

# Murraylands and Riverland Landscape Board

Financial report  
for the year ended  
30 June 2021

# INDEPENDENT AUDITOR'S REPORT



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Auditor-General's Department

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## To the Presiding Member Murraylands and Riverland Landscape Board

### Opinion

I have audited the financial report of the Murraylands and Riverland 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, 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 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 the Board 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 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 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.

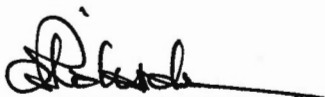
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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

# **Murraylands and Riverland Landscape Board**

## **Financial Statements**

For the year ended 30 June 2021

**Murraylands and Riverland Landscape Board**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the:

- financial statements for the Murraylands and Riverland 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 Murraylands and Riverland Landscape Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



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Dianne Davidson  
**Presiding Member**  
24 November 2021



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Andrew Meddle  
**General Manager**  
Murraylands and Riverland Landscape Board  
24 November 2021

**Murraylands and Riverland Landscape Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

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	Note	2021 \$'000
<b>Income</b>		
Landscape and water levies	2.1	11 424
Commonwealth-sourced grants and funding	2.2	6 753
Grant revenues	2.3	366
Interest revenues		3
Other income	2.4	391
<b>Total income</b>		<b>18 937</b>
<b>Expenses</b>		
Employee benefits expense	3.3	5 377
Supplies and services	4.1	6 718
Grants and subsidies	4.2	3 769
Depreciation	5.1	666
Borrowing costs		17
Other expenses	4.3	53
<b>Total expenses</b>		<b>16 600</b>
<b>Net result</b>		<b>2 337</b>
<b>Total comprehensive result</b>		<b>2 337</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.

**Murraylands and Riverland Landscape Board**  
**Statement of Financial Position**  
*as at 30 June 2021*

	Note	2021 \$'000
<b>Current assets</b>		
Cash and cash equivalents	6.1	9 934
Receivables	6.2	2 448
<b>Total current assets</b>		<u>12 382</u>
<b>Non-current assets</b>		
Property plant and equipment	5.1	1 274
<b>Total non-current assets</b>		<u>1 274</u>
<b>Total assets</b>		<u>13 656</u>
<b>Current liabilities</b>		
Payables	7.1	765
Contract liabilities	2.3	525
Financial liabilities	7.2	552
Employee benefits liability	3.4	606
Provisions	7.3	9
<b>Total current liabilities</b>		<u>2 457</u>
<b>Non-current liabilities</b>		
Payables	7.1	115
Financial liabilities	7.2	358
Employee benefits liability	3.4	1 221
Provisions	7.3	23
<b>Total non-current liabilities</b>		<u>1 717</u>
<b>Total liabilities</b>		<u>4 174</u>
<b>Net assets</b>		<u>9 482</u>
<b>Equity</b>		
Retained earnings		9 482
<b>Total equity</b>		<u>9 482</u>



**Murraylands and Riverland Landscape Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

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		Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		-	-
Net result for 2020-21		2 337	2 337
<b>Total comprehensive result for 2020-21</b>		<u>2 337</u>	<u>2 337</u>
Net assets received from an administrative restructure	1.3	7 145	7 145
<b>Balance at 30 June 2021</b>		<u><u>9 482</u></u>	<u><u>9 482</u></u>

**Murraylands and Riverland Landscape Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

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	Note	2021 \$'000
<b>Cash flows from operating activities</b>		
<i>Cash inflows</i>		
Landscape and water levies received		11 763
Commonwealth funding received		5 501
Grants		891
Interest received		3
Other receipts		366
<b>Cash generated from operations</b>		<u>18 524</u>
<i>Cash outflows</i>		
Employee benefits payments		(5 221)
Payments for supplies and services		(6 783)
Payments of grants and subsidies		(3 519)
Interest paid		(17)
Other payments		(46)
<b>Cash used in operations</b>		<u>(15 586)</u>
<b>Net cash provided by operating activities</b>		<u>2 938</u>
<b>Cash flows from financing activities</b>		
<i>Cash inflows</i>		
Cash received from restructuring activities	1.3	<u>7 621</u>
<b>Cash generated from financing activities</b>		<u>7 621</u>
<i>Cash outflows</i>		
Repayment of leases		<u>(625)</u>
<b>Cash used in financing activities</b>		<u>(625)</u>
<b>Net cash provided by / (used in) financing activities</b>		<u>6 996</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>9 934</u>
Cash at the beginning of the period		-
<b>Cash at the end of the period</b>	6.1	<u>9 934</u>

# **Murraylands and Riverland Landscape Board**

## **Notes to and forming part of the financial statements**

### *for the year ended 30 June 2021*

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#### **1. About the Murraylands and Riverland Landscape Board**

The Murraylands and Riverland Landscape Board (the Board) was established 1 July 2020, pursuant to the *Landscape South Australia Act 2019* (the Landscape Act). The Board is a not for profit entity.

For the 2020-21 transitional period, the Board adopted the former South Australian Murray-Darling Basin Natural Resources Management Plan, as their interim Landscape Plan, whilst work commenced on the development of a new Regional Landscape Plan, which was submitted to the minister for approval in May 2021.

The Board also adopted the former South Australian Murray-Darling Basin Natural Resources Management Business Plan for the 2020-21 period, as their initial Business Plan to the extent it related to the Murraylands landscape management region, and adjusted to fulfill the requirements of the Board under the Landscape Act. The Plan contains a one-year Plan which identifies investment in the five focus areas assigned to it and targets as detailed in note 1.2.

The Board entered into a Service Level Agreement (SLA) with the Department for Environment and Water (DEW) in 2020-21 for the delivery of support services to the Board to ensure it is able to meet its statutory requirements under the Landscape Act. 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*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the purpose of preparing the financial statements, the Board 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.

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 and 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.

# **Murraylands and Riverland Landscape Board**

## **Notes to and forming part of the financial statements**

*for the year ended 30 June 2021*

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### **1.2. Objectives and programs**

#### **Board's functions**

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

- a) Undertake and promote the management of natural resources within its region.
- b) Prepare a regional landscape plan and water allocation plans, landscapes affective activities control process and water affecting control policies.
- c) Promote public awareness and understanding of the importance of integrated and sustainable natural resources management in 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 Plan, and as identified in the Regional Plan approved by the Minister, action to be undertaken by the Board are presented under the key priorities for the region, identified as:

#### **Sustainable Production**

Working with landholders to sustain productive systems:

- Work with industry and farming groups to demonstrate and promote best practice management of emerging threats, in broad acre farming districts.
- Work with industry and farming groups to demonstrate and promote best practice management of soil acidity.
- Demonstrate and promote best management practices to reduce soil erosion risks in dryland farming systems.
- Maintain landholder awareness and encourage management of emerging weeds across the region.
- Facilitate landholder networks and collaboration for improved vertebrate pest management.

#### **Water**

Managing resources for the benefit of multiple users in a changing climate:

- Ensure the use of water resources in prescribed areas is managed within sustainable limits.
- Deliver the requirements under the Basin Plan and National Water Initiative to all water allocation plans.
- Continue to optimise irrigation in key irrigation districts to provide water for the environment and improve productivity.
- Improve the ecological function of wetlands along the River Murray corridor through the management of environmental water.
- Engage the Aboriginal community in water planning and identification of their interests in water planning.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**1.2. Objectives and programs (continued)**

**Biodiversity**

Managing our biodiversity assets to improve resilience of ecosystems into the future for all, while achieving landscape scale ecological change:

- Restore and improve ecological functions at a landscape-scale.
- Promote and support sustainable grazing of native pastures for production and biodiversity outcomes.
- Maintain condition of key regional assets including reducing risks to threatened species from inappropriate fire regime through active fire management, addressing total grazing pressure and site-scale restoration.
- Maintain condition and improve the level of protection of biodiversity hotspots (prevent loss).
- Secure the future of prioritised threatened species and threatened ecological communities by implementing recovery plans, addressing habitat decline and species-specific threats.

**People and Partnerships**

People managing their natural resources through behavioural and generational change:

- Build and maintain partnerships with key stakeholders including Federal, State and Local government, non-government organisations, community, farming and industry groups.
- Create positive behaviour change and build leadership capacity through increased knowledge, skills and participation in NRM (including young people).
- Support for the region's volunteers including core training, volunteer recognition and small grants.
- Facilitate and support landholder and community networks to collaborate and share knowledge that empowers them to effectively manage the region's natural resources.
- Engage and strengthen the capacity of Aboriginal communities and groups to manage natural resources, and support their leadership in the protection of cultural values and assets.
- Encourage and support the community's contribution in NRM decision making, including their provision of data and evidence.
- Provide opportunities for the broader community (including young people) to connect with nature.

**Adaptive Capacity**

Building increased understanding of the adaptive capacity of the region:

- Support the capacity of land managers to adapt to change.
- Incorporate climate adaptation into natural resources management planning to ensure actions are climate-ready.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**1.2. Objectives and programs (continued)**

**Foundational**

Leadership, best practice and continuous improvement:

- Statutory planning including the Landscape Plan, Board's Business Plan, and water allocation plans.
- An effective monitoring, evaluation and reporting framework to assess the impact of the Regional NRM Plan.
- Monitoring, evaluation, reporting and improvement delivered at the program and project scale.
- Ensure contractual obligations that come with external funding are delivered.
- Continuously improve the information management systems that support evidence based decision making.
- Regular communication of Board business.

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

**Murraylands and Riverland 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 priority**

	<b>Sustainable Production</b>	<b>Water</b>	<b>Biodiversity</b>	<b>People and Partnerships</b>	<b>Adaptive Capacity</b>	<b>Foundational</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>							
Landscape and water levies	1 829	5 598	914	1 485	114	1 484	11 424
Commonwealth funding	689	4 730	665	626	3	40	6 753
Grants	53	242	29	41	-	1	366
Interest	-	1	-	-	-	2	3
Other income	309	25	4	6	-	47	391
<b>Total income</b>	<b>2 880</b>	<b>10 596</b>	<b>1 612</b>	<b>2 158</b>	<b>117</b>	<b>1 574</b>	<b>18 937</b>
<b>Expenses</b>							
Employee benefits expense	1 530	1 586	533	681	76	971	5 377
Supplies and services	819	3 920	665	371	57	886	6 718
Grants and subsidies	257	2 335	80	1 072	-	25	3 769
Depreciation	106	326	53	87	7	87	666
Borrowing costs	3	8	1	2	-	3	17
Other expenses	8	25	4	8	1	7	53
<b>Total expenses</b>	<b>2 723</b>	<b>8 200</b>	<b>1 336</b>	<b>2 221</b>	<b>141</b>	<b>1 979</b>	<b>16 600</b>
<b>Net result</b>	<b>157</b>	<b>2 396</b>	<b>276</b>	<b>(63)</b>	<b>(24)</b>	<b>(405)</b>	<b>2 337</b>

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**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, 55 (53.1 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.
- On 1 April 2021, by notice of the Premier in the SA Government Gazette, a further 11 (10.2 FTE) employees transferred from DEW to the Regional Landscape Boards pursuant to section 9 (1) of the PS Act, to take effect from 12 April 2021.

**Transferred in**

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

	<b>\$'000</b>
<b>Assets</b>	
Cash and cash equivalents	1 862
Receivables	1
<b>Total Assets</b>	<u><b>1 863</b></u>
<b>Liabilities</b>	
Payables	180
Employee benefits	1 683
Provisions	91
<b>Total Liabilities</b>	<u><b>1 954</b></u>
<b>Total net assets/(liabilities) transferred</b>	<u><b>(91)</b></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 the transfer. The net liabilities transferred were treated as a contribution by the government as owner.



**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**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 South Australian Murray Darling Basin Natural Resources Management Board (NRM Board) was abolished. By notice in the Government Gazette on 25 June 2020, a share of the property, assets, rights and liabilities of the NRM Board, with effect from 1 July 2020, were vested in or attached to the Hills and Fleurieu Landscape Board, the Northern and Yorke Landscape Board and the Murraylands and Riverland Landscape Board as follows:

- a) any property, assets, rights or liabilities that fall within the functions and responsibilities of the Hills and Fleurieu Landscape Board are vested or attached to the Hills and Fleurieu Landscape Board;
- b) any property, assets, rights or liabilities that fall within the functions and responsibilities of the Northern and Yorke Landscape Board are vested or attached to the Northern and Yorke Landscape Board;
- c) any other property, assets, rights or liabilities that do not fall within the ambit of paragraph (a) or (b) are vested in or attached to the Murraylands and Riverland Landscape Board.

***Transferred in***

The following assets and liabilities were transferred from the NRM Board to the Murraylands and Riverland Landscape Board:

	\$'000
<b>Assets</b>	
Cash and cash equivalents	5 759
Receivables	1 494
Property plant and equipment	1 531
<b>Total Assets</b>	<b>8 784</b>
<b>Liabilities</b>	
Payables	422
Financial liabilities	1 126
<b>Total Liabilities</b>	<b>1 548</b>
<b>Total net assets transferred</b>	<b>7 236</b>

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.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**1.4. Impact of COVID-19 pandemic on the Board**

The COVID-19 pandemic impacted the financial year. The Board managed the move of a significant number of 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 financial impact of individual projects under these priorities cannot be reliably measured and therefore has not been disclosed. The surplus funds for some projects have been extended into next financial year, otherwise they were redirected to other priority projects within the Murraylands and Riverland region.

**2. Income**

**2.1. Landscape and water levies**

	2021
	\$'000
Water levies collected through DEW	8 528
Landscape levy collected through councils	2 896
<b>Total Landscape and Water levies</b>	<b>11 424</b>

The Board collects landscape and water levies under Part 5 of the Landscape Act.

**Landscape levy collected through councils**

The Board declares contributions by councils under section 66 of the Landscape Act for the relevant financial year by notice in the Board Annual Business Plan. The landscape levy is then collected by constituent councils from ratepayers and is based on the value of rateable land. Revenue is recognised when the invoice is raised at the beginning of the levy period to which they relate. Councils may seek to recover costs in accordance with the Landscape Act, incurred in the collection of the levy.

**Water levies collected through DEW**

The Minister declares the water levy rates by notice of gazette under section 76 of the Landscape Act for water licence holders within a prescribed area. Invoices are raised at the start of each financial year with the levies collected by DEW and passed onto the Board. Revenue is recognised when the funds are received from DEW.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**2.2. Commonwealth-sourced grants and funding**

	2021 \$'000
Water Efficiency Program	3 412
Regional Land Partnership*	2 185
Riverland Indigenous Rangers	587
Commonwealth Environmental Water	465
Commonwealth On-farm Further Irrigation Efficiency Program	28
Other Commonwealth funding	76
<b>Total Commonwealth-sourced grants and funding</b>	<b>6 753</b>

	2021 \$'000
<b>* Regional Land Partnerships Program funding consists of the following components</b>	
Restoring Ramsar Wetlands	675
Farm Soils and Vegetation Management	420
Restoring the Iron-grass Natural Temperate Grasslands	440
Core services	307
Threatened Mallee Birds	200
Regional Agriculture Landcare Facilitator	143
<b>Total Regional Land Partnership funding</b>	<b>2 185</b>

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
<b>Income recognised under AASB 1058</b>	
State Government grants	366
<b>Total income recognised under AASB 1058</b>	<b>366</b>

**Grants recognised under AASB 1058**

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.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**2.3. Grants revenues (continued)**

***Grants recognised under AASB 15***

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. The existence of a sufficiently specific performance obligation, when it is satisfied and the amount of revenue to be allocated to each performance obligation involves significant judgement. Revenue is recognised when the Board satisfies the performance obligation by providing the relevant services. The payments are normally received in advance or shortly after the relevant obligation is satisfied. Where payments are received in advance and performance obligations are still outstanding at 30 June 2021 a contract liability is recognised.

***Contract Balances***

	<b>2021</b>
	<b>\$'000</b>
Contract liabilities	525
<b>Total contract liabilities</b>	<b>525</b>

Contract liabilities relate to funding provided by a Landscape Priorities Fund grant received in advance from the State Government, for which revenue will be recognised as performance obligations are satisfied.

**2.4. Other income**

	<b>2021</b>
	<b>\$'000</b>
Support services income	108
Sale of goods	213
Property rental and related income	27
Other revenue	43
<b>Total other income</b>	<b>391</b>

**3. Board, committees and employees**

**3.1. Key management personnel**

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

Total compensation for key management personnel was \$228 000 in 2020-21.

The compensation disclosed in this note excludes salaries and other benefits the Minister 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 under section 6 of the *Parliamentary Remuneration Act 1990*.

No transactions with key management personnel or related parties have occurred throughout the 2020-21 financial year.

**Murraylands and Riverland Landscape Board**  
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**3.2. Board and committee members**

Members of the Murraylands and Riverland Landscape Board during the 2020-21 financial year were:

D M Davidson (Presiding Member, re-appointed February 2021)  
 J C Size  
 A J Biele  
 G Cock  
 J R Godden  
 L Rowntree (retired June 2021)  
 B Cowey (retired June 2021)

Members of groups and committees during the 2020-21 financial year were:

**Mallee and Coorong Advisory Committee**

R Wickes (Chair, appointed September 2020)  
 S Evans  
 A W Hansen  
 D H Hayward  
 C Shaw  
 Y J Smith  
 A Biele

**Finance and Risk Committee**

J R Godden (appointed Chair July 2020)  
 D M Davidson (appointed July 2020)  
 J C Size (appointed December 2020)  
 J McDonald (appointed August 2020)

**Water Advisory Committee**

G McCarron\* (Chair, appointed September 2020)  
 S Alm (appointed September 2020)  
 R Auricht (appointed September 2020)  
 A Jensen (appointed September 2020)  
 J Pfeiffer (appointed September 2020)  
 D Zaddow (appointed September 2020)  
 R Hartman (appointed November 2020)  
 C Mason (appointed September 2020)

\*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.

The number of members whose remuneration received or receivable falls within the following bands:	<b>2021</b>
\$0 - \$19 999	21
\$20 000 - \$39 999	1
<b>Total number of members</b>	<b>22</b>

The total remuneration received or receivable by members was \$56 000. Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and related fringe benefits tax paid or payable in respect to those benefits.

For the purposes 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 payroll tax amount to \$24 000. Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

**Murraylands and Riverland Landscape Board**  
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**3.3. Employee benefits expense**

	2021
	\$'000
Salaries and wages	4 249
Annual leave	406
Long service leave	(7)
Employment on-costs - superannuation	447
Employment on-costs - other	261
Skills and experience retention leave	17
Board and committee fees	56
Workers compensation	(56)
Other employee related expenses	4
<b>Total employee benefits expense</b>	<b>5 377</b>

***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.

**3.4. Employee benefits liability**

	2021
	\$'000
<b><u>Current</u></b>	
Accrued salaries and wages	157
Annual leave	383
Long service leave	26
Skills and experience retention leave	40
<b>Total current employee benefits</b>	<b>606</b>
<b><u>Non-current</u></b>	
Long service leave	1 221
<b>Total non-current employee benefits</b>	<b>1 221</b>
<b>Total employee benefits liability</b>	<b>1 827</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, 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.

**Murraylands and Riverland Landscape Board**  
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**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1. Supplies and services**

	<b>2021</b>
	<b>\$'000</b>
Fee for service - third party contractors	3 383
Fee for service - Corporate fee (DEW)	1 165
Accommodation and property management	245
Fee for service - Board funded DEW salaries	564
Fee for service - Shared Services SA fee	293
Minor works, maintenance and equipment	323
Information technology and communication charges	133
Motor vehicles	113
General administration	128
Temporary staff	56
Contracted staff training and development	47
Travel and accommodation	45
Monitoring	2
Transport	1
Other supplies and services	220
<b>Total supplies and services</b>	<b>6 718</b>

**4.2. Grants and subsidies**

	<b>2021</b>
	<b>\$'000</b>
<b>Grants and subsidies provided to entities within SA Government</b>	
Grants and subsidies paid to entities within the SA Government	43
<b>Total grants and subsidies - SA Government</b>	<b>43</b>
<b>Grants and subsidies paid to entities external to the SA Government</b>	
Landholders	2 226
Local Government and community groups	619
Other	881
<b>Total grants and subsidies - non SA Government</b>	<b>3 726</b>
<b>Total grants and subsidies</b>	<b>3 769</b>

The Board provided funding to local government, state government agencies, community groups and private bodies during the year. Funds are paid by way of grants and all recipients are required to comply with conditions relevant to each grant.

**Murraylands and Riverland Landscape Board**  
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**4.3. Other expenses**

	<b>2021</b>
	<b>\$'000</b>
Audit fees paid/payable to the Auditor-General's Department	53
Bad and doubtful debts	(1)
Other	<u>1</u>
<b>Total other expenses</b>	<b><u>53</u></b>

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



**Murraylands and Riverland Landscape Board**  
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**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 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, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

**Reconciliation of non-current assets**

	Land and Buildings \$'000	Plant and equipment \$'000	Vehicles \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	-	-	-	-	-	-
Acquisition through administrative restructuring	240	147	35	1 109	-	1 531
Acquisitions	-	-	-	-	434	434
Depreciation	(7)	(26)	(4)	(502)	(127)	(666)
Disposals	-	-	-	-	(3)	(3)
Write-offs	-	-	-	(22)	-	(22)
<b>Carrying amount at the end of the period</b>	<b>233</b>	<b>121</b>	<b>31</b>	<b>585</b>	<b>304</b>	<b>1 274</b>
<b>Gross carrying amount</b>						
Gross carrying amount	301	324	200	1 589	421	2 835
Accumulated depreciation	(68)	(203)	(169)	(1 004)	(117)	(1 561)
<b>Carrying amount at the end of the period</b>	<b>233</b>	<b>121</b>	<b>31</b>	<b>585</b>	<b>304</b>	<b>1 274</b>

**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 useful 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.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
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**5.1. Property, plant and equipment owned by the Board (continued)**

**Useful life**

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings	21 - 55
Plant and equipment	4 - 20
Vehicles	5 - 15
Right-of-use buildings	3 - 10
Right-of-use vehicles	1 - 5

**Impairment**

There were no indications of impairment for property, plant and equipment owned by the Board at 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 \$434 000.

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 a limited number of leases:

- 25 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 1 year (20,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The Board has four property leases for office accommodation with landlords external to the SA Government:

- The Murray Bridge lease is for a period of five years which commenced on 1 September 2017, there are no extension options for this lease contained in the current agreement
- The Berri lease expired on 31 March 2021. A renewal is currently being negotiated until September 21, whereby the Board will then vacate these premises and move to another location within Berri
- The Karoonda lease is for a period of 5 years which commenced on 1 April 2019. The lease contains an option for renewal of 5 years commencing on the fifth anniversary of the commencement date of the lease
- The Strathalbyn lease is for a period of 2 years which commenced on 1 October 2019. The lease contains a right of renewal for a further two, 2-year leases, however the Board will not be exercising this right due to boundary changes associated with the Landscape Act.

Lease liabilities related to the right-of-use assets are disclosed in note 7.2. Expenses related to leases includes depreciation disclosed at note 5.1 and interest expenses disclosed in the Statement of Comprehensive Income. Cash outflows related to leases are disclosed in the Statement of Cash Flows.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**6. Financial assets**

**6.1. Cash and cash equivalents**

	2021
	\$'000
Deposits with the Treasurer	9 934
<b>Total cash and cash equivalents</b>	<b>9 934</b>

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
<b><u>Current</u></b>	
<b>Trade receivables</b>	
Debtors	1 702
Less impairment loss on receivables	(16)
<b>Total trade receivables</b>	<b>1 686</b>
Accrued revenues	747
Prepayments	15
<b>Total current receivables</b>	<b>2 448</b>
<b>Total receivables</b>	<b>2 448</b>

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.

Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

***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 Board uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

**Murraylands and Riverland Landscape Board**  
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**7. Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

	<b>2021</b>
	<b>\$'000</b>
<b><u>Current</u></b>	
Trade payables	521
Accrued expenses	108
Employment on-costs	136
<b>Total current payables</b>	<b>765</b>
<b><u>Non-current</u></b>	
Employment on-costs	115
<b>Total non-current payables</b>	<b>115</b>
<b>Total payables</b>	<b>880</b>

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 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.

**Murraylands and Riverland Landscape Board**  
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**7.2. Financial liabilities**

	2021
	\$'000
<b>Current</b>	
Lease liabilities	552
<b>Total current financial liabilities</b>	<u>552</u>
<b>Non-current</b>	
Lease liabilities	358
<b>Total non-current financial liabilities</b>	<u>358</u>
<b>Total financial liabilities</b>	<u><u>910</u></u>

The Board measures financial liabilities at amortised cost.

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

**7.3. Provisions**

	2021
	\$'000
<b>Current</b>	
Provision for workers compensation	9
<b>Total current provisions</b>	<u>9</u>
<b>Non-current</b>	
Provision for workers compensation	23
<b>Total non-current provisions</b>	<u>23</u>
<b>Total provisions</b>	<u><u>32</u></u>
<b><i>Movement in provisions</i></b>	
Carrying amount at the beginning of the period	-
Provisions recognised as a result of restructure activities	91
Decrease in provisions recognised	(59)
<b>Carrying amount at the end of the period</b>	<u><u>32</u></u>

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.

**Murraylands and Riverland Landscape Board**  
**Notes to and forming part of the financial statements**  
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**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***

	2021 \$'000
No later than one year	6 648
Later than one year but no later than five years	<u>72</u>
<b>Total expenditure commitments</b>	<b><u>6 720</u></b>

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

The Board's significant expenditure commitments are for:

- Service Level Agreements with DEW for Corporate Services and Water Planning Management Cost Recovery for 21/22 totalling \$4.153 million
- Contracts for Environmental Water Pumping up to \$704 000 for 2021/22.

**8.2. Contingent assets and contingent liabilities**

Contingent assets and 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 any contingent assets or liabilities.

**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.

# Murraylands and Riverland Landscape Board

## Notes to and forming part of the financial statements

### for the year ended 30 June 2021

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#### 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 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 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, other than right-of-use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

All non-current tangible assets are valued at fair value and revaluation of non-current assets or 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 Board does not hold any assets that meet this criteria.

#### 9.3. Financial instruments

##### *Financial risk management*

Risk management is managed by the Board's corporate services section and 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.

##### *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 Board uses a 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 Board 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 Board'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 Board 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.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

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.

**Murraylands and Riverland Landscape Board**  
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**9.3. Financial instruments (continued)**

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 Board and a failure to make contractual payments for a period of greater than 90 days past due.

***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 and financial liability are disclosed in 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	2021 contractual Maturities		
		Carrying amount \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	6.1	9 934	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>					
Receivables	6.2	2 425	2 425	-	-
<b>Total financial assets</b>		<b>12 359</b>	<b>2 425</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	7.1	576	576	-	-
Financial liabilities	7.2	910	552	311	47
<b>Total financial liabilities</b>		<b>1 486</b>	<b>1 128</b>	<b>311</b>	<b>47</b>

Amounts relating to statutory receivables and payables e.g. Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees, and prepayments are excluded as they are not financial assets or liabilities.