

**Alinytjara Wilurara
Landscape Board**

Financial report
for the year ended
30 June 2021



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the General Manager Alinytjara Wilurara Landscape Board

Opinion

I have audited the financial report of Alinytjara Wilurara Landscape Board (the Board) for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2021, their financial performance and their 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 Presiding Member and the General Manager.

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 Board. 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 opinion.

Responsibilities of the General Manager and Presiding Member for the financial report

The General Manager 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* 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 General Manager 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 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 38(2) of the *Landscape South Australia Act 2019*, I have audited the financial report of the Board 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 Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager

- conclude on the appropriateness of the General Manager'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 Presiding Member and General Manager 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
29 November 2021

Alinytjara Wilurara Landscape Board

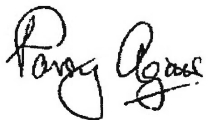
Financial Statements

For the year ended 30 June 2021

Alinytjara Wilurara Landscape Board
Certification of the Financial Statements
for the year ended 30 June 2021

We certify that the:

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



Parry Agjus
Presiding Member
Alinytiara Wilurara Landscape Board
26 November 2021



Damien Miley
General Manager
Alinytiara Wilurara Landscape Board
26 November 2021

Alinytjara Wilurara Landscape Board
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000
Income		
Intra-government transfers	2.1	1 200
Commonwealth sourced grants and funding	2.2	1 213
Grant revenues	2.3	718
Interest		1
Other income	2.4	<u>13</u>
Total income		<u>3 145</u>
Expenses		
Employee benefits expenses	3.3	1 438
Supplies and services	4.1	1 279
Grants and subsidies		35
Depreciation	5.1	19
Other expenses	4.2	<u>47</u>
Total expenses		<u>2 818</u>
Net result		<u>327</u>
Total comprehensive result		<u>327</u>

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

Alinytjara Wilurara Landscape Board
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$'000
Current assets		
Cash and cash equivalents	6.1	4 734
Receivables	6.2	<u>289</u>
Total current assets		<u>5 023</u>
Non-current assets		
Property plant and equipment	5.1	<u>35</u>
Total non-current assets		<u>35</u>
Total assets		<u>5 058</u>
Current liabilities		
Payables	7.1	272
Provisions	7.2	3
Financial liabilities	7.3	11
Employee benefits	3.4	<u>200</u>
Total current liabilities		<u>486</u>
Non-current liabilities		
Payables	7.1	18
Provisions	7.2	6
Financial liabilities	7.3	15
Employee benefits	3.4	<u>194</u>
Total non-current liabilities		<u>233</u>
Total liabilities		<u>719</u>
Net assets		<u>4 339</u>
Equity		
Retained earnings		<u>4 339</u>
Total equity		<u>4 339</u>

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

Alinytjara Wilurara Landscape Board
Statement of Changes in Equity
for the year ended 30 June 2021

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	<u>-</u>	<u>-</u>
Net result for 2020-21	<u>327</u>	<u>327</u>
Total comprehensive result for 2020-21	<u>327</u>	<u>327</u>
Net assets received from an administrative restructure	<u>4 012</u>	<u>4 012</u>
Balance at 30 June 2021	<u><u>4 339</u></u>	<u><u>4 339</u></u>

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

Alinytjara Wilurara Landscape Board
Statement of Cash Flows
for the year ended 30 June 2021

	Note	2021 \$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Intra-government transfers		1 200
Commonwealth funding received		1 707
Receipts from grants		718
Interest received		1
Other receipts		32
Cash generated from operations		<u>3 658</u>
<i>Cash (outflows)</i>		
Employee benefits payments		(1 443)
Payments for supplies and services		(1 314)
Payments of grants and subsidies		(35)
Other payments		(50)
Cash used in operations		<u>(2 842)</u>
Net cash provided by operating activities		<u>816</u>
Cash flows from financing activities		
<i>Cash inflows</i>		
Cash received from restructuring activities		3 931
Cash generated from financing activities		<u>3 931</u>
<i>Cash (outflows)</i>		
Repayment of leases		(13)
Cash used in financing activities		<u>(13)</u>
Net cash provided by / (used in) financing activities		<u>3 918</u>
Net increase / (decrease) in cash and cash equivalents		<u>4 734</u>
Cash at the beginning of the period		-
Cash at the end of the period	6.1	<u>4 734</u>

The accompanying notes form part of these financial statements.

Alinytjara Wilurara Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2021

1. About the Alinytjara Wilurara Landscape Board

The Alinytjara Wilurara Landscape Board (the Board) was established as an independent not-for-profit statutory authority pursuant to the Landscape South Australia Act 2019 (the Landscape Act).

The Board operates under a Business Plan which was approved by the Board on 16 June 2020, for implementation on 1 July 2020. The Business Plan identifies, investment in the five priorities targets as detailed in note 1.2.

The Board entered into a Service Level Agreement (SLA) with the Department for Environment and Water (DEW) during 2020-21 which includes the delivery of support services to the Board to ensure it is able to meet its statutory requirements under the Landscape Act and an annual work plan for the delivery of the Board's Business Plan. This agreement details the services, projects and funds to deliver the annual work plan. This SLA is reviewed and updated on an annual basis.

The financial statements and accompanying notes include all the controlled activities of the Board. As this is the first year of operations, there are no comparative figures provided.

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*
- relevant Australian Accounting Standards with reduced disclosure requirements.

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.

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.

The Board is not subject to income tax. It is liable for fringe benefits tax, goods & services tax & payroll tax.

DEW prepares a Business Activity Statement on behalf of the Board under the grouping provisions of the Goods and Services Tax (GST) legislation. Under these provisions, DEW is liable for the payments and entitled to the receipts associated with GST. Therefore the Board's net GST receivable/payable is recorded in DEW's Statement of Financial Position. GST cash flows applicable to the Board are recorded in DEW's Statement of Cash Flows.

Significant accounting policies are set out below and throughout the notes.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2. Objectives and programs

Board objectives

The functions of the Board under section 25(1) of the Landscape Act include to:

- a) Undertake and promote the management of natural resources within its region
- b) Prepare a regional landscape plan and water allocation plans, landscapes affecting activities control policies and water affecting activities control policies, and
- c) Promote public awareness and understanding of the importance of integrated and sustainable natural resources management within its region.

Board priorities

The Board's work program is based on the required action for the region, as outlined in the Board's Business Plan. In line with the Board's Business Plan, actions to be undertaken by the Board are presented under the key priorities for the region, identified as:

- *Board and community leadership* - Building effective partnerships to maintain regional relevance and support emerging Aboriginal leaders.
Supporting Land Holding Authorities and Traditional Owners to access resources that facilitate traditional and ecological knowledge transfer.
- *Healthy soil* - Supporting Land Holding Authorities and Traditional Owners to adopt sustainable pastoral practices to reduce soil erosion.
- *Pest Plan and animal control* - Working with key stakeholders to support Land Holding Authorities and Traditional Owners to control priority pest plant and animals.
- *Land and biodiversity* - Supporting Land Holding Authorities and Traditional Owners to protect and restore important coast and marine ecosystems.
Supporting Land Holding Authorities and Traditional Owners to maintain and enhance biodiversity, including threatened species, in prioritised ecosystems.
- *Water Management* - Supporting Land Holding Authorities and Traditional Owners to manage ground water affecting activities.
Supporting Land Holding Authorities and Traditional Owners to actively manage ecologically and culturally significant surface and ground water sites.

The table on the following page presents expenses and income attributable to each priority.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2. Objectives and programs (continued)

Expenses and income by program

	Board and community leadership	Healthy soil	Pest plan and animal control	Land and biodiversity	Total
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Income					
Intra-government transfers	1 200	-	-	-	1 200
Commonwealth funding	-	541	273	399	1 213
Grant revenues	-	281	379	58	718
Interest	1	-	-	-	1
Other income	1	2	10	-	13
Total income	1 202	824	662	457	3 145
Expenses					
Employee benefits expense	644	111	365	318	1 438
Supplies and services	459	338	225	257	1 279
Grants and subsidies	33	-	-	2	35
Depreciation	19	-	-	-	19
Other expenses	47	-	-	-	47
Total expenses	1 202	449	590	577	2 818
Net result	-	375	72	(120)	327

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.3. Net assets received from an Administrative Restructure

Under the *Public Sector (Reorganisation of Public Sector Operations – Department for Environment and Water) Notice 2020*:

- On 25 June 2020, by notice of the Premier in the SA Government Gazette, 16 (15.6 FTE) employees transferred from DEW to the Board pursuant to section 9 (1) of the *Public Sector Act 2009* (the PS Act), to take effect from 1 July 2020.

Transferred in

The following assets and liabilities were transferred to the Board as part of the staffing transfer:

	\$'000
Assets	
Cash and cash equivalents	447
Receivables	1
Total assets	<u>448</u>
Liabilities	
Payables	45
Provisions	19
Employee benefits	402
Total liabilities	<u>466</u>
Total net assets/(liabilities) transferred	<u><u>(18)</u></u>

Net liabilities transferred to the Board because of the administrative restructure are the carrying amount of those assets and liabilities in DEW's Statement of Financial Position immediately prior to transfer. The net liabilities transferred were treated as a contribution by the government as owner.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.3. Net assets received from an Administrative Restructure (continued)

Additionally, on 1 July 2020, the *Natural Resources Management Act 2004* (NRM Act) was repealed, and the Alinytjara Wilurara Natural Resources Management Board (NRM Board) was abolished. By notice in the Government Gazette on 25 June 2020, the property, assets, rights and liabilities of the NRM Board, with effect from 1 July 2020, were vested in or attached to the Board.

Transferred in

The following assets and liabilities were transferred from the NRM Board:

	\$'000
Assets	
Cash and cash equivalents	3 484
Receivables	802
Property plant and equipment	14
Total assets	<u>4 300</u>
Liabilities	
Payables	270
Total liabilities	<u>270</u>
Total net assets transferred	<u><u>4 030</u></u>

Net assets assumed by the Board because of the administrative restructure are the carrying amount of those assets in the NRM Board's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the government as owner.

1.4. Impact of COVID-19 pandemic on the Board

The COVID-19 pandemic impacted from March 2020. The Board managed flexible working arrangement for staff to work from home arrangements where feasible. The Board also ensured precautions were taken for staff and the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

A key impact to the Board in 2020-21 was a reduction in capacity to complete various projects in the field. The project deliverables have been extended into next financial year where possible.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2. Income

2.1. Intra-government transfers

	2021 \$'000
State Government recurrent funding	1 200
Total intra-government transfers	1 200

DEW receives recurrent funding, which is administered through the Landscape Administration fund and provided to regional landscape Boards to support business operation and the administration of the Landscape Act. The funding is subsequently paid to regional landscape boards pursuant to subsection 90(4) of the Landscape Act.

Intra-government transfers are recognised as income when the Board obtains control of the asset which is on receipt.

2.2. Commonwealth-sourced grants and funding

	2021 \$'000
Regional Land Partnerships Program	1 213
Total Commonwealth-sourced grants and funding	1 213

	2021 \$'000
Regional Land Partnerships Program funding consists of the following components	
Core services (NLP)	677
Nganamara (Malleefowl) Adaptive Management	300
Sustainable Pastoral Development in APY	236
Total Regional Land Partnership funding	1 213

The Board has determined that the Commonwealth funding included in the table above is accounted for under AASB 1058. Commonwealth funding is generally paid in arrears, subject to an approved declaration of claim by the Board. The Board has determined that it has an unconditional contractual right to receive a portion of the funding under AASB 9 when a claim is submitted, as it has satisfied the eligibility criteria and expects that the claim will be accepted. Accordingly, revenue and a receivable are recognised when the claim is submitted. When Commonwealth funding is paid in advance it is recognised on receipt.

2.3. Grant revenues

	2021 \$'000
Grant revenue recognised under AASB 1058	
State Government grants	557
Sundry grants	161
Total grant revenues	718

The Board has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or not linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Board has an unconditional right to receive cash which usually coincides with receipt of cash.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.4. Other income

	2021 \$'000
Recoup of expenses and other recoveries	3
Sale of professional services	10
Total other income	13

Other income includes reimbursement income related to the operating activities of the Board and sales of professional services. Other income is recognised upon the delivery of the service to the customer, which is in arrears, therefore no contract liability is recognised.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Board comprise the Presiding Member, members and the General Manager who have responsibility for the strategic direction and management of the Board.

Total compensation for the Board's key management personnel was \$164 000 in 2020-21.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water 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 the *Parliamentary Remuneration Act 1990*.

Related party transactions

The Board is a body corporate and was established pursuant to the *Landscape South Australia Act 2019* and is wholly owned and controlled by the Crown.

Related parties of the Board include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Transactions with key management personnel and other related parties

The Board has a service agreement with an Aboriginal organisation, Far West Mining and Civil (a commercial arm of the Far West Coast Aboriginal Corporation (FWCAC) during 2020-21 to access the Aboriginal labour workforce to support the delivery of the AWLB's projects. The total payments in 2020-21 was \$36 000 with commitments of \$6 000. The chair of the FWCAC is a member of the Board.

Two members of the Board are also members of the Executive Management of APY Lands with which the Board have service agreements with for delivering the Regional Land Partnership program. The total payments in 2020-21 was \$249 000 in addition to the total payable of \$104 000 and commitments of \$83 000.

The Board has an agreement with A.M.Y Environmental Services (a commercial arm of AMYAC Nominees) for supporting the establishment of the Ranger team. The total payments in 2020-21 was \$30 000. A board member of the Board is a member of AMYAC nominees.

During 2020-21 the Board funded a grassroots grant program to support the Yalata community womens project. The total payments in 2020-21 was \$33 000 with total payable of \$2 000. A member of Yalata community was a member of the Board.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.2. Board and committee members

Members during the 2020-21 financial year were:

The Board	Audit and Risk Management Committee
A P Agius (Presiding Member)	A P Agius (Chair)
M T Haynes	M T Haynes
A W Baker (Retired March 2021)	D Hansen
D Hansen	S Scales
P P Miller	P P Miller
J O'Toole	D Miley*
K M Richards	
M J Smart (Retired April 2021)	
S Scales	

* In accordance with the Department of the Premier and Cabinet's Circular Number 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2021
\$0 - \$19 999	9
\$20 000 - \$39 999	1
Total number of members	10

Remuneration of members reflects all costs of performing Board, Group and Committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$60 000.

For the purpose of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members. These expenses, in addition to the payroll tax amount to \$13 000.

3.3. Employee benefits expenses

	2021
	\$'000
Salaries and wages	1 296
Annual leave	35
Long service leave	(10)
Employment on-costs - superannuation	54
Employment on-costs - other	21
Skills and experience retention leave	(2)
Board and committee fees	60
Workers compensation	(17)
Other employee related expenses	1
Total employee benefits expense	1 438

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.3. Employee benefits expenses (continued)

Employment on-costs - superannuation

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

Executive remuneration

There were no employees who received remuneration above the base executive remuneration level.

3.4. Employee benefits liability

	2021 \$'000
<u>Current</u>	
Accrued salaries and wages	38
Annual leave	120
Long service leave	41
Skills and experience retention leave	1
Total current employee benefits	200
<u>Non-current</u>	
Long service leave	194
Total non-current employee benefits	194
Total employee benefits liability	394

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, 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 SERL 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 is provided as note 9.1

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4. Expenses

4.1. Supplies and services

	2021
	\$'000
Fee for service	740
Fee for service - corporate services fee to DEW	154
Travel and accommodation	138
Minor works, maintenance and equipment	43
Fee for service - Shared Services SA fee	42
Motor vehicles	42
Information technology and communication charges	24
General administration	15
Staff development	11
Other	70
Total supplies and services	<u>1 279</u>

4.2. Other expenses

	2021
	\$'000
Audit fees paid/payable to the Auditor-General's Department	<u>47</u>
Total other expenses	<u>47</u>

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

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5. Non-financial assets

Property, plant and equipment comprises tangible assets owned by the Board and right-of-use leased assets.

5.1. Property, plant and equipment owned by the Board

Property, plant and equipment owned by the Board with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Board is recorded at fair value. Detail about the Board's approach to fair value is set out in note 9.2.

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.

Reconciliation 2020-21

	Vehicles \$'000	Plant and equipment \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of period	-	-	-	-
Acquisition through administrative restructuring	3	11	-	14
Acquisitions	-	-	40	40
Depreciation	(3)	(2)	(14)	(19)
Carrying amount at the end of the period	-	9	26	35
Gross carrying amount				
Gross carrying amount	18	47	40	105
Accumulated depreciation	(18)	(38)	(14)	(70)
Carrying amount at the end of the period	-	9	26	35

Review of accounting estimates

Assets' residual values, useful lives and depreciation 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 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)
Plant and equipment	10
Right-of-use vehicles	3 - 5

Impairment

There were no indications of impairment for property, plant and equipment owned by the Board at 30 June 2021.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.2. Property, plant and equipment leased by the Board

Right-of-use assets for Property, plant and equipment leased by the Board as lessee are measured at cost. Additions to leased property, plant and equipment during 2020-21 were \$40 000.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Board has 2 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60 000 km) up to 5 years (100 000 km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

Lease liabilities related to the Right of Use assets are disclosed in note 7.3. The Board's maturity analysis of its lease liabilities is disclosed in note 9.3. Expenses related to leases including depreciation are disclosed at note 5.1. Cash outflows related to leases are disclosed in the Statement of Cash Flows.

6 Financial assets

6.1 Cash and cash equivalents

	2021
	\$'000
Deposits with the Treasurer	4 734
Total cash and cash equivalents	4 734

Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates.

Cash is measured at nominal amounts.

6.2 Receivables

	2021
	\$'000
Current	
Trade receivables	
Debtors	11
Accrued revenues	278
Total current receivables	289
Total receivables	289

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

The Board has assessed and determined that non-government debtors comprise a small number of low balances, which are current and collectable. No provision for doubtful debts has been made.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

7. Liabilities

7.1. Payables

	2021 \$'000
Current	
Trade payables	182
Employment on-costs	40
Accrued expenses	50
Total current payables	<u>272</u>
Non-current	
Employment on-costs	18
Total non-current payables	<u>18</u>
Total payables	<u><u>290</u></u>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

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

The Board 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. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave was 42%. The average factor for the calculation of employer superannuation cost on-costs was 10.1%. These rates are used in the employment on-cost calculation.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

7.2. Provisions

	2021 \$'000
<u>Current</u>	
Provision for workers compensation	3
Total current provisions	3
<u>Non-current</u>	
Provision for workers compensation	6
Total non-current provisions	6
Total provisions	9
<u>Movement in provisions</u>	
Carrying amount at the beginning of the period	-
Provisions recognised as a result of restructure activities	19
Decrease in provisions recognised	(10)
Carrying amount at the end of the period	9

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Board is responsible for the payment of workers compensation claims.

7.3. Financial liabilities

	2021 \$'000
Current	
Lease liabilities	11
Total current financial liabilities	11
Non-Current	
Lease liabilities	15
Total non-current financial liabilities	15
Total financial liabilities	26

The Board measures financial liabilities at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

8. Outlook

8.1. Unrecognised contractual commitments

Commitments include operating and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

Expenditure commitments

The Board's expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2021
	\$'000
No later than one year	485
Total expenditure commitments	485

The Board's commitments relate to non-cancellable procurement contracts at the reporting date which have not been recognised in the Statement of Comprehensive Income and Statement of Financial Position.

8.2. 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 Board is not aware of the existence of any contingent assets or liabilities.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

9. Measurement and risk

9.1. 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 bonds was 1.25%.

The actuarial assessment performed by DTF applied a salary inflation rate of 2.5% for long service leave liability. The salary inflation rate for annual leave and skills, experience and retention leave liability was 2.0%.

The unconditional portion of the long service leave provision is classified as current as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

9.2. 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 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 their 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).

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 a non-current asset, or group of assets, is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

The Board does not hold any assets that meet this criteria.

Alinytjara Wilurara Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2021

9.3. Financial instruments

Financial risk management

Risk management is managed by the Board's corporate services section. Board risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity, credit and market) 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 the respective financial asset/financial liability note.

Classification of financial instruments

Financial assets and financial liabilities are measured at amortised cost.

Category of financial asset and financial liability	Note	2021 Carrying amount \$'000	2021 contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<u>Financial assets</u>					
Cash and cash equivalents					
Cash and cash equivalents	6.1	4 734	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	6.2	289	289	-	-
Total financial assets		5 023	289	-	-
<u>Financial liabilities</u>					
Financial liabilities at amortised cost					
Payables	7.1	185	185	-	-
Financial liabilities	7.3	26	11	15	-
Total financial liabilities		211	196	15	-

Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). 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 levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.