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To the Presiding Member Hills and Fleurieu Landscape Board

Opinion

I have audited the financial report of the Hills and Fleurieu Landscape Board (the Board) for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2022, 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 – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material 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 – Simplified Reporting Requirements, 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 2022.

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.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

25 November 2022

Hills and Fleurieu Landscape Board

Financial Statements

For the year ended 30 June 2022

Hills and Fleurieu Landscape Board
Certification of the Financial Statements
for the year ended 30 June 2022

We certify that the:

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



David Greenhough
Presiding Member
25 November 2022



Michael Garrod
General Manager
Hills and Fleurieu Landscape Board
25 November 2022

Hills and Fleurieu Landscape Board
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Landscape and water levies	2.1	7 294	7 247
Commonwealth-sourced grants and funding	2.2	1 333	1 436
Grant revenues	2.3	2 917	3 889
Interest		-	1
Intra-government transfers	2.4	516	750
Other income	2.5	362	215
Total income		12 422	13 538
Expenses			
Employee benefits expense	3.3	4 501	3 803
Supplies and services	4.1	5 432	4 762
Grants and subsidies	4.2	2 146	1 289
Depreciation	5.1	92	81
Borrowing Costs		2	3
Other expenses	4.3	49	77
Total expenses		12 222	10 015
Net result		200	3 523
Total comprehensive result		200	3 523

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

Hills and Fleurieu Landscape Board
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	8 993	9 818
Receivables	6.2	1 339	914
Total current assets		10 332	10 732
Non-current assets			
Property plant and equipment	5.1	391	238
Total non-current assets		391	238
Total assets		10 723	10 970
Current liabilities			
Payables	7.1	666	574
Financial liabilities	7.2	52	46
Employee benefits	3.4	401	463
Provisions	7.3	9	6
Contract liabilities	2.3	515	950
Total current liabilities		1 643	2 039
Non-current liabilities			
Payables	7.1	73	77
Financial liabilities	7.2	63	61
Employee benefits	3.4	761	820
Provisions	7.3	23	13
Total non-current liabilities		920	971
Total liabilities		2 563	3 010
Net assets		8 160	7 960
Equity			
Retained earnings		8 160	7 960
Total equity		8 160	7 960

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

Hills and Fleurieu Landscape Board
Statement of Changes in Equity
for the year ended 30 June 2022

		Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		-	-
Net result for 2020-21		3 523	3 523
Total comprehensive result for 2020-21		3 523	3 523
Net assets received from an administrative restructure	1.3	4 437	4 437
Balance at 30 June 2021		7 960	7 960
Net result for 2021-22		200	200
Total comprehensive result for 2021-22		200	200
Balance at 30 June 2022		8 160	8 160

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

Hills and Fleurieu Landscape Board
Statement of Cash Flows
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Landscape and water levies		6 999	7 214
Commonwealth funding received		1 463	2 059
Grants		2 216	4 500
Interest received		-	1
Intra-government transfers		516	750
Other receipts		204	206
Cash generated from operations		11 398	14 730
<i>Cash outflows</i>			
Payments for supplies and services		(5 304)	(4 632)
Employee benefits payments		(4 626)	(3 394)
Interest paid		(2)	(3)
Payments of grants and subsidies		(2 166)	(1 269)
Other payments		(51)	-
Cash used in operations		(12 149)	(9 298)
Net cash provided by operating activities		(751)	5 432
Cash flows from investing activities			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(21)	(29)
Cash used in investing activities		(21)	(29)
Net cash used in investing activities		(21)	(29)
Cash flows from financing activities			
<i>Cash inflows</i>			
Cash received from restructuring activities	1.3	-	4 479
Cash generated from financing activities		-	4 479
<i>Cash outflows</i>			
Repayment of leases		(53)	(64)
Cash used in financing activities		(53)	(64)
Net cash provided by / (used in) financing activities		(53)	4 415
Net increase / (decrease) in cash and cash equivalents		(825)	9 818
Cash at the beginning of the period		9 818	-
Cash at the end of the period	6.1	8 993	9 818

The accompanying notes form part of these financial statements.

Hills and Fleurieu Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1. About the Hills and Fleurieu Landscape Board

The Hills and Fleurieu Landscape Board (the Board) is a body corporate of the state of South Australia, established pursuant to the *Landscape South Australia Act 2019* (the LSA Act). The Board is a not for profit entity.

The Hills and Fleurieu Landscape Plan 2021-2026 was approved by the Minister for Environment and Water in June 2021. The Board operates under an annual Business Plan which aligns to the Landscape Plan. The Hills and Fleurieu Business Plan 2021-22 was approved by the Minister for Environment and Water and identifies the Board's revenue and investment in priorities for management of landscapes in the region as detailed in note 1.2.

The Board entered into a Service Level Agreement (SLA) with the Department for Environment and Water (DEW) for the delivery of corporate support services to the Board during 2021-22 to ensure it is able to meet its governance and financial management statutory requirements in delivering its business.

The financial statements and accompanying notes include all the controlled activities of the Board.

1.1. Basis of preparation

These financial statements are general purpose financial statements prepared in accordance 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 applying simplified disclosures.

These are the first financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. There has been no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Board as a result of the change in the basis of preparation.

The financial statements have been prepared based on a 12-month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Material accounting policies are set out throughout the notes.

Hills and Fleurieu Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1.2. Objectives and programs

Objectives

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

- undertake and promote the management of natural resources within its region;
- prepare a regional landscape plan and water allocation plans, landscapes affecting activities control policies and water affecting activities control policies; and
- promote public awareness and understanding of the importance of integrated and sustainable natural resources management within its region.

Programs

In discharging its functions under the LSA Act, the Board delivers the following programs, as outlined in the Hills and Fleurieu Business Plan for 2021-22:

Land

- Reducing the impact and spread of weeds
- Reducing the impact of pest animals and impact-causing native animals
- Supporting the uptake of regenerative agriculture and land management
- Future-proofing our agriculture

Water

- Delivering water resource planning to meet ecological, economic, cultural and social needs
- Improving on-ground management of our water resources
- Building understanding of our water resources

Nature

- Protecting and restoring our native vegetation and freshwater ecosystems
- Conserving and rehabilitating our coastal, estuarine and marine ecosystems
- Recovering our threatened species and ecological communities

Climate

- Transitioning to net zero carbon emissions
- Building climate resilience of our nature
- Building climate resilience of our communities and agriculture

Community

- Fostering a regional culture of landscape stewardship
- Walking alongside First Nations in looking after Yarta / Ruwi (Country)
- Strengthening shared understanding of landscape management challenges
- Increasing community capacity to manage our landscapes

The Board invests in and delivers a suite of programs across the region to achieve these priorities and focus areas.

The table on the following page presents income and expenses attributable to each program. Adjustments have been made to some comparative figures to reflect allocation changes made this year.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.2. Objectives and programs (continued)

Income and expenses by program

	Land		Water		Nature		Community		Climate		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income												
Landscape and water levies	2 058	2 402	2 982	2 268	852	995	1 297	1 460	105	122	7 294	7 247
Commonwealth-sourced grants and funding	684	572	-	-	644	864	-	-	5	-	1 333	1 436
Grants	509	716	6	9	247	2 733	650	431	1 505	-	2 917	3 889
Interest	-	1	-	-	-	-	-	-	-	-	-	1
Intra-government transfers	116	-	-	-	-	750	-	-	400	-	516	750
Other income	148	99	54	46	62	27	91	40	7	3	362	215
Total income	3 515	3 790	3 042	2 323	1 805	5 369	2 038	1 931	2 022	125	12 422	13 538
Expenses												
Employee benefits expense	1 436	1 521	771	627	743	607	885	963	666	85	4 501	3 803
Supplies and services	998	1 211	1 809	2 002	833	1 034	557	474	1 235	41	5 432	4 762
Grants and subsidies	20	5	28	33	912	620	707	631	479	-	2 146	1 289
Depreciation	37	33	14	12	16	14	23	20	2	2	92	81
Borrowing Costs	1	1	-	-	-	1	1	1	-	-	2	3
Other expenses	20	32	8	12	8	13	12	19	1	1	49	77
Total expenses	2 512	2 803	2 630	2 686	2 512	2 289	2 185	2 108	2 383	129	12 222	10 015
Net result	1 003	987	412	(363)	(707)	3 080	(147)	(177)	(361)	(4)	200	3 523

The Board has determined that assets and liabilities cannot be reliably attributed to individual programs.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.3. Net assets received from an Administrative Restructure

2021-22

There were no net assets received from an Administered Restructure in 2021-22.

2020-21

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, 44 (37.6 FTE) employees transferred from DEW to the Board pursuant to section 9 (1) of the *Public Sector Act 2009* (the PS Act), to take effect from 1 July 2020.
- On 1 April 2021, by notice of the Premier in the SA Government Gazette, a further 4 (3.0 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:

	\$'000
Assets	
Cash and cash equivalents	1 012
Receivables	1
Total assets	<u>1 013</u>
Liabilities	
Payables	99
Employee benefits	913
Provisions	57
Total liabilities	<u>1 069</u>
Total net assets/(liabilities) transferred	<u>(56)</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.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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 Adelaide and Mount Lofty Ranges and the South Australian Murray Darling Basin Natural Resources Management (NRM) Boards were abolished. By notice in the Government Gazette on 25 June 2020, a share of the relevant property, assets, rights and liabilities of these NRM Boards, with effect from 1 July 2020, were vested in or attached to the Board.

Transferred in

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

	Adelaide and Mount Lofty Ranges NRM Board	South Australian Murray Darling Basin NRM Board	Total
	\$'000	\$'000	\$'000
Assets			
Cash and cash equivalents	1 513	1 954	3 467
Receivables	1 134	21	1 155
Property plant and equipment	122	23	145
Total assets	2 769	1 998	4 767
Liabilities			
Payables	262	12	274
Total liabilities	262	12	274
Total net assets transferred	2 507	1 986	4 493

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

1.4. Impact of COVID-19 pandemic on the Board

The Board continued to achieve outcomes by adapting programs throughout the COVID-19 global pandemic. All employees were provided with the capacity to work from home, and this was implemented during the enforcement of the *Emergency Management Act 2004*. Service delivery was moved to online platforms for meetings, trainings and seminars as required throughout the year.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2. Income

2.1. Landscape and water levies

	2022	2021
	\$'000	\$'000
Landscape levy collected within council areas	5 082	5 032
Water levy collected through DEW	2 212	2 215
Total landscape and water levies	7 294	7 247

Landscape and water levies are collected under Part 5 of the LSA Act and are received into the Landscape Administration Fund (LAF). The LAF is administered by DEW and funds are transferred to the Board from DEW.

Landscape levy collected within council areas

The Board declares contributions by councils under section 66 of the LSA 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 LSA 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 LSA 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 by DEW.

2.2. Commonwealth-sourced grants and funding

	2022	2021
	\$'000	\$'000
Commonwealth funding		
Regional Land Partnerships Program	1 333	1 436
Total Commonwealth-sourced grants and funding	1 333	1 436

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.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.3. Grant revenues

	2022	2021
	\$'000	\$'000
Income recognised under AASB 1058		
State Government Grants	2 179	3 054
Sundry grants	84	5
Total income recognised under AASB 1058	2 263	3 059
Income recognised under AASB 15		
State Government Grants	654	772
Sundry grants	-	58
Total income recognised under AASB 15	654	830
Total grant revenues	2 917	3 889

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.

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 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 2022 a contract liability is recognised.

Contract Balances

	2022	2021
	\$'000	\$'000
Contract liabilities	515	950
Total contract liabilities	515	950

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

Error Correction

An error correction of \$2.738 million adjusted between contract liabilities and grant revenues in the prior year has been disclosed above. The error correction is in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and resulted in a decrease in the contract liabilities and increase in grant revenue due to an incorrect classification between AASB 15 and AASB 1058. This also resulted in an increase of net result in the prior year and opening equity of \$2.738 million.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.4. Intra-government transfers

	2022	2021
	\$'000	\$'000
State Government recurrent funding	400	750
Commonwealth funding	116	-
Total intra-government transfers	516	750

Recurrent funding relates to appropriation received from DEW pursuant to subsection 90(4) of the LSA Act to support the Boards business operation and the administration of the LSA Act.

Commonwealth funding relates to funding transferred from the Limestone Coast Landscape Board for a joint soil extension project.

2.5. Other income

	2022	2021
	\$'000	\$'000
Assets received for nil consideration	163	-
Sale of goods and services	111	90
Recoup of expenses	67	88
Support services income	-	29
Provision of services	-	4
Other revenue	21	4
Total other income	362	215

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Board include the Minister for Climate, Environment and Water, the Presiding Member, General Manager, and the other members of the Board who have responsibility for the strategic direction and management of the Board. In 2021-22 the Board approved a policy which included members of the Executive Leadership Team as key management personnel for the first time.

Total compensation for key management personnel was \$780 000 (2021: \$228 000).

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 (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

No transactions with key management personnel or related parties have occurred during 2021-22.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.2. Board and committee members

Members during the 2021-22 financial year were:

The Board

D L Greenhough (Presiding Member)
 J Harvey
 J R Klein
 A J Lowe
 C J Schofield
 C D West
 A M Williams

Committees

Risk and Performance Committee

D L Greenhough
 C J Schofield
 J R Goode
 T N Johnston

Water Resources Steering Committee

J R Klein
 C J Schofield
 A M Williams
 D Jordan*
 M Fuller*
 N Power*

McLaren Vale Water Allocation Plan Committee

J R Klein
 C D West
 J Bosworth
 R Brokenshire
 A Hirschausen*
 G Malone
 B Moyes
 C Dundon
 J Woodley
 R Williams

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

Board and committee remuneration

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

	2022	2021
\$0 - \$19 999	19	8
\$20 000 - \$39 999	1	1
Total number of members	20	9

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.2. Board and committee members (continued)

The total remuneration received or receivable by members was \$50 000 (2021: \$50 000). Remuneration of members reflects all costs of performing Board, Group and Committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any FBT paid or payable in respect of those benefits.

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 \$11 000 (2021: \$17 000).

3.3. Employee benefits expense

	2022	2021
	\$'000	\$'000
Salaries and wages	3 502	2 793
Employment on-costs - superannuation	392	319
Annual leave	318	292
Employment on-costs - other	210	187
Board and committee fees	45	51
Skills and experience retention leave	19	19
Workers compensation	13	(32)
Other employee related expenses	5	1
Long service leave	(3)	173
Total employee benefits expense	4 501	3 803

Employment on-costs - superannuation

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

Executive remuneration

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

	2022	2021
	No	No
\$177 001 – \$197 000	1	-
Total	1	-

The total remuneration received by those employees for the year was \$194 000 (2021: \$134 000).

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, termination payments, salary sacrifice benefits and fringe benefits and any related fringe benefits tax.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.4. Employee benefits liability

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Annual leave	339	333
Long service leave	35	10
Skills and experience retention leave	24	18
Accrued salaries and wages	3	102
Total current employee benefits	401	463
<u>Non-current</u>		
Long service leave	761	820
Total non-current employee benefits	761	820
Total employee benefits liability	1 162	1 283

Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

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.

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the department's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the department. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2021 (1.25%) to 2022 (3.5%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based average proportion of long service leave taken or paid over the last year.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. Expenses

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Fee for service	2 527	1 512
Fee for service - Water planning management	1 439	1 404
Fee for service - Corporate services fee to DEW	454	706
Accommodation and property management	227	185
Fee for service - Shared Services SA fee	161	174
Minor works, maintenance and equipment	157	140
Motor Vehicles	113	55
General administration	83	52
Temporary staff	61	41
Information technology and communication	57	70
Contracted staff training development	36	29
Accommodation	13	16
Transport	10	8
Travel and accommodation	2	-
Fee for service - Board funded DEW salaries	-	300
Other supplies and services	92	70
Total supplies and services	5 432	4 762

4.2. Grants and subsidies

	2022	2021
	\$'000	\$'000
Grants and subsidies paid to entities within the SA Government		
Grants and subsidies paid to entities within SA Government	49	-
Total grants and subsidies paid to entities within the SA Government	49	-
Grants and subsidies paid to entities external to the SA Government		
Other entities	2 022	1 289
Local Government	75	-
Grants and subsidies paid to entities external to the SA Government	2 097	1 289
Total grants and subsidies	2 146	1 289

The Board provided financial assistance to Local Government, State Government agencies 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.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4.3. Other expenses

	2022	2021
	\$'000	\$'000
Audit fees	49	51
Property, plant and equipment write offs	-	26
Total other expenses	49	77

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$48 700 (2021: \$51 300). No other services were provided by the Auditor-General's Department.

5. Non-financial assets

Property, plant and equipment comprises tangible assets owned by the Board and right-of-use leased assets. The assets presented below do not meet the definition of investment property.

5.1. Property, plant and equipment

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/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

5.1. Property, plant and equipment (continued)

Reconciliation 2021-22

	Infrastructure	Plant and equipment	Computing Equipment	Capital work in progress	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	83	39	10	-	106	238
Acquisitions	-	-	-	21	61	82
Depreciation	(23)	(14)	(2)	-	(53)	(92)
Assets received for nil consideration	163	-	-	-	-	163
Carrying amount at the end of the period	223	25	8	21	114	391
Gross carrying amount						
Gross carrying amount	857	162	14	21	191	1 245
Accumulated depreciation	(634)	(137)	(6)	-	(77)	(854)
Carrying amount at the end of the period	223	25	8	21	114	391

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

5.1. Property, plant and equipment (continued)

Reconciliation 2020-21

	Infrastructure \$'000	Plant and Equipment \$'000	Computing Equipment \$'000	Capital work in progress \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	-	-	-	-	-	-
Acquisition through administrative restructuring	31	22	12	80	-	145
Acquisitions	-	29	-	-	171	200
Depreciation	(2)	(12)	(2)	-	(65)	(81)
Write offs	-	-	-	(26)	-	(26)
Transfers to/(from) capital works in progress	54	-	-	(54)	-	-
Carrying amount at the end of the period	83	39	10	-	106	238
Gross carrying amount at the beginning of the period						
Gross carrying amount	89	122	15	-	171	397
Accumulated depreciation	(6)	(83)	(5)	-	(65)	(159)
Carrying amount at the end of the period	83	39	10	-	106	238

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

5.1. Property, plant and equipment (continued)

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, which is a change in accounting estimate.

Useful life

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

Class of asset	Useful life (years)
Infrastructure	10-40
Plant and equipment	3-40
Computing equipment	10
Right-of-use vehicles	3-5

Impairment

There were no indications of impairment of property, plant and equipment as at 30 June 2022.

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.

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 10 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60 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.

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

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer	8 993	9 818
Total cash and cash equivalents	8 993	9 818

The Hills and Fleurieu Landscape fund was established in accordance with section 96 of the LSA Act. The account is an interest bearing Deposit account with the Department of Treasury and Finance (DTF) pursuant to section 21 of the *Public Finance and Audit Act 1987*.

6.2. Receivables

	2022	2021
	\$'000	\$'000
Contractual receivables		
From non-government entities	399	542
From government entities	39	312
Accrued revenues	543	11
Prepayments	14	-
Total contractual receivables	995	865
 Statutory receivables		
Accrued landscape levies	344	49
Total statutory receivables	344	49
 Total current receivables	1 339	914

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

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

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

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. The Board has assessed non-government debtors for impairment and determined that no impairment will be recognised as they comprise a small number of low balances, which are current and collectable.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

7. Liabilities

7.1. Payables

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Contractual payables	470	405
Accrued expenses	110	70
Statutory payables		
Employment on-costs	86	99
Total statutory payables	86	99
Total current payables	666	574
<u>Non-current</u>		
Statutory payables		
Employment on-costs	73	77
Total non-current payables	73	77
Total payables	739	651

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

Statutory payables do not arise from contracts.

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. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave remained unchanged from the 2021 rate of 42%. The average factor for the calculation of employer superannuation cost on-costs has increased from the 2021 rate (10.1%) to 2022 (10.6%). These rates are used in the employment on-cost calculation.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

7.2. Financial liabilities

	2022	2021
	\$'000	\$'000
Current		
Lease liabilities	52	46
Total current financial liabilities	52	46
Non-current		
Lease liabilities	63	61
Total non-current financial liabilities	63	61
Total financial liabilities	115	107

The Board measures financial liabilities at amortised cost.

Lease liabilities are measured via discounting the lease payments using either the interest rate implicit in the lease or Treasury's incremental borrowing rate. The borrowing costs associated with these lease liabilities was \$2 000 (2021: \$3 000).

7.3. Provisions

	2022	2021
	\$'000	\$'000
Current		
Provision for workers compensation	9	6
Total current provisions	9	6
Non-current		
Provision for workers compensation	23	13
Total non-current provisions	23	13
Total provisions	32	19
Reconciliation of workers compensation (statutory and non-statutory)		
Carrying amount at the beginning of the period	19	-
Provisions recognised as a result of restructure activities	-	57
Increase / (Decrease) in provisions recognised	13	(38)
Carrying amount at the end of the period	32	19

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 2022 provided by a consulting actuary engaged through the Office of the Commissioner for 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.

Hills and Fleurieu Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2022

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

	2022	2021
	\$'000	\$'000
No later than one year	70	70
Total expenditure commitments	70	70

The Board's expenditure commitments are for Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

8.2. Contingent assets and contingent liabilities

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

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

8.3. Events after the reporting period

There are no known events after balance date that affect these financial statements in a material manner.