

# Aboriginal Lands Trust

Financial report  
for the year ended  
30 June 2021



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## To the Presiding Member Aboriginal Lands Trust

### Qualified opinion

I have audited the financial report of Aboriginal Lands Trust (the Trust) for the financial year ended 30 June 2021.

In my opinion, except for the possible effects of the matters described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Aboriginal Lands Trust as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Business Manager.

### Basis for qualified opinion

#### Valuation of land and buildings

Following initial recognition, the Trust is required to recognise property, plant and equipment at fair value in accordance with Treasurer's Instructions (Accounting Policy Statements) (TI)(APS).

AASB 116 Property, Plant and Equipment requires entities to undertake revaluations with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. The TI(APS) further requires revaluations to be performed at least every six years by a qualified valuer.

As detailed in note 5.1 of the Trust's financial report, the reported value of land and buildings as at 30 June 2021 is \$33.07 million. In this note and note 10.2, the Trust has disclosed that the reported value of land and buildings is based on valuations which were undertaken between six and nine years ago as follows:

- Land and buildings located in the Adelaide, Mid North, Murraylands, West Coast, Lower Eyre Peninsula, Flinders and South East regions were valued to fair value as at 30 June 2014 by an independent valuer.
- Land and buildings located in the Far North, Riverland, Coorong and Yorke Peninsula region were valued to fair value as at 30 June 2015 by an independent valuer.
- Land and buildings at Iga Warta were valued by the Valuer-General as at 30 June 2012.

Accordingly, the Trust has not complied with the requirements of the TI(APS) or their own accounting policies which require revaluation of land and buildings every five years.

Determining the fair value of assets involves significant judgement and assumptions to be made and is a key source of estimation uncertainty. These judgements and assumptions need to be reviewed with sufficient regularity to ensure they remain appropriate.

The existing valuations are no longer supportable after this length of time without analysis to determine whether the underlying assumptions continue to be appropriate. Management were unable to provide sufficient evidence that the asset carrying values materially reflect fair value.

I am unable to quantify with certainty the effect on the financial statements of adopting out of date land and buildings valuations.

#### **Head of Bight whale watching centre revenue**

The Aboriginal Lands Trust has recognised revenue from operating the Head of Bight Whale Watch Tourist Centre. Income received is from admissions to the centre and sale of goods.

There is an absence of adequate procedures in place to ensure the revenue received by the Aboriginal Lands Trust represents all the Head of Bight Whale Watch Tourist Centre takings.

Consequently, I am unable to form an opinion as to whether the Head of Bight Whale Watch Tourist Centre revenue of \$207 811 (\$378 792) is complete.

#### **Related party transactions**

Note 2 to the financial report describes transactions with key management personnel and other related parties. There is an absence of adequate procedures in place to ensure that all related party transactions have been identified by the Aboriginal Lands Trust. Consequently, I am unable to form an opinion as to whether the disclosure of transactions with key management personnel and other related parties is complete.

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 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 (including Independence Standards)* have been met.

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

### **Responsibilities of the Chief Executive and members of the Board for the financial report**

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

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

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

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22(2) of the *Aboriginal Lands Trust Act 2013*, I have audited the financial report of Aboriginal Lands Trust for the financial year ended 30 June 2021.

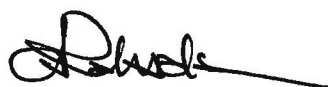
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an 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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive and the Board'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. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Chief Executive and the Board 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**

17 December 2021

**ABORIGINAL LANDS TRUST**

**CERTIFICATION OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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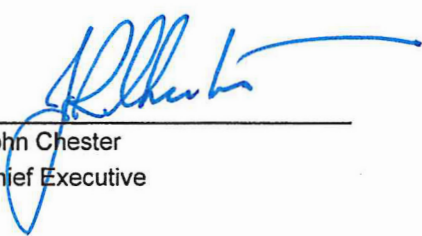
We certify that the:

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

*K Sinclair*

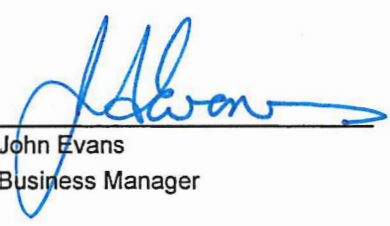
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Karen Sinclair  
Presiding Member



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John Chester  
Chief Executive



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John Evans  
Business Manager

Signed at Level 14/19 Grenfell Street, Adelaide, 2 December 2021

# ABORIGINAL LANDS TRUST

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note No.	2021 \$	2020 \$
<b>Income</b>			
Commonwealth-sourced grants and funding	2.1	819,272	390,870
SA Government grants, subsidies and transfers	2.2	1,554,407	1,222,609
Interest		634	6,640
Resources received free of charge	2.3	47,000	30,000
Leases and rental income		516,379	572,219
Head of Bight whale watching centre revenue		207,811	378,792
Net gain/(loss) from disposal of non-current assets	2.4	195,411	(134)
Other income	2.5	221,421	213,242
<b>Total income</b>		<b>3,562,335</b>	<b>2,814,238</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	886,793	711,145
Board expenses	3.2	131,398	105,874
Contractors fees		328,983	384,521
Consultants fees	4.1	82,375	106,693
Depreciation	4.2	243,080	171,725
Legal and other professional fees		606,734	185,372
Materials, equipment and maintenance costs		392,254	245,218
Telephone, printing and stationery		23,956	31,559
Travel and accommodation		59,812	54,649
Vehicle expenses		65,108	51,161
Office accommodation		198,890	192,145
Other expenses	4.3	493,972	609,760
<b>Total expenses</b>		<b>3,513,355</b>	<b>2,849,822</b>
<b>Net result</b>		<b>48,980</b>	<b>(35,584)</b>
<b>Total comprehensive result</b>		<b>48,980</b>	<b>(35,584)</b>

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



# ABORIGINAL LANDS TRUST

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note No.	2021 \$	2020 \$
<b><u>Current assets</u></b>			
Cash and cash equivalents	6.1	5,986,706	2,812,636
Receivables	6.2	425	25,142
Inventories		43,351	32,977
Non-current assets classified as held for sale	5.3	-	2,900,000
<b>Total current assets</b>		<b>6,030,482</b>	<b>5,770,755</b>
<b><u>Non-current assets</u></b>			
Property, plant and equipment	5.1	33,613,821	33,760,401
<b>Total non-current assets</b>		<b>33,613,821</b>	<b>33,760,401</b>
<b>Total assets</b>		<b>39,644,303</b>	<b>39,531,156</b>
<b><u>Current liabilities</u></b>			
Funds managed on behalf of a third party	6.1	880,299	905,889
Payables	7.1	248,189	167,561
Employee benefits	3.4	58,906	50,623
<b>Total current liabilities</b>		<b>1,187,394</b>	<b>1,124,073</b>
<b><u>Non-current liabilities</u></b>			
Payables	7.1	2,492	2,442
Employee benefits	3.4	63,517	62,721
<b>Total non-current liabilities</b>		<b>66,009</b>	<b>65,163</b>
<b>Total liabilities</b>		<b>1,253,403</b>	<b>1,189,236</b>
<b>Net Assets</b>		<b>38,390,900</b>	<b>38,341,920</b>
<b><u>Equity</u></b>			
Asset revaluation surplus		7,657,350	8,332,350
Retained earnings		30,733,550	29,904,306
Unspent project funds reserve		-	105,264
<b>Total Equity</b>		<b>38,390,900</b>	<b>38,341,920</b>

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



# ABORIGINAL LANDS TRUST

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Note No.	Asset Revaluation Surplus	Unspent Project Funds Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
<b>Balance at 30 June 2019</b>		<b>8,182,350</b>	<b>126,208</b>	<b>29,918,946</b>	<b>38,227,504</b>
Net result for 2019-2020		-	-	(35,719)	(35,719)
Gain on revaluation of land during 2020-21		150,000	-	-	150,000
Transfers between equity components		-	(20,944)	20,944	-
<b>Balance at 30 June 2020</b>		<b>8,332,350</b>	<b>105,264</b>	<b>29,904,171</b>	<b>38,341,785</b>
Prior year adjustment		-	-	135	135
<b>Restated Balance at 30 June 2020</b>		<b>8,332,350</b>	<b>105,264</b>	<b>29,904,306</b>	<b>38,341,920</b>
Net result for 2020-2021		-	-	48,980	48,980
Transfers between equity components		(675,000)	(105,264)	780,264	-
<b>Balance at 30 June 2021</b>		<b>7,657,350</b>	<b>-</b>	<b>30,733,550</b>	<b>38,390,900</b>

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

# ABORIGINAL LANDS TRUST

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note No.	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
<i>Cash inflows</i>			
Receipts from SA Government		1,667,750	1,302,496
Leases and fees income		776,990	1,019,870
Receipts from Commonwealth-sourced grants and funding		819,272	390,870
Interest received		634	6,640
Other receipts		250,402	210,845
Funds received on behalf of third party		234	3,819
<b>Cash generated from operations</b>		<b>3,515,282</b>	<b>2,934,540</b>
<i>Cash outflows</i>			
Employee benefits and board payments		(998,385)	(818,384)
Payments for supplies and services		(2,389,300)	(1,998,847)
GST recovered (paid) to the ATO		26,386	(23,484)
Fund Payment on Behalf of Third Party		(25,824)	-
<b>Cash used in operations</b>		<b>(3,387,123)</b>	<b>(2,840,715)</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>128,159</b>	<b>93,825</b>
<b>Cash flows from investing activities</b>			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment		3,095,411	1,364
<b>Cash generated from investing activities</b>		<b>3,095,411</b>	<b>1,364</b>
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(49,500)	(138,408)
<b>Cash used in investing activities</b>		<b>(49,500)</b>	<b>(138,408)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>3,045,911</b>	<b>(137,044)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,174,070</b>	<b>(43,219)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2,812,636</b>	<b>2,855,855</b>
<b>Cash and cash equivalents at the end of the period</b>	6.1	<b>5,986,706</b>	<b>2,812,636</b>

The accompanying notes form part of these financial statements.

## 1. About the Aboriginal Lands Trust

The Trust is a South Australian not-for-profit statutory authority constituted under the *Aboriginal Lands Trust Act 2013* (the Act).

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

### 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 with reduced disclosure requirements.

For the purposes of preparing the financial statements, the Trust is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

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.

### 1.2. Objectives and programs

In accordance with the Act, the objects of the Trust are:

- to acquire, hold and deal with Trust Land in accordance with this Act for the ongoing benefit of Aboriginal South Australians; and
- to manage Trust Land in accordance with this and any other relevant Act or law; and
- to engage in commercial and other activities in accordance with this Act for the ongoing benefit of Aboriginal South Australians; and
- to consult for the purposes of this Act; and
- to advise the Minister in relation to matters related to the Trust; and
- to carry out other functions assigned to the Trust under this or any other Act or by the Minister.

In achieving its objectives, the Trust provides a range of services. The services are classified under one program titled "Aboriginal Lands Trust".

### 1.3. Impact of COVID-19 pandemic on the Trust

The COVID-19 pandemic has impacted the operations of the Trust and the impacts are included under the relevant disclosure notes. The key impact in 2020-21 was the closure of the Head of Bight Whale Watching Centre from 23/3/2020 to 9/7/2020 and 18/11/2020-21/11/2021, as well as the border closure with other states.

## 2. Income

2.1. Commonwealth-sourced grants and funding	2021	2020
	\$	\$
Wardang Island indigenous protected areas	182,453	184,934
Yappala indigenous protected areas	193,609	205,936
Raukkan Environmental Activities	443,210	-
<b>Total Commonwealth-sourced grants and funding</b>	<b>819,272</b>	<b>390,870</b>

Commonwealth-sourced grants and funding are recognised as income on receipt.

Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the Trust. The Commonwealth has provided funding to the State to support Indigenous Protected Area jobs land and economy program.

2.2. SA Government grants, subsidies and transfers	2021	2020
	\$	\$
Operating grant	996,407	1,012,609
Other project grants and funds	558,000	210,000
<b>Total revenues from SA Government</b>	<b>1,554,407</b>	<b>1,222,609</b>

Grants are recognised on receipt and are received from the Department of Premier and Cabinet, Aboriginal Affairs and Reconciliation.

### 2.3. Resources received free of charge

	2021	2020
	\$	\$
Goods received free of charge		
Asset received free of charge - DIT	47,000	30,000
<b>Total resources received free of charge</b>	<b>47,000</b>	<b>30,000</b>

#### **Asset received free of charge**

On 30 March 2021 the Department for Infrastructure and Transport donated a Hino GVM 7.3t Truck to the Trust.

#### 2.4. Net gain/(loss) from the disposal of property, plant and equipment

	2021	2020
	\$	\$
Plant and equipment		
Proceeds from disposal	3,095,411	1,364
Less carrying amount of assets disposed	(2,900,000)	(1,498)
<b>Net gain (loss) from disposal of assets</b>	<b>195,411</b>	<b>(134)</b>

#### 2.5. Other income

	2021	2020
	\$	\$
ATO COVID-19 cash flow boost	50,000	50,000
Commercial compensation	-	111,600
Recoveries	63,168	15,851
SAICORP insurance settlement	62,513	-
Other grants and contributions	45,740	35,791
<b>Total other income</b>	<b>221,421</b>	<b>213,242</b>

#### 3.1. Board, committees and employees

##### 3.1. Key management personnel

Key management personnel of the Trust include the Premier, the members of the Board, the Chief Executive Officer, who have responsibility for the strategic direction and management of the Trust. Total compensation for the Trust's key management personnel was \$290,607 in 2020-21 and \$284,779 in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Premier receives. The Premier'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*.

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

There are no transactions between the Trust and key management personnel or other related parties in 2020-21.

##### 3.2. Board and committee members

Board members during the 2021 financial year were:

Mr Alfred Agius  
 Mr Haydyn Bromley (Resigned 17/7/2020)  
 Ms Jennifer Johncock  
 Mr Ian Johnson  
 Ms Irene McKenzie  
 Mr Edward Newchurch  
 Ms Karen Sinclair (Chairperson)  
 Ms Denise Wilton

##### *Board and committee remuneration*

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

	2021	2020
\$0 - \$ 19,999	8	9
<b>Total number of members</b>	<b>8</b>	<b>9</b>

The total remuneration received or receivable by members was \$56,571 (2020: \$63,214). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

##### *Board expenses*

	2021	2020
	\$	\$
Board fees	51,330	57,571
Board superannuation	5,240	5,642
Accommodation and meals	30,294	15,919
Travel and phone allowance	44,534	26,742
<b>Total board expenses</b>	<b>131,398</b>	<b>105,874</b>

##### 3.3. Employee benefits expenses

	2021	2020
	\$	\$
Salaries and wages (including annual leave and long service leave)	810,699	649,247
Employment on-costs - Superannuation	76,094	61,898
<b>Total employee benefits expenses</b>	<b>886,793</b>	<b>711,145</b>

##### *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

	2021	2020
	\$	\$
The number of employees whose remuneration received or receivable falls within the following bands:		
\$174,001 to \$194,000	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

The total remuneration received by this employee for the year 2021 was \$186,242 (2020: \$193,976).

The table includes all employees whose normal remuneration was 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 as well as any termination benefits for employees who have left the Trust.

### 3.4. Employee benefits - liability

	2021	2020
	\$	\$
<b>Current</b>		
Accrued salaries and wages	4,293	-
Annual leave	54,613	50,623
<b>Total current employee benefits</b>	<b>58,906</b>	<b>50,623</b>
<b>Non-Current</b>		
Long service leave	63,517	62,721
<b>Total non-current employee benefits</b>	<b>63,517</b>	<b>62,721</b>
<b>Total employee benefits</b>	<b>122,423</b>	<b>113,344</b>

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.

#### Salaries and wages, annual leave 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 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 as note 10.1.

## 4. Expenses

Employee benefits expenses are disclosed in note 3.3.

### 4.1. Consultants

The number of consultancies and the dollar amount paid/payable to consultants that fell within the following bands:

	No	2021	No	2020
		\$		\$
Below \$10,000	7	24,185	6	17,297
\$10,000 or above	4	58,190	3	89,396
<b>Total</b>	<b>11</b>	<b>82,375</b>	<b>9</b>	<b>106,693</b>

### 4.2. Depreciation

	2021	2020
	\$	\$
Buildings	69,369	84,769
Plant and equipment	173,711	86,956
<b>Total depreciation</b>	<b>243,080</b>	<b>171,725</b>

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

Land is not depreciated.

#### Useful life

Depreciation is calculated on a straight-line basis for buildings and using the diminishing value method for plant and equipment. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings	3-24
Plant & equipment	7-20

### 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.

#### 4.3. Other expenses

	2021	2020
	\$	\$
Advertising and publicity	15,622	6,822
Bank fees and charges	2,388	3,186
Cleaning	9,305	10,450
Computer expenses	16,581	487
Electricity	15,231	22,398
Support & donations	-	35,232
Insurance	29,055	25,868
Work, health & safety expenses	2,471	4,516
Protective clothing	11,087	4,215
Rates & taxes	4,735	5,376
Leased property costs	356,415	457,791
Postage & courier	6,991	5,721
Staff amenities	1,819	2,497
Staff training	6,793	1,846
Subscriptions	3,136	3,619
Licence, Fees & other Charges	795	7,600
Sundry expenses	10,304	11,089
Taxi's	1,244	1,047
<b>Total other expenses</b>	<b>493,972</b>	<b>609,760</b>

#### 5. Non-financial assets

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

	2021	2020
	\$	\$
<b>Land and buildings</b>		
Land at fair value	32,399,000	32,399,000
Buildings at fair value	1,287,000	1,287,000
Accumulated depreciation at the end of the period	(613,283)	(543,914)
<b>Total land and buildings</b>	<b>33,072,717</b>	<b>33,142,086</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	1,008,846	912,346
Accumulated depreciation at the end of the period	(467,742)	(294,031)
<b>Total plant and equipment</b>	<b>541,104</b>	<b>618,315</b>
<b>Total property, plant and equipment</b>	<b>33,613,821</b>	<b>33,760,401</b>

##### 5.2. Property, plant and equipment owned by the Trust

Property, plant and equipment owned by the Trust with a value equal to or in excess of \$10,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Trust is recorded at fair value. Detail about the Trust's approach to fair value is set out in note 10.2.

##### Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2021.

##### Reconciliation 2020-21

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Carrying amount at 1 July 2020	32,399,000	743,086	618,315	33,760,401
Acquisitions	-	-	49,500	49,500
Depreciation	-	(69,369)	(173,711)	(243,080)
Donated assets	-	-	47,000	47,000
Carrying amount at 30 June 2021	32,399,000	673,717	541,104	33,613,821

##### 5.3. Non-current assets classified as held for sale

	2021	2020
	\$	\$
Land	-	2,900,000
<b>Total non-current assets classified as held for sale</b>	<b>-</b>	<b>2,900,000</b>

Land held for sale in 2020 relates to the property at 50-56 Sussex Street, North Adelaide.

#### 6. Financial assets

##### 6.1. Cash and cash equivalents

	2021	2020
	\$	\$
Cash at Bank	1,741,474	1,292,017
Short-term deposits	3,362,933	612,730
Head of Bight whale watching centre	2,000	2,000
Funds managed on behalf of a third party	880,299	905,889
<b>Total cash and cash equivalents</b>	<b>5,986,706</b>	<b>2,812,636</b>

### **Funds managed on behalf of a third party**

In January 2017 the Umoona Community Council Incorporated and Aboriginal Lands Trust entered into a deed for the Trust to receive, hold and use insurance proceeds on behalf of Umoona community. The insurance proceeds payable to Umoona Community Council Incorporated relate to a fire that destroyed an administration building used by Umoona community.

Under the terms of the deed the Trust is required to use funds held for the purpose of establishing a replacement building on Umoona Land fit for administration purposes for the benefit of Umoona community.

As at 30 June 2021 the balance of funds held by the Trust on behalf of Umoona Community Council Incorporated is \$880,299. As the Trust does not benefit from these funds a corresponding liability has been recognised.

### **6.2. Receivables**

	2021	2020
	\$	\$
Current		
Receivables	425	16,907
GST input tax recoverable	-	8,235
<b>Total current receivables</b>	<b>425</b>	<b>25,142</b>

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

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

### **7. Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

#### **7.1. Payables**

	2021	2020
	\$	\$
Current		
Creditors	164,209	91,709
Accrued expenses	59,400	67,526
Statutory Payables		
GST payable	12,639	-
Employment on-costs	11,941	8,326
<b>Total statutory payables</b>	<b>24,580</b>	<b>8,326</b>
<b>Total current payables</b>	<b>248,189</b>	<b>167,561</b>
Non-Current		
Employment on-costs	2,492	2,442
<b>Total non-current payables</b>	<b>2,492</b>	<b>2,442</b>
<b>Total payables</b>	<b>250,681</b>	<b>170,003</b>

Payables and accruals are raised for all amounts owing but unpaid. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST payable to the ATO is disclosed in this Payables note. However, if a net GST recoverable arises then this amount is included as part of receivables.

#### **Employment on-costs**

Employment on-costs include ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

The Trust contributes to several State Government and externally managed 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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave remained the same at 42%, and the average factor for the calculation of employer superannuation cost on-costs has increased to 10.1% (2020: 9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year and subsequent years is immaterial.

### **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 transferred to retained earnings when an asset is derecognised.

The unspent project funds relate to funds received for a specific purpose which have not been spent.

#### **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.



## 9. Outlook

### 9.1. Unrecognised contractual commitments

#### *Operating lease commitments as lessor*

Commitments under operating leases as a lessor at the reporting date but not recognised as receivable in the financial report, are as follow:

	2021	2020
	\$	\$
Within one year	462,853	482,360
Later than one year but no later than five years	1,286,293	1,688,260
<b>Total Operating lease commitments as lessor</b>	<b>1,749,146</b>	<b>2,170,620</b>

The Trust's operating lease commitment as lessor is for a commercial farming lease on Trust's land. The lease is non-cancellable and expires on 22 February 2025. Rent is receivable in advance. The Trust re-directs 80% of the commercial farm lease proceeds back into the Community. The remaining 20% is retained by the Trust to cover administration costs.

### 9.2. 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's liability for Emergency Services Levy, or ESL, is currently under review by the Valuer-General. Until the Trust obtains the Valuer-General's position on this matter, the Trust is unable to determine whether or not ESL is payable on Trust land, or the amount payable. Therefore, a contingent liability exists at 30 June 2021.

## 10. Measurement and risk

### 10.1. 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 increased from 2020 (0.75%) to 2021 (1.25%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an decrease in the long service leave liability of \$11,837. The impact of 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 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

### 10.2. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

#### *Initial recognition*

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

The Trust leases most of its buildings to Aboriginal communities and other organisations. The majority of leases are non-commercial, for long term periods greater than the buildings remaining useful life and are entered into by the Trust with the intent of transferring responsibility for the ongoing maintenance and management of the buildings to lessees over the lease term. As the Trust in its capacity as lessor does not control the economic benefits from the leased buildings these have not been recognised in the Statement of Financial Position. When lease agreements cease and are not renewed with another party, the Trust regains control of the buildings and recognise an asset in the Trust's Statement of Financial Position.

Infrastructure on the lands is also considered to be controlled by the lessees, and its economic benefits are likely to be fully consumed during the lease terms.

#### *Revaluation*

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

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

The Trust revalues its land and buildings every five years. A revaluation of land and buildings should have been done as at 30 June 2020 for properties in the regions of Adelaide, Mid North, Murraylands, West Coast, Lower Eyre Peninsula, Flinders and South East, but due to COVID-19 this was not possible.

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.

#### **Land and buildings**

An independent valuation of all Trust land and buildings commenced during 2013-14 and was performed by Kym Dreyer, B.App.Sc. (Val.) L.F.A.P.I. Certified Practising Valuer/ Managing Director (SA) of M3 Property Strategists. Properties in the Adelaide region, the Mid North, Murraylands, West Coast, Lower Eyre Peninsula, Flinders Region and South East have been revalued as at 30 June 2014. Far North, Riverland, Coorong and Yorke Peninsula properties have been revalued as at 30 June 2015.

The valuation of the land and buildings at Iga Warta was last performed by the Valuer-General as at 30 June 2012. Evaluation and assessment of this land and buildings was not performed by M3 Property Strategists due to being denied access by the land owners. The Trust considers the impact from the lack of revaluation of this property to be immaterial to the overall valuation of land and buildings.

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluation reserve for that asset class.

Fair value was determined using the market approach for land and non-specialised buildings. The valuation was based on recent market transactions for similar land and buildings in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

Depreciated replacement cost was used for any specialised buildings, due to there not being an active market for such buildings. Restrictions on the sale of and use of assets was taken into account when determining fair value. The revaluation of Trust land considered that requirements of the *Aboriginal Lands Trust Act 2013* including for Trust land to be used for the continuing benefit of Aboriginal South Australians would not have a material impact on the land's fair value. Another key judgement in the revaluation of Trust land was that the leasing of land by the Trust to Aboriginal communities and other organisations would not have a material impact of the on the land's fair value due to the non-commercial nature of most lease arrangements.

#### **Plant and equipment**

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life of less than 20 years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

### **10.3. Financial Instruments**

#### **Financial risk management**

Risk management is managed by the Trust's Chief Executive. The Trust risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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.

#### **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.

#### **Classification of financial instruments**

The Trust measures all financial instruments at amortised cost and all financial instruments are within one year.

#### **Statutory receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.