural resources to protect our environment and support healthy and productive natural resources which sustain our wellbeing and economy
- Department of Planning, Transport and Infrastructure – (DPTI) Provides advisory and management services to assist with the maintenance, replacement, refurbishment or disposal of buildings
- Department of Treasury and Finance (DTF) – Provides economic, policy and financial advice to the South Australian Government, administers whole-of-government financial management processes, including preparation of the State Budget, and provides finance related services across government
- Events SA
- Golf Managers Australia – Networking and planning for golf course management
- Hotel Motel and Accommodation Association of Australia – Information and lobbying for the built accommodation industry
- Metropolitan Seaside Councils Committee – Coastal environmental issues
- Office for Recreation and Sport – Lead agency for the Government's policy on sport and active recreation
- Parks and Leisure Australia – Parks and reserves industry networking body
- Public Sector Workforce Relations – Human resources and industrial relations advice
- RESURG – Tourist park industry benchmarking and innovation groups
- SA Water – Supplier of recycled and potable water
- SA Parks – South Australian State caravan industry networks

- South Australian Financing Authority – Central financing authority for the South Australian Government
- Sport SA – Peak sports industry professional association providing industry advocacy, training and professional support to sporting bodies
- South Australian Research Development Industry (SARDI) – Environmental and eco-tourism initiatives
- South Australian Tourism Commission – Cooperative marketing and business development assistance
- South Australian Tourism Industry Council – Advocate and supporter of Industry who also provides business development assistance

Western Adelaide Consultative Group – An informal forum for information exchange – comprises the Cities of West Torrens, Charles Sturt, Holdfast Bay and Port Adelaide Enfield, Adelaide Airport Limited, West Beach Trust and the National Roads and Motorist's Association Board.

8. KEY OBJECTIVES

The *West Beach Parks 2018-19 Business Plan* supports the *West Beach Parks 2016-20 Strategic Plan*. The key objective of the Strategic Plan is to *develop, enhance and promote West Beach Parks for the benefit and enjoyment of the community and visitors.*

The Strategic Plan guides West Beach Parks as it strives to achieve the following strategic priorities:

- *One Destination* – To develop West Beach Parks as an integrated sport, recreation, tourism and leisure destination for all
- *Memorable Visitor Experience* – An exceptional visitor experience is at the heart of everything we do
- *Build our Brand* – Build our brand to position West Beach Parks as a leading leisure destination in Australia
- *Sustainable Business* – Maintain and enhance West Beach Parks for current and future generations.

The Strategic Plan dovetails into the *West Beach Parks Master Plan*. The Master Plan captures a long-term vision for the West Beach Recreation Reserve and strives to assist the South Australia Government achieve its priorities.

RESULTS OF KEY OBJECTIVES

Strategic Priority – One Destination

To develop West Beach Parks as an integrated sport, recreation, tourism and leisure destination for all

One of the key initiatives in the Strategic Plan is to create a home for sport and recreation in South Australia. In 2018, the Sports Hub opened with three tenants; Triathlon SA, Rugby Union SA and Australian International Pedal Prix. Throughout 2018-19, West Beach Parks attracted two additional organisations; I can Jump Puddles and Belgravia Leisure who now also reside in the West Beach Parks Sports Hub.

In April 2019, The Studio also joined West Beach Parks as a group personal training facility. Situated next to The Shack, this is an excellent addition to the Precinct and a great service for the community and West Beach Parks guests.

West Beach Parks continued to attract mass participation events to the precinct and hosted numerous community events. Events included Bay to Birdwood, Australian Prison Officers Golf Championships; School Sport SA carnivals (SAPSASA – Softball, Football and Australian Football); Australian Sharpie Nationals Regatta (Sailing); Adelaide Bite Baseball Series; Baseball SA State Grand Final Series; Primary School Golf State Championships; National Baseball Junior League Championships; and State Softball Championships.

Reinvestment in the precinct was a focus in 2018-19. A significant investment was the \$2.2 million construction of AquaCove. The Resort's new aquatic facility was opened in October 2018. West Beach Parks also completed its Cabin Refurbishment Strategy. The Strategy will be rolled out over the next five years.

RESULTS OF KEY OBJECTIVES

Strategic Priority – Memorable Visitor Experience

An exceptional visitor experience is at the heart of everything we do

In its mission to create memorable visitor experiences, the Trust embarked on several key initiatives in 2018-19.

West Beach Parks launched its Customer Service Charter in October 2018. A Strategy to embed the Charter within the organisation was immediately implemented and included several initiatives to remind employees of the Charter. All employees received a silver 'Thumbs Up' badge, which symbolises commitment to the delivery of the Customer Service Charter. External facilitators have also been onsite to train employees on excellent service delivery. This training forms part of the West Beach Parks' Annual Training Program. In addition to training, warm welcome and departure messages are displayed strategically on entrance and exit points throughout the precinct. The messages are designed to illustrate the importance and value West Beach Parks places on its team. This, in turn, will encourage the delivery of quality customer service.

The online High Five Reward and Recognition Program was introduced in November 2018. High Five provides the opportunity for all employees to recognise each other in areas of customer service, values and behaviours. Employees can recognise outstanding customer service by allocating a "Thumbs Up Award" at any point in time. In addition, there is a monthly "Thumbs Up Champion." The Champion receives a gold badge to recognise excellent customer service

Food and Beverage at the West Beach Parks Resort was reviewed in 2018-19. This review was part of the AquaCove project and included the summer trialling of several food and drink initiatives, such as food truck pop ups. The trials revealed that the Resort did not need a designated café onsite. A coffee machine has been installed in the Resort Reception area.

West Beach Parks is the second BIG4 facility to provide a Sensory Room. A Sensory Room is designed for families with a child or children on the Autism spectrum. The room has been developed in conjunction with experts and we are excited to offer this to our guests.

West Beach Parks also reviewed the Kids Club before peak season. Several new activities have been added to the Holiday Park schedule and, for the first time, kids club activities are available at the Resort. New activities include:

- Acting classes
- Hip Hop and cheerleading classes
- Live entertainment
- Wellness yoga
- Hair beading
- Hands on cooking classes
- Laser tag

The West Beach Parks brand was launched in June 2018 and a new website was built to reflect this. This provided a perfect opportunity to explore the feasibility of building a West Beach Parks app. The feasibility analysis concluded that a West Beach Parks app would add value not only to West Beach Parks but also tenants across the precinct. This capital project has been scheduled for development in 2019-20.

RESULTS OF KEY OBJECTIVES

Strategic Priority – Build our Brand

Build our brand to position West Beach Parks as a leading leisure destination in Australia

West Beach Trust, formerly trading as *Adelaide Shores*, was rebranded to *West Beach Parks* in June 2018. Fuller Brand and Communication worked with Administration to develop a new brand to position West Beach Parks as a leading holiday, sport and adventure destination in Australia.

The West Beach Parks brand has been very well received by staff, guests and our business stakeholders, with feedback being that the brand messaging, logo and imagery are a great reflection of all that is on offer at West Beach Parks.

An activation strategy for the brand commenced with a pre-launch period in early 2018 and continued into 2018-19 with the launch period.

The strategy had two key objectives:

1. Increase awareness of West Beach Parks – one park one offering

Put simply, people need to know West Beach Parks exists, or be reminded that it's a great place in Adelaide with a diverse range of holiday, sport and adventure activities. Awareness focuses on all markets, including local Adelaide market, regional South Australia, interstate visitors and the growing international market.

2. Attract new customers

The activation of the new brand presented a great opportunity to expand the existing customer base.

In the launch period the following initiatives were undertaken:

- The delivery of an advertising campaign to launch the new brand and identity to market. This campaign included: Radio, Digital, Social and Outdoor media.
- Production of summer themed photography
- Events were hosted with key stakeholders, tenants and staff between September and December 2018. The key objectives of each of these events was to reinforce the new brand:
 - BIG4 West Beach Parks 60th Birthday Celebration
 - Official Launch of the West Beach Parks Resort new aquatic facility
 - BIG4 West Beach Parks Charity Slumber Party
 - Public relations and media engagement
 - New signage across the precinct

The final launch phase will occur in the 2019-20 year and will include another advertising campaign into key markets.

A strategic objective for the 2018-19 year was to attract two new events to the precinct in off peak season. This was successfully completed. The Youth of Christ National Conference Australia will be at West Beach Parks Resort from 5 - 7 July 2019. Approximately 400 delegates will attend.

The South Australian Flying Disc Association (SAFDA) - Australian Ultimate Championships will also be held at West Beach in April 2020. There will be approximately 500 participants, all of which will require accommodation during the event.

RESULTS OF KEY OBJECTIVES

Strategic Priority – Sustainable Business

Maintain and enhance West Beach Trust for current and future generations

During 2018-19, People and Culture focussed on reviewing and implementing initiatives to support our employer brand.

A review of the Reward and Recognition Framework was undertaken in consultation with key internal stakeholders. This resulted in the introduction of a new online platform. High Five provides all employees an opportunity to recognise each other at any point in time for displaying exceptional customer service, values and behaviours. Access to the program is available 24/7 with a live recognition wall that displays every recognition. Employees accumulate points for rewards and can select reward options that are meaningful to them. This improves engagement levels across the business.

An annual Organisational Learning and Development Training Plan was developed to focus on customer service training, values, behavioural and competency-based learning. Customer Service Training was undertaken by all employees to embed the Customer Service Charter. Leadership training was held to upskill team leaders new to leadership positions and in-house WHS training programs continue to run annually, ensuring compliance with regulations and law.

A key focus on Environmental Sustainability continued in 2018-19 with many key initiatives completed:

- Stakeholder Engagement Register developed
- Inclusion of Environment into the internal working group DICEE (Deliver on Customer, Employees and Environment)
- Collection of utilities data to enable the setting of targets and quarterly board reporting
- Reviewed High Voltage Power Supply
- Introduced 'Tap n View' a new interactive on-line customer service compendium
- New electrical infrastructure installed to meet increasing electrical demands
- Introduced Pressreader and provided guests with complimentary access to more than 7000 newspapers and magazines
- New power heads installed with ability log power usage by site for the duration of stay

In 2018-19, the Board and Executive completed a strategic planning process for 2020 – 2023. The Board ran a Strategy workshop with an external facilitator to review the external and internal environment that the Trust operates in. The Executive then developed a draft framework that was reviewed by the Board. From there objectives and outcomes were developed. The Board endorsed the draft Strategic Plan in May 2019, for subsequent review and endorsement by the Minister for Planning.

Delivered a cash operating surplus of \$2.68m which is 0.9% increase on 2017-18.

9. APPENDICES – GOVERNMENT REPORTING REQUIREMENTS

Appendix 1: West Beach Trust Board of Directors

Appendix 2: West Beach Trust Board of Director's Attendance

Appendix 3: Audit

Appendix 4: Use of Consultants

Appendix 5: Overseas Travel

Appendix 6: Contracting Out Arrangements

Appendix 7: Human Resources Statistics

Appendix 8: Whistleblowers Protection Act 1993

Appendix 9: Freedom of Information Act 1991 Information Statement

Appendix 10: Public Complaints

Appendix 11: Financial Statements - *External Extract (pages 1-36)*

Appendix 12: Independent Auditors Report - *External Extract (pages 1-3)*

Appendix 1: West Beach Trust Board of Directors

The Board

As at 30 June 2019, the Board composition was:

Name	Role
Jane Jeffreys	<ul style="list-style-type: none">• Board (Chair)• Human Resources and Remuneration Sub-committee (Chair)
Leonie Boothby	<ul style="list-style-type: none">• Board (Deputy Chair)• Finance, Audit and Risk Sub-committee (Chair)• Human Resources and Remuneration Sub-committee
George Demetriou	<ul style="list-style-type: none">• Board• Sales and Marketing Sub-committee (Chair)
Rosemary Clancy	<ul style="list-style-type: none">• Board• Sales and Marketing Sub-committee
Tolley Wasylenko	<ul style="list-style-type: none">• Board• Finance, Audit and Risk Sub-committee
Deborah Black	<ul style="list-style-type: none">• Board• Sales and Marketing Sub-committee
Patricia Christie	<ul style="list-style-type: none">• Board• Finance, Audit and Risk Sub-committee

Appendix 2: West Beach Trust Board of Director's Attendance

The number of Board meetings attended by Directors of the entity during the 2018-19 financial year was:

July 2018 – June 2019		
Board Members	Number of meetings held while in office	Number of meetings attended
Jane Jeffreys (Chair)	8	8
Leonie Boothby (Deputy Chair)	8	7
George Demetriou	8	7
Rosemary Clancy	8	7
Tolley Wasylenko	8	8
Deborah Black	8	7
Patricia Christie	8	7
Treasurer's Representative	8	4

Appendix 3: Audit

The West Beach Trust is committed to maintaining a working environment free of fraud and corrupt behaviour. The Trust reports annually to the Auditor-General who conducts both an interim and annual financial statement audit.

The Board's Finance, Audit and Risk Sub-committee works to ensure the Trust maintains effective internal compliance and minimise the likelihood of fraud or corruption.

The specific functions of the Sub-committee include:

- Review of annual financial statements to ensure they provide a true and fair view of the Trust's state of affairs
- Liaison with external auditors on matters concerning the conduct and outcome of annual audits of the Trust
- Ensuring appropriate Governance Frameworks are in place and determine, in consultation with external auditors, effective and efficient internal and external audit procedures
- Review of the adequacy of the accounting, reporting and other financial management systems and practices of the Trust.

During 2018-19 there were no instances of fraud detected.

Appendix 4: Use of Consultants

The West Beach Trust engaged eight consultants to the value of \$24,182.50 in the 2018-19 year.

Appendix 5: Overseas Travel

Destination/s	Reason/s for Travel	Number of Employees	Total Cost
China	IAAPA Conference & Trade Show	1	\$6845

Appendix 6: Contracting Out Arrangements

In 2018-19, the West Beach Trust did not enter into any contractual arrangements with the private sector for the delivery of public services or the provision of public infrastructure where the total value of the contract exceeded \$4 million.

Refer to the South Australian Tenders and Contracts website for additional information:

<https://www.tenders.sa.gov.au/tenders/index.do>

Appendix 7: Human Resources Statistics

Headcount and full-time equivalent (FTE)				
	Female	Male	Other	Total
Headcount	107	44	0	151
FTE	63.32	34.49	0	97.81

Number of employees by age bracket by gender				
Age Bracket	Female	Male	Other	Total
15-19	10	6	0	16
20-24	13	3	0	16
25-29	12	5	0	17
30-34	11	3	0	14
35-39	13	7	0	20
40-44	19	2	0	21
45-49	12	5	0	17
50-54	11	6	0	17
55-59	2	2	0	4
60-64	2	3	0	5
65+	2	2	0	4
TOTAL	107	44	0	151

Number of employees with disabilities				
Female	Male	Other	Total	% of Agency
2	1	0	3	2%

Number of executives by gender, classification and status											
Classification	Ongoing		Term Tenured		Term Untenured		Total				
	Male	Female	Male	Female	Male	Female	Male	%	Female	%	Total
EXEC0A	1	2	1	2	0	0	1	33%	2	67%	100%

Leave	
Leave type	2018-19
Sick and family carer's leave	654.2
Average sick leave days	6.17

Performance Development	
Employees review status	% of total workforce
A review within the past 12 months	100%
A review older than 12 months	0%
No review	0%

Training and Development	
	Total cost
Total training and development expenditure	\$49,865
Total leadership and management development expenditure	\$4,947

Work Health, Safety and Injury Management

West Beach Parks' staff continued a commitment to safety excellence and to remaining injury free. Several proactive health programs to support staff wellbeing were launched or continued.

West Beach Parks continued to implement the initiatives included in the *2016-20 Health, Safety and Wellbeing Initiative Action Plan* to further enhance *WHS Management Plan* and culture.

During 2018-19 the following WHS programs took place:

- Take Charge Health and Wellbeing Program that included:
 - *Health screens and flu vaccinations*
 - *Pedometer challenge*
 - *Onsite massages*
 - *Fruit baskets*
 - *Skin cancer checks*
 - *Onsite seminars on Health and Wellbeing topics*
- Access to free Employee Assistance Program
- Annual mandatory WHS training program i.e. first aid, manual handling
- Bi-monthly WHS Committee meetings
- Monthly workplace audit inspections
- Participation in National Safework Month workshops

Work health and safety prosecutions, notices and corrective action taken in 2018-19	
Number of notifiable incidents pursuant to WHS Act Part 3	2
Number of notices served pursuant to <i>WHS Act</i> s90, s191 and s195 (default, improvement and prohibition notices)	0
Number of prosecutions pursuant to <i>WHS Act</i> Part 2 Division 5	0
Number of enforceable undertakings pursuant to <i>WHS Act</i> Part 11	0

Agency gross workers compensation expenditure for 2018-19 compared with 2017-18	
Year	Expense
2017-18	\$58,983
2018-19	\$79,628

Disability Access and Inclusion Plan

As part of our commitment to meeting the needs of people with a disability, we:

- Provide support and necessary resources to allow employees who returned to work from injury to fulfil their roles
- Manage all injury management claims in accordance with equity and diversity principles, and ensured all return-to-work, alternate duties and rehabilitation plans are supported by appropriate policies and standards
- Ensure business activities and supporting procedures do not discriminate against people with disabilities
- Maintain relationships with community groups to provide opportunities for people with disabilities to be actively involved in social, cultural and sporting activities and experiences
- Organise workplace modifications and support for individual staff as required.

Appendix 8: *Whistleblowers Protection Act 1993*

A responsible officer was appointed by the West Beach Trust, for the purposes of the *Whistleblowers Protection Act 1993* (WPA) pursuant to Section 7 of the *Public Sector Act 2009*. There have been no instances of disclosure of public interest information to a responsible officer of the Trust under the WPA.

Appendix 9: Freedom of Information Act 1991 Information Statement

During the year ended 30 June 2019, the West Beach Trust received no requests for information under the *Freedom of Information Act 1991* (FOI Act).

Documents and publications held include:

- Annual Report
- Business Plan
- Charter
- Mission/Vision statement
- *Environmental Sustainability Plan 2017-2020*
- *Strategic Plan 2016-2020*
- Files on development projects and general management
- Personnel files.

Access to documents

Requests under the FOI Act for access to documents in the possession of the West Beach Trust should be directed via email FOI@westbeachparks.com.au or in writing to:

Chief Executive Officer
West Beach Trust
PO Box 69
GLENELG SA 5045

Access to documents can be arranged between 9:00am and 5:00pm, Monday to Friday, at the West Beach Parks Corporate Services office, Military Road, West Beach, or by contacting the office on (08) 8355 7300.

An application fee of \$35.00* applies to all FOI requests from 1 July 2018. Additional charges may apply in some instances, as listed in the South Australian Government's current *Freedom of Information (Fees and Charges) Regulations 2003* at the time of the request.

**If you hold a current concession card such as a health care card or pension card, then you do not have to pay any fees or charges under freedom of information. Proof of the concession card may be required when you lodge your application with the relevant state government agency, minister, local council or state university.*

Appendix 10: Public Complaints

The West Beach Trust actively seeks customer feedback through a variety of mechanisms, including:

- Online surveys
- Written and verbal interaction with customers
- BIG4 franchisee arrangements.

In 2018-19, four written complaints were received through the BIG4 franchise agreement from a total of 110,055 bed nights during the year. All feedback was addressed and responded to in a timely and effective manner.

Appendix 11: Financial Statements - *External Extract* (pages 1-36)

West Beach Trust

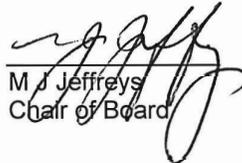
Certification of the Financial Statements

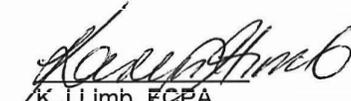
We certify that the attached general purpose financial statements for the West Beach Trust:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Trust; and
- present a true and fair view of the financial position of the Trust as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Trust for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.


K L Williams
Chief Executive Officer


M J Jeffreys
Chair of Board


K J Limb, ECFA
General Manager
Corporate Services

Dated 3.9.19

West Beach Trust

Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<u>Income</u>			
Revenues from fees and charges	4.1	16,902	16,652
Interest revenues	4.2	3	8
Net gain from the disposal of non-current assets	4.3	-	34
Other income	4.4	142	116
Total income		17,047	16,810
<u>Expenses</u>			
Employee benefits expenses	2.3	7,636	7,450
Supplies and services	3.1	6,257	6,217
Depreciation and amortisation	3.2	2,738	2,579
Borrowing costs	3.3	365	333
Net loss from the disposal of non-current assets	4.3	1	-
Other expenses	3.4	125	254
Total expenses		17,122	16,833
Net result from providing services		(75)	(23)
<u>Revenues from /(payments to) SA Government</u>			
Revenues from SA Government	4.5	969	913
Payments to SA Government	4.5	(969)	(913)
Net result		(75)	(23)
<u>Other Comprehensive Income</u>			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus	8.1, 11.2	8,292	-
Total other comprehensive income		8,292	-
Total comprehensive result		8,217	(23)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

West Beach Trust

Statement of Financial Position As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	458	1,392
Receivables	6.2	329	246
Inventories	5.3	58	25
Total current assets		845	1,663
<u>Non-current assets</u>			
Property, plant and equipment	5.1	93,796	85,620
Intangible assets	5.2	279	329
Total non-current assets		94,075	85,949
Total assets		94,920	87,612
<u>Current liabilities</u>			
Payables	7.1	972	1,435
Fees received in advance	7.2	1,492	1,430
Borrowings	7.3	511	490
Employee benefits	2.4	437	542
Total current liabilities		3,412	3,897
<u>Non-current liabilities</u>			
Payables	7.1	100	92
Borrowings	7.3	8,406	8,948
Employee benefits	2.4	949	839
Total non-current liabilities		9,455	9,879
Total liabilities		12,867	13,776
Net assets		82,053	73,836
<u>Equity</u>			
Retained earnings		20,432	20,507
Asset Revaluation Surplus	8.1	61,621	53,329
Total equity		82,053	73,836

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

West Beach Trust

Statement of Changes in Equity

For the year ended 30 June 2019

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2017		53,407	20,452	73,859
Net result for 2017-18		-	(23)	(23)
Total comprehensive result for 2017-18		-	(23)	(23)
Equity transfer on asset disposals		(78)	78	-
Balance at 30 June 2018		53,329	20,507	73,836
Net result for 2018-19		-	(75)	(75)
Gain on revaluation of land, buildings and improvements during 2018-19	5.1	8,292	-	8,292
Total comprehensive result for 2018-19		8,292	(75)	8,217
Balance at 30 June 2019		61,621	20,432	82,053

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

West Beach Trust

Statement of Cash Flows For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<u>Cash flows from operating activities</u>			
<i><u>Cash outflows</u></i>			
Employee benefit payments		(7,613)	(7,243)
Payments for supplies and services		(7,513)	(6,840)
Interest paid		(363)	(341)
GST paid to the ATO		(908)	(545)
Other payments		(111)	(123)
Cash used in operations		(16,508)	(15,092)
<i><u>Cash inflows</u></i>			
Fees and charges		18,541	18,443
Interest received		3	8
Other receipts		142	116
Cash generated from operations		18,686	18,567
Cash flows from SA Government			
Receipts from SA Government		964	1,091
Payments to SA Government		(969)	(1,098)
Cash generated from SA Government		(5)	(7)
Net cash provided by/(used in) operating activities	8.2	2,173	3,468
<u>Cash flows from investing activities</u>			
<i><u>Cash outflows</u></i>			
Purchase of property, plant and equipment		(2,570)	(5,600)
Purchase of intangibles		(27)	(104)
Cash used in investing activities		(2,597)	(5,704)
<i><u>Cash inflows</u></i>			
Proceeds from sale of property, plant and equipment		11	47
Cash generated from investing activities		11	47
Net cash provided by/(used in) investing activities		(2,586)	(5,657)
<u>Cash flows from financing activities</u>			
<i><u>Cash outflows</u></i>			
Repayment of borrowings		(1,571)	(1,323)
Cash used in financing activities		(1,571)	(1,323)
<i><u>Cash inflows</u></i>			
Proceeds from borrowings		1,050	4,478
Cash generated from financing activities		1,050	4,478
Net cash provided by/(used in) financing activities		(521)	3,155
Net increase/(decrease) in cash and cash equivalents		(934)	966
Cash and cash equivalents at the beginning of the period		1,392	426
Cash and cash equivalents at the end of the period	8.2	458	1,392

The accompanying notes form part of these financial statements.

West Beach Trust

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West Beach Trust

1. About the West Beach Trust

The West Beach Trust (Trust) is a statutory authority of the State of South Australia, established pursuant to the *West Beach Recreation Reserve Act 1987*. The Trust is a body corporate subject to the control and direction of the Minister for Planning.

The financial statements and accompanying notes cover the West Beach Trust as an individual reporting entity.

The Trust does not control any other entity and has no interests in unconsolidated structured entities.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- Relevant Australian Accounting Standards.

For the 2018-19 financial statements the Trust adopted AASB 9 – Financial Instruments and is required to comply with new Treasurer's Instructions (Accounting Policy Statements) issued on 22 March 2019. Further information is provided in note 9.

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

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

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

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

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

1.2 Functions and objectives

The functions and objectives of the Trust are:

- a) to administer and develop the West Beach Recreation Reserve in accordance with its strategic and business plans -
 - 1) as a sporting, cultural and recreational complex of State-wide significance; and
 - 2) as a tourist attraction and resort; and
- b) to promote and encourage the use and enjoyment of the Reserve by the public; and
- c) to perform any other function assigned to the Trust by the *West Beach Recreation Reserve Act 1987* or the Minister.

West Beach Trust

1.3 Taxation

In accordance with *Treasurer's Instruction 22 Tax Equivalent Payments*, the Trust is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the State Taxation Equivalent Regime (TER) which applies the accounting profit method which requires that the corporate income tax rate (presently 30%) be applied to the surplus from ordinary activities. No income tax equivalent payments are required for the reporting period.

The Trust is also liable for payroll tax, fringe benefits tax, stamp duty, goods and services tax (GST), emergency services levy and land tax equivalents and is exempt from paying local government council rates.

The Trust is reimbursed under the State's Tax Equivalent Regime for payments made for income tax, payroll tax, land tax and stamp duty to support its continued commitment to its community service obligations. The Trust is reimbursed by the Department of Planning, Transport and Infrastructure. Reimbursements under the State Taxation Equivalent Regime are recognised as revenue in the Trust's financial statements.

1.4 Significant transactions with government related entities

There were no significant transactions with government related entities, other than:

- payments to SA Water of \$773,000 for utilities,
- payments to DPTI of \$1,863,000, primarily for the project management and delivery of capital works. The majority of this amount was paid to contractors engaged by DPTI to construct a new aquatic facility at the Resort.
- total loan repayments of \$1,571,000 to SAFA, \$521,000 which was on long term borrowings and \$1,050,000 which was to repay short term drawdowns from the Trust's working capital facility (fully repaid as at 30 June 2019).
- transactions as directed by legislation or under the State's Taxation Equivalent Regime.

West Beach Trust

2. Board, committees and employees

2.1 Key management personnel

Key management personnel of the Trust are the Minister for Planning, Members of the Board, the Chief Executive Officer and the three (2017-18 three) members of the Executive Team who have responsibility for the strategic direction and management of the Trust.

Total compensation for key management personnel was \$777,000 in 2018-19 and \$776,000 in 2017-18.

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

	2019	2018
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	694	695
Post-employment benefits	66	66
Other long-term employment benefits	15	15
Termination benefits	2	-
Total compensation	777	776

Transactions with Key management personnel and other related parties

No transactions have been identified.

2.2 Board and committee members

Members of the board during the 2018-19 financial year were:

WBT Board

Ms Jane Jeffreys (Chair)
Ms Leonie Boothby (Deputy Chair)
Ms Deborah Black
Ms Patricia Christie
Ms Rosemary Clancy
Mr George Demetriou
Mr Tolley Wasylenko

Board Remuneration

The number of Board members whose remuneration received or receivable from the Trust fell within the following bands was:

	2019	2018
Nil	-	1
\$0 - \$19,999	6	6
\$20,000 - \$29,999	1	1
Total number of members	7	8

The total remuneration received or receivable by members was \$103,000 (\$85,000). Remuneration of members consists of sitting fees and superannuation contributions.

West Beach Trust

2.3 Employee benefits expenses

	2019	2018
	\$'000	\$'000
Salaries and wages	6,181	5,988
Long service leave	177	162
Annual leave	412	406
Skills and experience retention leave	10	5
Employment on-costs - superannuation *	626	598
Board and committee fees	94	78
Workers compensation	120	196
Other employee related expenses	16	17
Total employee benefits expenses	7,636	7,450

Employment on-costs - superannuation

* The superannuation employment on-cost charge represents the Trust's contributions to superannuation plans in respect of current services of current employees.

Executive Remuneration

	2019	2018
	No	No
The number of employees whose remuneration received falls within the following bands:		
\$151 001 to \$171 000	1	2
\$251 001 to \$271 000	1	1
Total number of employees	2	3

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$422,000 (\$584,000).

2.4 Employee benefits liability

	2019	2018
	\$'000	\$'000
Current		
Accrued salaries and wages	78	162
Annual leave	257	283
Long service leave	80	79
Skills and experience retention leave	22	18
Total current employee benefits	437	542
Non-current		
Long service leave	949	839
Total non-current employee benefits	949	839
Total employee benefits	1,386	1,381

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

West Beach Trust

Salaries and Wages, Annual Leave, Skills and Experience Retention Leave (SERL) and Sick Leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the Skills and Experience Retention Leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability are provided in note 11.1.

West Beach Trust

3. Expenses

Employee benefits expenses are disclosed in note 2.3.

3.1 Supplies and services

	2019	2018
	\$'000	\$'000
Bank fees and charges	110	121
Commissions payable	496	533
Consultants	27	28
Contractors	393	408
Cost of sales	455	389
Discounts given	272	228
Human resources and recruitment	108	120
Information technology expenses	213	170
Insurance	169	161
Legal costs	24	28
Marketing and public relations	489	637
Motor vehicle expenses	35	39
Operating lease payments *	118	71
Postage and telephone	73	66
Repairs and maintenance	884	925
Security	221	204
Staff training and development	50	78
Utilities	1,545	1,472
Waste and recycling	116	135
Other supplies and services	459	404
Total supplies and services	6,257	6,217

Insurance

The Trust has arranged, through SAICORP, to insure all major risks of the Trust. The excess payable under this arrangement varies depending on each class of insurance held.

*** Operating leases payments**

Operating lease payments are recognised on a straight-line basis over the lease term.

	2019	2018
	\$'000	\$'000
Operating lease minimum payments:		
Golf cart rental	36	-
Information technology leases	16	7
Land rental	66	64
Total operating lease payments	118	71

The Trust's operating lease agreements are for a parcel of land, computer equipment and golf cart rental. In each case, the lessors effectively retain the entire risk and benefits incidental to ownership of the items held under the operating lease.

West Beach Trust

Consultants

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

	No	2019 \$'000	No	2018 \$'000
Below \$10,000	7	27	8	28
Total paid /payable to the consultants engaged	7	27	8	28

3.2 Depreciation and amortisation

	2019 \$'000	2018 \$'000
Buildings and improvements	1,826	1,721
Plant and equipment	835	777
Intangible assets	77	81
Total depreciation and amortisation	2,738	2,579

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

The value of leasehold improvements is depreciated over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

The Trust revalued its buildings and improvements upward at 30 June 2019. Future depreciation expense will increase by approximately \$194,000 as a result.

Land is not depreciated.

Review of accounting estimates

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

Useful Life

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

Class of asset	Useful life (years)
Buildings and improvements	1 to 100
Plant and equipment	1 to 15
Intangibles	3 to 10

The useful lives of intangible assets are assessed to be either finite or indefinite. The Trust only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

West Beach Trust

3.3 Borrowing costs

	2019	2018
	\$'000	\$'000
Interest paid/payable on borrowings measured at amortised cost	228	197
Guarantee fees paid/payable on borrowings measured at amortised cost	137	136
Total borrowing costs	365	333

The Trust does not capitalise borrowing costs.

3.4 Other expenses

	2019	2018
	\$'000	\$'000
Audit fees	52	50
Bad debts and allowances for doubtful debts	1	2
Contributions	-	10
Federal land tax equivalent	59	62
Intangibles write-offs	-	1
Property, plant and equipment write-offs	13	129
Total other expenses	125	254

Audit fees

The audit fees were paid / payable to the Auditor-General's Department in relation to the work performed under the *Public Finance and Audit Act*. No other services were provided by the Auditor-General's Department.

West Beach Trust

4. Income

4.1 Fees and charges

	2019	2018
	\$'000	\$'000
Accommodation tariffs	13,143	13,206
Discounts allowed	(36)	(36)
Facilities and services	288	339
Golf income	1,962	1,568
Boat launching fees	103	107
Rental revenue	642	639
Sale of goods	800	829
Total fees and charges	16,902	16,652

4.2 Interest

	2019	2018
	\$'000	\$'000
Investments with SAFA	2	7
Cash and cash equivalents	1	1
Total interest revenues	3	8

4.3 Net gain/loss from the disposal of non-current assets

	2019	2018
	\$'000	\$'000
<u>Plant and equipment</u>		
Proceeds from disposal	11	47
Less net book value of assets disposed	12	13
Net gain/(loss) from disposal of plant and equipment	(1)	34
<u>Total assets</u>		
Total proceeds from disposal	11	47
Less total value of assets disposed	12	13
Total net gain/(loss) from the disposal of non-current assets	(1)	34

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is not transferred to retained earnings.

4.4 Other income

	2019	2018
	\$'000	\$'000
Commission received	3	1
Lessee on-charges	56	31
Other	83	84
Total other income	142	116

West Beach Trust

4.5 Net revenues from SA Government

	2019	2018
	\$'000	\$'000
<u>Revenues from SA Government</u>		
Reimbursement of tax equivalents paid	969	913
Total revenues from SA Government	969	913
<u>Payments to SA Government</u>		
Other tax equivalent payments	(969)	(913)
Total payments to SA Government	(969)	(913)
Net revenues from SA Government	-	-

Tax equivalents represent income tax, payroll tax, land tax and stamp duty. The Trust is reimbursed these amounts under the State's Tax Equivalent Regime to support its continued commitment to its community service obligations. The Trust is reimbursed by the Department of Planning, Transport and Infrastructure.

West Beach Trust

5. Non-financial assets

5.1 Property, plant and equipment

	2019	2018
	\$'000	\$'000
Land		
Land at fair value	54,909	48,490
Total land	54,909	48,490
Buildings and improvements		
Buildings and improvements at fair value	35,216	32,003
Buildings and improvements at cost (deemed fair value)	57	7,955
Less: Accumulated depreciation	(20)	(6,617)
Total buildings and improvements	35,253	33,341
Plant and equipment		
Plant and equipment at cost (deemed fair value)	8,650	7,777
Less: Accumulated depreciation	(5,115)	(4,645)
Total plant and equipment	3,535	3,132
Work in progress		
Buildings and improvements	99	657
Plant and equipment	-	-
Total work in progress	99	657
Total property, plant and equipment	93,796	85,620

All non-current tangible assets with a value equal to or in excess of \$1,000 are capitalised. Certain assets below this amount are capitalised initially to assist with asset management and planning.

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 after allowing for accumulated depreciation.

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

Plant and equipment includes operating machinery and vehicles that are fully depreciated but still in use. These have an estimated gross carrying value of approximately \$800,000. Examples of these include turf maintenance machinery, maintenance vans and housekeeping buggies.

Impairment

The Trust holds its property, plant and equipment and intangible assets for their service potential (value in use).

There were no indications of impairment of property, plant and equipment assets as at 30 June 2019.

West Beach Trust

Reconciliation 2018-19

	Land	Buildings and improvements	Plant and equipment	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	48,490	33,341	3,132	657	85,620
Acquisitions	-	1,569	959	42	2,570
Transfers from Work in progress	-	600	-	(600)	-
Transfers between asset classes	-	(291)	291	-	-
Disposals eg sales, write offs	-	(13)	(12)	-	(25)
Revaluation increment/(decrement)	6,419	1,873	-	-	8,292
Depreciation	-	(1,826)	(835)	-	(2,661)
Carrying amount at 30 June 2019	54,909	35,253	3,535	99	93,796

Reconciliation 2017-18

	Land	Buildings and improvements	Plant and equipment	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2017	48,490	30,893	2,900	376	82,659
Acquisitions	-	3,919	1,098	584	5,601
Transfers from Work in progress	-	303	-	(303)	-
Disposals eg sales, write offs	-	(53)	(89)	-	(142)
Depreciation	-	(1,721)	(777)	-	(2,498)
Carrying amount at 30 June 2018	48,490	33,341	3,132	657	85,620

West Beach Trust

5.2 Intangible assets

	2019	2018
	\$'000	\$'000
Purchased computer software	841	815
Less: Accumulated amortisation	(562)	(486)
Total intangible assets	279	329

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of computer software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of the expenditure is equal to or in excess of \$1,000.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Trust only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

Reconciliation of 2018-19

	Purchased computer software \$'000
Carrying amount at the beginning of the period	329
Acquisitions	27
Amortisation	(77)
Carrying amount at the end of the period	279

Reconciliation of 2017-18

	Purchased computer software \$'000
Carrying amount at the beginning of the period	307
Acquisitions	104
Disposals eg sales, write offs	(1)
Amortisation	(81)
Carrying amount at the end of the period	329

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5.3 Inventories

	2019	2018
	\$'000	\$'000
<u>Current - held for distribution at no or nominal amount</u>		
Materials at cost	10	6
Total current inventories held for distribution at no or nominal amount	10	6
<u>Current - held for sale</u>		
Goods at Cost	48	19
Total current other inventories - held for sale	48	19
Total inventories	58	25

Inventories held for distribution, at no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost for inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Cost of inventories

The cost recognised as an expense for materials and goods for resale is \$455,000. There was a net increase in inventories for the period of \$33,000.

West Beach Trust

6. Financial assets

6.1 Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Cash at bank or on hand	441	527
Short-term deposits with SAFA	17	865
Total cash and cash equivalents	458	1,392

Cash is measured at nominal amounts. There are no restrictions over any of the Trust's cash balances.

Cash at bank or on hand

Cash on hand is non-interest bearing. Cash at bank earns a floating interest rate, based on daily bank deposit rates.

Short-term deposits

Short term deposits are lodged on an at call basis through the SAFA Cash Management Facility. These funds, which are guaranteed by the Treasurer, earn an interest rate which is aligned to the RBA official cash rate plus a margin determined by SAFA.

6.2 Receivables

	2019	2018
	\$'000	\$'000
Current		
Receivables		
From government entities	3	-
From non-government entities	139	67
Less allowance for doubtful debts	-	(1)
Total receivables	142	66
Prepayments	99	118
Accrued revenues	88	62
Total current receivables	329	246

No amounts within receivables are expected to be recovered more than 12 months after reporting date.

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The net amount of GST payable to the ATO is included as part of receivables.

Refer to note 11.3 for further information on risk management

Impairment of receivables

	2019	2018
	\$'000	\$'000
Carrying amount at the beginning of the period	1	-
Increase in allowance recognised in the profit or loss	1	2
Amounts written off	(2)	(1)
Carrying amount at the end of the period	-	1

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

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7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1 Payables

	2019	2018
	\$'000	\$'000
Current		
Creditors	376	980
Accrued expenses	279	272
GST payable	262	124
Employment on costs	55	59
Total Current payables	972	1,435
Non-current		
Employment on costs	100	92
Total Non-current payables	100	92
Total payables	1,072	1,527

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days. Employment on-costs are settled when respective employee benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables approximates the net fair value due to the amounts being payable on demand.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions. The Trust makes contributions to State Government superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the assumed proportion of long service leave taken as leave is unchanged from 2018. The average factor for the calculation of employer superannuation cost on-costs has changed from the 2018 rate (9.9%) to 9.8%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-costs payable of \$4,000.

7.2 Fees received in advance

	2019	2018
	\$'000	\$'000
Current		
Fees received in advance	1,492	1,430
Total Fees received in advance	1,492	1,430

This amount represents accommodation tariff deposits and booking payments, annual golf membership playing rights and annual boat launch permit fees collected in advance. The advance portion of any payment of lease and licence fees for use of parcels of land and buildings across the precinct is also included.

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7.3 Borrowings

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Borrowings from SA Government	511	490
Total current borrowings	511	490
<u>Non-current</u>		
Borrowings from SA Government	8,406	8,948
Total non-current borrowings	8,406	8,948
Total borrowings	8,917	9,438

The Trust measures financial liabilities including borrowings/debt at historical cost. All interest bearing liabilities have been sourced from the SA Government Financing Authority.

The Trust has a \$8,917,000 (2017-18 \$9,438,000) loan facility with the South Australian Government Financing Authority.

The Trust has a \$2,500,000 (2017-18 \$2,500,000) working capital facility with the South Australian Government Financing Authority. As at 30 June 2019 there were no drawings on this facility (2017-18 \$Nil).

The Trust has a \$30,000 (2017-18 \$30,000) credit card facility with ANZ Commercial Cards. The unused portion of this facility as at 30 June 2019 was \$19,704 (2017-18 \$18,574).

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8. Other disclosures

8.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are not transferred to retained earnings when an asset is derecognised

8.2 Cash flow

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

Cash flow reconciliation

	2019	2018
	\$'000	\$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period:</u>		
Cash and cash equivalents disclosed in the Statement of Financial Position	458	1,392
Balance as per the statement of Cash Flows	458	1,392
<u>Reconciliation of net cost of providing services to net cash provided by operating activities:</u>		
Net result from providing services	(75)	(23)
<u>Add/less non cash items</u>		
Depreciation and amortisation expense of non-current assets	2,738	2,579
Gain/loss on sale or disposal of non-current assets	1	(34)
Intangibles write-offs	-	1
Property, plant and equipment write-offs	13	129
<u>Movement in assets and liabilities</u>		
(Increase)/decrease in receivables	(83)	244
(Increase)/decrease in inventories	(33)	(5)
Increase/(decrease) in payables	(539)	382
Increase/(decrease) in fees received in advance	62	73
Increase/(decrease) in employee benefits	89	122
Net cash provided by operating activities	2,173	3,468

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9. Changes in accounting policy

9.1 Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

9.2 AASB 9 Financial instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments have been recognised in the notes to the financial statements.

As part of the adoption of AASB 9, the Trust adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior year, this information was presented as part of other expenses.
- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements.

The adoption of AASB 9 has a minimal impact on the recognition, measurement or classification of financial liabilities with no adjustment to retained earnings as at 1 July 2018 given that the Trust does not hold any equity instruments or debt instruments or undertake any hedge accounting.

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On 1 July 2018, the Trust has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale.

	Measurement category		Carrying amount		
	AASB 139	AASB 9	AASB 139 at 30 June 2018 \$'000	re- measurement \$'000	AASB 9 at 1 July 2018 \$'000
<u>Current financial assets</u>					
Trade receivables	Loans and receivables	Amortised cost	67	-	67
Investments with SAFA	Held to maturity	Amortised cost	865	-	865
<u>Current financial liabilities</u>					
Trade payables	Amortised cost	Amortised cost	980	-	980
Borrowings	Amortised cost	Amortised cost	490	-	490
<u>Non-current financial liabilities</u>					
Borrowings	Amortised cost	Amortised cost	8,948	-	8,948

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the Trust are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of goods and services

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Trust has adopted the simplified approach under *AASB 9 Financial Instruments* and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision. This resulted in no increase to the loss allowance for trade receivables external to Government on 1 July 2018, given the Trust's recent history of minimal trade receivable write-offs.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

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10. Outlook

10.1 Unrecognised contractual commitments

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

Capital commitments

	2019 \$'000	2018 \$'000
Within one year	-	1,655
Later than one year but not longer than five years	-	-
Later than five years	-	-
Total capital commitments	-	1,655

The Trust had no major capital commitments as at the reporting date. The prior year amount represented remaining works to complete the construction of a new aquatic facility at the West Beach Parks Resort.

Operating leases receivable

	2019 \$'000	2018 \$'000
<u>Commitments in relation to operating lease income contracted for at the reporting date</u>		
Within one year	655	584
Later than one year but not longer than five years	1,843	1,854
Later than five years	5,409	5,631
Total operating leases receivable	7,907	8,069

All operating leases receivable of \$7,907,000 (\$8,069,000) are from entities external to the SA government, and are for parcels of land and buildings leased to various sporting organisations and commercial operators.

Operating leases payable

	2019 \$'000	2018 \$'000
<u>Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:</u>		
Within one year	154	74
Later than one year but not longer than five years	287	266
Later than five years	736	704
Total operating lease commitments	1,177	1,044
Representing:		
Non-cancellable operating leases	1,177	1,044
Total operating lease commitments	1,177	1,044

The Trust's operating lease agreements are for a parcel of land, computer equipment and golf cart rental.

These lease arrangements are non-cancellable with remaining terms ranging from 10 months (golf cart rental) to 15 years (parcel of land).

10.2 Contingent assets and liabilities

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

The Trust is not aware of any contingent assets or liabilities.

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10.3 Impacts of standards and statements not yet effective

The Trust has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

The material impacts on the Trust are outlined below.

AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities

The Trust will adopt *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities* from 1 July 2019.

Objective

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. *AASB 15 – Revenue from Contracts* replaces *AASB 111 – Construction Contracts* and *AASB 118 – Revenue*.

Impact on 2019-20 financial statements

Adopting AASB 15 and AASB 1058 is expected to have no material impact on the timing of recognition of revenue by the Trust. This follows an analysis and assessment of the Trust's income streams in particular accommodation tariffs, golf income and rental revenue where a large proportion of the income is initially recognised as a financial liability as per AASB 9 until the services are provided, upon which it is recognised as revenue. This is the Trust's current policy and is unchanged from previous years.

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the Trust must adopt for the transition to *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities*. These requirements include that the Trust will:

- apply AASB 15 and AASB 1058 retrospectively. The cumulative effect of initially applying the Standards will be recognised at 1 July 2019. Comparatives will not be restated.
- not apply the AASB 15 and the AASB 1058 completed contracts practical expedient.
- apply the AASB 15 practical expedient for all contract modifications that occur before the date of initial application.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that Trust will:

- apply, where permitted, the short-term licences recognition exemption.
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences.
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

AASB 16 – Leases

The Trust will adopt *AASB 16 – Leases* from 1 July 2019.

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Objective

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. AASB 16 Leases replaces AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation, and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact on 2019-20 financial statements

The Trust has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Trust has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Trust prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies as at July 2019 plus the guarantee fee that is applicable to any new borrowings of the Trust.

The estimated impact is set out below.

	as at 1 July 2019 \$'000
Assets	
Right-of-use assets	969
Liabilities	
Lease liabilities	969
Net impact on equity	-

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease payments previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	2020 \$'000
Increase in depreciation and amortisation	65
Increase in borrowing costs	28
Decrease in rental expenses	(68)
Net impact on net cost of providing services	25

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Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the department must adopt for the transition from *AASB 117 Leases* to *AASB 16 Leases*. These requirements include that the Trust will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.
- not apply AASB 16 to leases of intangible assets.
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the department to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

10.4 Events after the reporting period

The Trust is not aware of any events after the end of the reporting period that will have a material financial impact.

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11. Measurement and risk

11.1 Long service leave liability – measurement

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities.

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2018 (2.5%) to 2019 (1.25%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$106,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 2.2% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The portion of estimated long service leave that is classified as current is based on an assessment of the pattern of leave taken or paid out over the last 10 years.

11.2 Fair value

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.

Initial 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 after allowing for accumulated depreciation.

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

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The policy of the Trust is that land, buildings and improvements will be revalued by an external professionally qualified valuer every 5 years. A valuation was undertaken as at 30 June 2019 in line with this policy. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

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Fair value hierarchy

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

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and 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.

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

During 2019 and 2018, the Trust had no valuations categorised into level 1 and Level 2; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Fair value classification - non-financial assets at 30 June 2019

	Note	Level 3 \$'000	Total \$'000
<u>Recurring fair value measurements</u>			
Land	5.1	54,909	54,909
Buildings and improvements	5.1	35,253	35,253
Plant and equipment	5.1	3,535	3,535
Total recurring fair value measurements		93,697	93,697

Fair value classification - non-financial assets at 30 June 2018

	Note	Level 3 \$'000	Total \$'000
<u>Recurring fair value measurements</u>			
Land	5.1	48,490	48,490
Buildings and improvements	5.1	33,341	33,341
Plant and equipment	5.1	3,132	3,132
Total recurring fair value measurements		84,963	84,963

Land and buildings and improvements

An independent valuation of land and buildings and improvements was performed in February 2019 by a Certified Practising Valuer from Jones Lang Lasalle SA Pty Ltd, as at 30 June 2019

The valuer used adjusted market value for land and depreciated replacement cost for buildings and improvements, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Plant and equipment

Plant and equipment acquisitions have been recognised at cost. The carrying value of plant and equipment is deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

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11.3 Financial Instruments

Financial risk management

Risk is managed by the application of the West Beach Trust Risk Management Framework.

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

Liquidity risk

Liquidity risk arises where the Trust is unable to meet its financial obligations as they are due to be settled. The Board, Executive and Senior Management are responsible for monitoring and ensuring its operations are prudently maintained. Liquidity is managed on a daily basis and monthly reports are submitted to the Board, Executive and Senior Management and the Department of Treasury and Finance. The Trust generally settles undisputed accounts within 30 days from the date of invoice or the date the invoice is first received. In the event of a dispute, payment is generally made 30 days from resolution.

An assessment of liquidity risk has been undertaken by the Chief Executive Officer and General Manager Corporate Services and based on past experience and knowledge of seasonal trends, management is confident that the Trust will be able to meet its financial obligations as and when they fall due. Cash flow updates are included in the Trust's Board papers provided to Board members monthly.

Refer to notes 7.1 and 7.3 for further information

Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust measures credit risk on a fair value basis and monitors risk on a regular basis.

The Trust has minimal concentration of credit risk. The Trust has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Trust does not engage in high risk hedging for its financial assets.

Impairment of financial assets

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

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Trust is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

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Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Trust and a failure to make contractual payments within a reasonable time frame.

There were no receivables written off during the year that are still subject to enforcement activity

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

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Market risk

The Trust does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The Trust does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *T1 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The Trust's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a regular basis. There is no exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

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

West Beach Trust

Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

As at 30 June 2019 the Trust only has loans and receivables

The Trust does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer to notes 6.2 and 7.1).
- Borrowings are initially recognised at fair value, plus any transaction cost directly attributable to the borrowings, then subsequently held at amortised cost. For the majority of borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. (refer to note 7.3).

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Trust measures all financial instruments at amortised cost.

West Beach Trust

	2019	2019 Contractual maturities		
	Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and equivalent				
Cash and cash equivalent	449	449	-	-
Financial assets at amortised cost				
Receivables	171	171	-	-
Total financial assets	620	620	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	500	500	-	-
Fees received in advance	1,492	1,492	-	-
Borrowings	8,917	511	1,516	6,890
Total financial liabilities	10,909	2,503	1,516	6,890

	2018	2018 Contractual maturities		
	Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets				
Cash and equivalent				
Cash and cash equivalent	1,392	1,392	-	-
Financial assets at amortised cost				
Receivables	58	58	-	-
Total financial assets	1,450	1,450	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables	901	901	-	-
Fees received in advance	1,430	1,430	-	-
Borrowings	9,438	490	1,651	7,297
Total financial liabilities	11,769	2,821	1,651	7,297

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth and State taxes, fees and charges). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts are carried at cost.

The receivables amount disclosed here excludes prepayments. Prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

Appendix 12: Independent Auditors Report - *External Extract* (pages 1-3)



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**To the Chair of the Board
West Beach Trust**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 17(2) of the *West Beach Recreation Reserve Act 1987*, I have audited the financial report of the West Beach Trust for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the West Beach Trust as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair of the Board of the West Beach Trust, the Chief Executive Officer and the General Manager Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the West Beach Trust. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

Responsibilities of the Chief Executive Officer and members of the Trust for the financial report

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

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the entity is to be liquidated or to cease operations, or has no realistic alternative but to do so.

The members of the Trust are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer

- conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Chief Executive Officer and the Chair of the Board of West Beach Trust about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

10 September 2019



Government of South Australia
West Beach Trust

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West Beach Parks
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