

# Aboriginal Lands Trust

Financial report  
for the year ended  
30 June 2018



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
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 Presiding Member Aboriginal Lands Trust

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22(2) of the *Aboriginal Lands Trust Act 2013*, I have audited the financial report of the Aboriginal Lands Trust (the Trust) for the financial year ended 30 June 2018.

### Qualified opinion

In my opinion, except for the effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Aboriginal Lands Trust as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member of the Trust, Chief Executive, and the Business Manager.

### Basis for qualified opinion

#### Head of Bight whale watching centre revenue

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

There is an absence of adequate procedures in place to ensure that sale proceeds received by the Trust for the Tourist Centre represents all the Tourist Centre's takings. Consequently, I am unable to form an opinion as to whether the Head of Bight whale watching centre revenue of \$421 159 (\$398 273) is complete.

## **Related party transactions**

Note 3.2 and note 18 to the financial report describes transactions with key management personnel and other related parties. There is an absence of adequate procedures in place to ensure that all related party transactions have been identified by the Trust. Consequently, I am unable to form an opinion as to whether the disclosure of transactions with key management personnel and other related parties is complete.

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

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

## **Responsibilities of the Chief Executive for the financial report**

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

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

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

**Auditor-General**

20 December 2018

ABORIGINAL LANDS TRUST

CERTIFICATION OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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We certify that the attached general purpose financial statements for the Aboriginal Lands Trust:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Trust; and
- present a true and fair view of the financial position of the Aboriginal Lands Trust as at 30 June 2018 and the results of its operation and cash flows for the financial year.

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



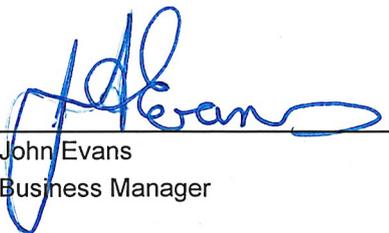
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Haydyn Bromley  
Presiding Member



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John Chester  
Chief Executive



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John Evans  
Business Manager

Signed at Level 14/19 Grenfell Street, Adelaide, the 17th December 2018

# ABORIGINAL LANDS TRUST

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note No.	2018	2017
		\$	\$
<b>Expenses</b>			
Employee benefits expenses	3	904,784	903,016
Board expenses	5	98,976	117,763
Contractors fees		539,310	403,697
Consultants fees	7	71,358	98,582
Depreciation expense	6	151,838	216,321
Legal and other professional fees		268,016	172,280
Materials, equipment and maintenance costs		181,393	246,658
Telephone, printing and stationery		35,387	32,602
Travel and accommodation		80,314	106,572
Vehicle expenses		75,639	50,454
Office accommodation		183,864	114,216
Other expenses	7	927,701	352,379
<b>Total expenses</b>		<b>3,518,580</b>	<b>2,814,540</b>
<b>Income</b>			
Commonwealth revenue	8	763,200	379,752
Interest revenue		18,425	26,486
Leases and rental income		451,237	334,304
Head of Bight whale watching centre revenue		421,159	398,273
Net gain (loss) from disposal of non-current assets	9	16,789	(7,181)
Other revenue	10	55,588	87,946
<b>Total income</b>		<b>1,726,398</b>	<b>1,219,580</b>
<b>Net cost of providing services</b>		<b>1,792,182</b>	<b>1,594,960</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	11	1,536,739	1,374,637
<b>Total revenues from SA Government</b>		<b>1,536,739</b>	<b>1,374,637</b>
<b>Net result</b>		<b>(255,443)</b>	<b>(220,323)</b>
<b>Total comprehensive result</b>		<b>(255,443)</b>	<b>(220,323)</b>

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

# ABORIGINAL LANDS TRUST

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note No.	2018	2017
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	12	3,503,092	3,147,345
Receivables	13	23,561	36,698
Inventories		19,266	9,243
<b>Total current assets</b>		<b>3,545,919</b>	<b>3,193,286</b>
<b>Non-current assets</b>			
Property, plant and equipment	15	36,235,066	36,808,161
<b>Total non-current assets</b>		<b>36,235,066</b>	<b>36,808,161</b>
<b>Total assets</b>		<b>39,780,985</b>	<b>40,001,447</b>
<b>Current liabilities</b>			
Funds managed on behalf of a third party	12	891,041	889,067
Payables	16	203,841	180,603
Employee benefits	17	71,101	66,532
<b>Total current liabilities</b>		<b>1,165,983</b>	<b>1,136,202</b>
<b>Non-current liabilities</b>			
Payables	16	4,395	3,566
Employee benefits	17	44,389	40,018
<b>Total non-current liabilities</b>		<b>48,784</b>	<b>43,584</b>
<b>Total liabilities</b>		<b>1,214,767</b>	<b>1,179,786</b>
<b>Net assets</b>		<b>38,566,218</b>	<b>38,821,661</b>
<b>Equity</b>			
Asset revaluation surplus		8,182,350	8,182,350
Retained earnings		29,639,430	29,932,883
Unspent project funds reserve		744,438	706,428
<b>Total equity</b>		<b>38,566,218</b>	<b>38,821,661</b>

The total equity is attributable to the SA Government as owner.

Contingent Assets and Liabilities

20

The above statement should be read in conjunction with the accompanying notes.

# ABORIGINAL LANDS TRUST

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Note No.	Asset Revaluation Surplus	Unspent Project Funds Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
<b>Balance at 30 June 2016</b>		<b>8,182,350</b>	<b>891,036</b>	<b>29,968,598</b>	<b>39,041,984</b>
Net result for 2016-2017		-	-	(220,323)	(220,323)
Transfers between equity components		-	(184,608)	184,608	-
<b>Balance at 30 June 2017</b>		<b>8,182,350</b>	<b>706,428</b>	<b>29,932,883</b>	<b>38,821,661</b>
Net result for 2017-2018		-	-	(255,443)	(255,443)
Transfers between equity components		-	38,010	(38,010)	-
<b>Balance at 30 June 2018</b>		<b>8,182,350</b>	<b>744,438</b>	<b>29,639,430</b>	<b>38,566,218</b>

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

# ABORIGINAL LANDS TRUST

## STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note No.	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits and board payments		(998,323)	(1,111,357)
Payments for supplies and services		(1,947,233)	(1,656,672)
GST paid to the ATO		(41,326)	(91,584)
Funds paid on behalf of third party		(9,146)	(44,882)
<b>Cash used in operations</b>		<b>(2,996,028)</b>	<b>(2,904,495)</b>
<b>Cash inflows</b>			
Leases and fees income		915,868	782,089
Receipts from Commonwealth		763,200	379,752
Interest received		18,425	26,486
Other receipts		70,672	81,431
Funds received on behalf of third party		11,120	933,949
<b>Cash generated from operations</b>		<b>1,779,285</b>	<b>2,203,707</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		1,632,008	1,508,850
<b>Cash generated from SA Government</b>		<b>1,632,008</b>	<b>1,508,850</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>415,265</b>	<b>808,062</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(89,518)	(8,640)
<b>Cash used in investing activities</b>		<b>(89,518)</b>	<b>(8,640)</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		30,000	-
<b>Cash generated from investing activities</b>		<b>30,000</b>	<b>-</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(59,518)</b>	<b>(8,640)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>355,747</b>	<b>799,422</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,147,345</b>	<b>2,347,923</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>3,503,092</b>	<b>3,147,345</b>

The above statement should be read in conjunction with the accompanying notes.

## Note 1 Basis of financial statements

### 1.1. Reporting entity

The Trust is constituted under the *Aboriginal Lands Trust Act 2013*. The financial statements and accompanying notes include all the controlled activities of the Trust.

### 1.2. Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

The Trust has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Trust is a not-for-profit entity.

### 1.3. Basis of preparation

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

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.

Significant accounting policies are set out in the notes.

### 1.4. Taxation

The Trust is not subject to income tax. The Trust is liable for payroll tax, goods and services tax (GST), fringe benefits tax, emergency services levy and local government rates.

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

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

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows.

## Note 2 Objectives and activities

### 2.1. Objectives

The Aboriginal Lands Trust (the Trust) is constituted under the *Aboriginal Lands Trust Act 2013* (the Act). In accordance with the Act, the objects of the Trust are:

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

### 2.2. Activities

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

## Note 3 Employee benefits

### 3.1. Employee benefits expenses

	2018	2017
	\$	\$
Salaries and wages (including annual leave and long service leave)	802,525	789,349
Employment on-costs - Superannuation*	69,105	74,707
Workers compensation	33,154	38,960
<b>Total employee benefits expenses</b>	<b>904,784</b>	<b>903,016</b>

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

Employee benefits expenses includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

### 3.2. Key management personnel

Key management personnel of the Trust include the Premier, the members of the Board, the Chief Executive Officer, who have responsibility for the strategic direction and management of the Trust.

Total compensation for the Trust's key management personnel was \$232,304 in 2018. Salaries and other benefits the Premier receives are excluded from this total. The Premier's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

### 3.3. Remuneration of employees

	2018	2017
The number of employees whose remuneration received or receivable falls within the following bands:	\$	\$
\$149,001 to \$169,000	1	-
\$169,001 to \$189,000	-	-
<b>Total</b>	<b>1</b>	<b>-</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for 2018 was \$340,650.

#### Note 4 Remuneration of board members

Members of the Aboriginal Lands Trust Board during 2017-18 financial year were:

##### Board members

Mr Haydyn Bromley (Chairperson)  
 Mr Elijah James Bravington  
 Ms Jennifer Johncock  
 Mr Ian Johnson  
 Ms Irene McKenzie  
 Mr Edward Newchurch (appointed July 2017)  
 Ms Karen Sinclair\* (appointed July 2017)  
 Ms Denise Wilton (appointed July 2017)

\*In accordance with the Premier and Cabinet Circular No. 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:

	2018	2017
\$0 - \$ 9 999	7	7
Above \$10,000	1	1
<b>Total number of members</b>	<b>8</b>	<b>8</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits and any other salary sacrifice arrangements. The total remuneration received or receivable by members for 2018 was \$61,084 (2017: \$66,828).

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.

#### Note 5 Board expenses

	2018	2017
	\$	\$
Board fees	55,584	60,716
Board superannuation	5,500	6,112
Accommodation and meals	15,615	19,293
Travel and phone allowance	22,277	31,642
<b>Total board expenses</b>	<b>98,976</b>	<b>117,763</b>

#### Note 6 Depreciation expense

	2018	2017
	\$	\$
Buildings	104,596	179,388
Plant and equipment	47,242	36,933
<b>Total depreciation expense</b>	<b>151,838</b>	<b>216,321</b>

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.

Land is not depreciated.

#### 6.1. Assets class useful life (years)

Buildings 1- 30  
 Plant & equipment 5-20

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis.

#### Note 7 Other expenses

	2018	2017
	\$	\$
Derecognised asset expense	496,746	-
Advertising and publicity	14,792	21,734
Bank fees and charges	2,881	2,635
Cleaning	8,019	4,338
Computer expenses	-	31,276
Electricity	30,585	23,124
Support & donations	248	991
Insurance	18,696	20,139
Work, health & safety expenses	7,111	2,748
Protective clothing	2,939	2,119
Rates & taxes	7,824	7,839
Leased property costs	262,616	196,504
Postage & courier	9,260	7,778
Staff amenities	909	2,197

Staff training	26,086	3,765
Subscriptions	3,328	2,553
Licence, Fees & other Charges	9,980	-
Sundry expenses	23,380	20,773
Debt write off	1,436	-
Taxis	865	1,866
<b>Total other expenses</b>	<b>927,701</b>	<b>352,379</b>

Derecognised asset relates to the leasing of Wanilla Forest to Port Lincoln Aboriginal Community.

#### 7.1. Consultants

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

	No	2018	No	2017
		\$		\$
Below \$10,000	7	17,707	8	24,957
Above \$10,000	3	53,651	4	73,625
<b>Total paid/payable to consultants</b>	<b>10</b>	<b>71,358</b>	<b>12</b>	<b>98,582</b>

	2018	2017
	\$	\$
<b>Note 8 Commonwealth Revenues</b>		
Wardang Island indigenous protected areas	505,000	224,872
Yappala indigenous protected areas	185,700	154,880
Indigenous land corporation	72,500	-
<b>Total Commonwealth revenue</b>	<b>763,200</b>	<b>379,752</b>

Contributions are recognised as an asset and income when the Trust obtains control of the grant or obtains the right to receive the grants and the income recognition criteria are met.

All contributions received by the Trust have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

#### Note 9 Net gain/loss from disposal of non-current assets

	2018	2017
	\$	\$
<b>Plant and equipment</b>		
Proceeds from disposal	30,000	53,182
Less net book value of assets disposed	(13,211)	(60,363)
<b>Net gain (loss) from disposal of non-current assets</b>	<b>16,789</b>	<b>(7,181)</b>

Gains/losses on disposal are recognised at the date at which control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

#### Note 10 Other revenue

	2018	2017
	\$	\$
Recoveries	51,297	62,114
SAICORP insurance settlement	1,291	8,002
Other grants and contributions	3,000	700
Sundry and donation income	-	178
Sale of equipment*	-	16,952
<b>Total other revenue</b>	<b>55,588</b>	<b>87,946</b>

\*Funds received from the Trust selling a number of equipment items due to the relocation of the Trust premises.

#### Note 11 Revenues from SA Government

	2018	2017
	\$	\$
Aboriginal Affairs and Reconciliation operation grant	963,816	940,307
Aboriginal Affairs and Reconciliation other project grants and funds	572,923	400,000
Other revenue	-	11,830
Wanilla forest fire mitigation	-	22,500
<b>Total revenues from SA Government</b>	<b>1,536,739</b>	<b>1,374,637</b>

Total revenues from SA Government consist of \$963,816 for operational funding and \$572,923 of other funding. For details on the expenditure associated with the operational funding and capital funding received refer to notes 3 to 7.

#### Note 12 Cash and cash equivalents

	2018	2017
	\$	\$
Cash at Bank	1,771,276	1,535,786
Short-term deposits	827,120	717,609
Head of Bight whale watching centre	13,655	4,805
Imprest account/cash on hand	-	78
Funds managed on behalf of a third party	891,041	889,067
<b>Total cash and cash equivalents</b>	<b>3,503,092</b>	<b>3,147,345</b>

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

The carrying amount of cash and cash equivalents represents fair value and is measured at nominal value.

#### 12.1. Short term deposits

Short term deposits are made for one month, they are lodged with Westpac and earn interest at the applicable rate.

## 12.2. Funds managed on behalf of a third party

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

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

As at 30 June 2018 the balance of funds held by the Trust on behalf of Umoona Community Council Incorporated is \$891,041. As the Trust does not benefit from these funds a corresponding liability has been recognised.

### Note 13 Receivables

	2018 \$	2017 \$
Current		
Receivables	23,561	36,698
<b>Total current receivables</b>	<b>23,561</b>	<b>36,698</b>

### 13.1. Interest rate and credit risk

Receivables arise in the normal course of selling goods and services and are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Trust will not be able to collect the debt. Bad debts are written off when identified.

### Note 14 Non-current assets

#### 14.1. Revaluation

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

The Trust revalues its land and buildings every five years.

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

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

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

### Note 15 Property, plant and equipment

	2018 \$	2017 \$
<b>Land and buildings</b>		
Land at fair value	35,149,000	35,149,000
Buildings at fair value	1,367,000	1,907,000
Accumulated depreciation	(503,974)	(442,632)
<b>Total land and buildings</b>	<b>36,012,026</b>	<b>36,613,368</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	424,816	372,388
Accumulated depreciation	(201,776)	(177,595)
<b>Total plant and equipment</b>	<b>223,040</b>	<b>194,793</b>
<b>Total property, plant and equipment</b>	<b>36,235,066</b>	<b>36,808,161</b>

#### 15.1. Acquisition and recognition

Plant and equipment are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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

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

All non-current assets with a value equal to or in excess of \$10,000 are capitalised.

#### 15.2. Valuation of land and buildings

An independent valuation of land and building was performed as at 30 June 2014 and as at 30 June 2015 by certified practising valuer M3 Property Strategists.

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

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

### 15.3. Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2018.

The following table shows the movement of property, plant and equipment during 2017-2018

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Carrying amount at the beginning of the period	35,149,000	1,464,368	194,793	36,808,161
Additions	-	-	89,518	89,518
Disposals eg sales, write off, long-term lease out	-	(496,746)	(13,211)	(509,957)
Depreciation	-	(104,596)	(47,242)	(151,838)
Correction previous years depreciation	-	-	(818)	(818)
<b>Carrying amount at the end of the period</b>	<b>35,149,000</b>	<b>863,026</b>	<b>223,040</b>	<b>36,235,066</b>

### Note 16 Payables

	2018	2017
	\$	\$
<b>Current</b>		
Creditors	67,120	110,117
Accrued expenses	113,946	60,620
Employment on-costs	7,039	7,247
GST payable	15,736	1,225
Paid parental leave scheme payable	-	1,394
<b>Total current payables</b>	<b>203,841</b>	<b>180,603</b>
<b>Non-Current</b>		
Employment on-costs	4,395	3,566
<b>Total non-current payables</b>	<b>4,395</b>	<b>3,566</b>
<b>Total payables</b>	<b>208,236</b>	<b>184,169</b>

Payables include creditors, accrued expenses, GST payable and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Trust.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

### 16.1. Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

### Note 17 Employee benefits - liability

	2018	2017
	\$	\$
<b>Current</b>		
Accrued salaries and wages	22,069	29,841
Annual leave	49,032	36,691
<b>Total current employee benefits</b>	<b>71,101</b>	<b>66,532</b>
<b>Non-Current</b>		
Long service leave	44,389	40,018
<b>Total non-current employee benefits</b>	<b>44,389</b>	<b>40,018</b>
<b>Total employee benefits</b>	<b>115,490</b>	<b>106,550</b>

### 17.1. Salaries and wages, annual leave and sick leave

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

The annual leave liability is expected to be payable within twelve 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.

### 17.2. 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.

*AASB 119 Employee Benefits* contains the calculation methodology for long service leave liability. Actuarial assessment performed by the Department of Treasury and Finance was used to calculate the liability.

*AASB 119 Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has not changed and remained at 2.5% in 2018.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4%.

## Note 18 Related party transactions

The Trust is a statutory authority established pursuant to the *Aboriginal Lands Trust Act 2013* and is a wholly owned and controlled entity of the Crown.

Related parties of the Trust 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.

### 18.1. Significant transactions with government related entities

The Trust had no significant transactions with government related entities except for funding received from Aboriginal Affairs and Reconciliation (AAR) (Note 11) and incurred expenditures with Department of Planning, Transport and Infrastructure South Australia (DPTI) of \$177,787

### 18.2. Transactions with key management personnel and other related parties

Remuneration of key management personnel is disclosed as note 3.

The Chairman and his wife are controlling Directors of Bookabee Services Australia. The Bookabee Services Australia is a distributor of Outback Pride Bush foods and related products, where the Trust orders merchandise from and sends to Head of Bight whale watching centre where these are sold to visitors of the centre. During the year, the Trust made payments totalling \$10,064 which reflects the total amount recognised. At year end, there are no amounts outstanding.

## Note 19 Financial instruments

### 19.1. Categorisation of financial instruments

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

Category of financial assets and financial liabilities	Note	2018	2017
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	12	3,503,092	3,147,345
Receivables *	13	23,561	36,698
<b>Financial liabilities</b>			
Payables *	16	113,078	95,007

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

### Note 20 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.

Unrecognised contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO, then the commitments and contingencies are disclosed on a gross basis

The Trust is not aware of any contingent assets.

The Trust may be liable to pay payroll tax for the 2017-18 financial year. The Trust is negotiating with Revenue SA to determine the estimated dollar effect if liable.

### Note 21 Events after the reporting period

The Trust is not aware of any events after the reporting period, requiring disclosure.