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## To the Presiding Member South Australian Arid Lands Landscape Board

### Opinion

I have audited the financial report of the South Australian Arid Lands 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

# **South Australian Arid Lands Landscape Board**

## **Financial Statements**

For the year ended 30 June 2022

**South Australian Arid Lands Landscape Board**  
**Certification of the Financial Statements**  
*for the year ending 30 June 2022*

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We certify that the:

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



Ross Sawers

**Presiding Member**

24 November 2022



Jodie Gregg-Smith

**General Manager**

South Australian Arid Lands Landscape Board

24 November 2022

**South Australian Arid Lands Landscape Board**  
**Statement of Comprehensive Income**  
*for the year ending 30 June 2022*

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	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Landscape and water levies	2.1	2 865	2 674
Commonwealth-sourced grants and funding	2.2	2 285	1 942
Grant revenues	2.3	613	308
Intra-government transfers	2.4	381	372
Interest revenues		-	1
Other income	2.5	103	35
<b>Total income</b>		<b>6 247</b>	<b>5 332</b>
<b>Expenses</b>			
Employee benefits expense	3.3	2 760	2 130
Supplies and services	4.1	2 287	2 125
Grants and subsidies	4.2	220	149
Depreciation	5.1	46	44
Borrowing Costs		1	2
Other expenses	4.3	46	50
<b>Total expenses</b>		<b>5 360</b>	<b>4 500</b>
<b>Net result</b>		<b>887</b>	<b>832</b>
<b>Total comprehensive result</b>		<b>887</b>	<b>832</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.

**South Australian Arid Lands Landscape Board**  
**Statement of Financial Position**  
*as at 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	4 145	3 080
Inventories		17	-
Receivables	6.2	946	1 206
<b>Total current assets</b>		<b>5 108</b>	<b>4 286</b>
<b>Non-current assets</b>			
Property plant and equipment	5.1	65	95
<b>Total non-current assets</b>		<b>65</b>	<b>95</b>
<b>Total assets</b>		<b>5 173</b>	<b>4 381</b>
<b>Current liabilities</b>			
Payables	7.1	262	218
Financial liabilities	7.2	26	42
Employee benefits liability	3.4	242	236
Provisions	7.3	8	4
Contract liabilities	2.3	245	263
<b>Total current liabilities</b>		<b>783</b>	<b>763</b>
<b>Non-current liabilities</b>			
Payables	7.1	30	38
Financial liabilities	7.2	8	37
Employee benefits liability	3.4	309	402
Provisions	7.3	24	9
<b>Total non-current liabilities</b>		<b>371</b>	<b>486</b>
<b>Total liabilities</b>		<b>1 154</b>	<b>1 249</b>
<b>Net assets</b>		<b>4 019</b>	<b>3 132</b>
<b>Equity</b>			
Retained earnings		4 019	3 132
<b>Total equity</b>		<b>4 019</b>	<b>3 132</b>

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

**South Australian Arid Lands Landscape Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2022*

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	Note	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		-	-
Net result for 2020-21		832	832
<b>Total comprehensive result for 2020-21</b>		<b>832</b>	<b>832</b>
Net assets received from an administrative restructure	1.3	<b>2 300</b>	<b>2 300</b>
<b>Balance at 30 June 2021</b>		<b>3 132</b>	<b>3 132</b>
Net result for 2021-22		887	887
<b>Total comprehensive result for 2021-22</b>		<b>887</b>	<b>887</b>
<b>Balance at 30 June 2022</b>		<b>4 019</b>	<b>4 019</b>

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



**South Australian Arid Lands Landscape Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
<i>Cash inflows</i>			
Landscape and water levies		2 947	2 857
Commonwealth funding received		2 463	1 579
Grants		598	54
Intra-government transfers		431	372
Interest received		-	1
Other receipts		63	25
<b>Cash generated from operations</b>		<b>6 502</b>	<b>4 888</b>
<i>Cash outflows</i>			
Employee benefits payments		(2 830)	(2 129)
Payments for supplies and services		(2 256)	(2 155)
Payments of grants and subsidies		(240)	(140)
Interest paid		(1)	(2)
Other payments		(49)	(38)
<b>Cash used in operations</b>		<b>(5 376)</b>	<b>(4 464)</b>
<b>Net cash provided by operating activities</b>		<b>1 126</b>	<b>424</b>
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(18)	(12)
<b>Total cash (used in) investing activities</b>		<b>(18)</b>	<b>(12)</b>
<b>Net cash provided by/ (used in) by investing activities</b>		<b>(18)</b>	<b>(12)</b>
<b>Cash flows from financing activities</b>			
<i>Cash inflows</i>			
Cash received from restructuring activities	1.3	-	2 710
<b>Cash generated from financing activities</b>		<b>-</b>	<b>2 710</b>
<i>Cash outflows</i>			
Repayment of leases		(43)	(42)
<b>Cash generated from financing activities</b>		<b>(43)</b>	<b>(42)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(43)</b>	<b>2 668</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 065</b>	<b>3 080</b>
Cash at the beginning of the period		3 080	-
<b>Cash at the end of the period</b>	6.1	<b>4 145</b>	<b>3 080</b>

The accompanying notes form part of these financial statements.

# South Australian Arid Lands Landscape Board

## Notes to and forming part of the financial statements

*For the year ended 30 June 2022*

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### 1. About the South Australian Arid Lands Landscape Board

The South Australian Arid Lands Landscape Board (the Board) is a body corporate of the State of South Australia, established pursuant to the *Landscape South Australia Act 2019* (the Landscape Act). The Board is a not-for-profit entity.

The SA Arid Lands Strategic Landscape Plan 2021-2026 was approved by the Minister for Environment and Water on 28 July 2021 and guides the operations of the Board. The Board operates under a Business Plan which aligns to the Landscape Plan. The SA Arid Lands 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 enable it 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.

#### **Landscape Groups**

The Board has established seven Landscape Groups to operate within its region pursuant to the Landscape Act (section 36). The function of the Landscape Groups is defined by the Landscape Group Charter. In accordance with the Board's approval of the Landscape Group Charter the Landscape Groups do not have the power to enter into contracts or procure goods or services in their own right. The Board has ensured that proper accounts have been kept of the Landscape Group's activities and the related financial information has been incorporated in the accounts and financial statements of the Board for financial reporting purposes.

The Board's financial statements include the figures for the Landscape Groups being: Gawler Ranges, Kingoonya, Marla-Oodnadatta, Marree-Innamincka, North East Pastoral, North Flinders and Port Augusta/Quorn. Due to their materiality they are not separately disclosed.

#### **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.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**1.1. Basis of preparation (continued)**

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.

**1.2. Objectives and programs**

**Board objectives**

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

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

**Board programs**

In discharging its functions under the Landscape Act, the Board delivers the following programs, as outlined in the SA Arid Lands Business Plan for 2021-22:

***Climate Resilient Region***

- Ensuring climate risk is embedded in all Board business.
- Providing land managers with the knowledge and skills they need to mitigate and adapt to climate change.
- Exploring adaptation pathways to ensure communities are climate resilient.

***Sustainable Land Management***

- Effective pest plant and animal control protecting production systems.
- Addressing the threat of excessive total grazing pressure.
- Building land managers' capacity in adaptive agriculture, best practice land management and rehabilitation.

***Water Management***

- Planning, research & leveraging infrastructure investment to support the judicious use of groundwater.
- Maintaining hydrogeology to protect Great Artesian Basin springs and groundwater-dependent ecosystems.
- Understanding and managing surface water systems including the Lake Eyre Basin.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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

***Protecting and Enhancing Biodiversity***

- Managing key threats to protect natural values.
- Taking action for threatened species and ecosystem recovery.
- Maintaining and improving the condition of Great Artesian Basin springs and water-dependent ecosystems.

***People and Partnerships***

- First Nations partnerships supporting cross-cultural knowledge sharing and landscape management outcomes.
- Supporting Landscape Groups to lead community action and education.
- Raising awareness of the region's natural values and connecting people to nature.
- Supporting community action to achieve land, water and coastal management outcome.

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 expense attributable to each program. Comparatives under the prior year transitional Regional Landscape Plan have been realigned based on current year programs.

**South Australian Arid Lands 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

	Climate Resilient Region		Sustainable Land Management		Water Management		Protecting and Enhancing Biodiversity		People and Partnerships		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
<b>Income</b>												
Landscape and water levies	-	95	221	661	659	449	206	332	1 779	1 137	2 865	2 674
Commonwealth-sourced grants and funding	150	319	451	730	54	82	1 630	715	-	96	2 285	1 942
Grant revenues	-	-	535	289	78	-	-	-	-	19	613	308
Intra-government transfers	-	23	49	77	76	30	-	31	256	211	381	372
Interest revenues	-	-	-	-	-	-	-	1	-	-	-	1
Other income	7	5	91	20	-	-	-	1	5	9	103	35
<b>Total income</b>	<b>157</b>	<b>442</b>	<b>1 347</b>	<b>1 777</b>	<b>867</b>	<b>561</b>	<b>1 836</b>	<b>1 080</b>	<b>2 040</b>	<b>1 472</b>	<b>6 247</b>	<b>5 332</b>
<b>Expenses</b>												
Employee benefits expense	3	167	550	508	255	250	926	570	1 026	635	2 760	2 130
Supplies and services	116	172	727	805	186	211	929	531	329	406	2 287	2 125
Grants and subsidies	54	30	53	29	-	-	-	-	113	90	220	149
Depreciation	14	5	9	15	3	6	11	6	9	12	46	44
Borrowing costs	-	-	1	2	-	-	-	-	-	-	1	2
Other expenses	1	6	15	17	3	5	17	10	10	12	46	50
<b>Total expenses</b>	<b>188</b>	<b>380</b>	<b>1 355</b>	<b>1 376</b>	<b>447</b>	<b>472</b>	<b>1 883</b>	<b>1 117</b>	<b>1 487</b>	<b>1 155</b>	<b>5 360</b>	<b>4 500</b>
<b>Net result</b>	<b>(31)</b>	<b>62</b>	<b>(8)</b>	<b>401</b>	<b>420</b>	<b>89</b>	<b>(47)</b>	<b>(37)</b>	<b>553</b>	<b>317</b>	<b>887</b>	<b>832</b>

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

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**1.3. Net assets received from an Administrative Restructure**

2021-22

There were no net assets received from an Administrative 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, 18 (18.0 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 (4.0 FTE) employees transferred from DEW to the Board 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	708
Receivables	1
<b>Total assets</b>	<u><b>709</b></u>
<b>Liabilities</b>	
Payables	69
Employee benefits	639
Provisions	35
<b>Total liabilities</b>	<u><b>743</b></u>
<b>Total net assets/(liabilities) transferred</b>	<u><b>(34)</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 transfer. The net liabilities transferred were treated as a contribution by the government as owner.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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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* was repealed, and the Natural Resources Management Boards were abolished. In accordance with a notice published in the Government Gazette on 25 June 2020, a share of the property, assets, rights and liabilities of the South Australian Arid Lands and Northern and Yorke Natural Resources Management Boards (NRM Boards) are vested in the Board, effective 1 July 2020.

**Transferred in**

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

	<b>South Australian Arid Lands NRM Board \$'000</b>	<b>Northern and Yorke NRM Board \$'000</b>	<b>Total \$'000</b>
<b>Assets</b>			
Cash and cash equivalents	1 750	252	2 002
Receivables	498	-	498
Property plant and equipment	5	-	5
<b>Total assets</b>	<b>2 253</b>	<b>252</b>	<b>2 505</b>
<b>Liabilities</b>			
Payables	171	-	171
<b>Total liabilities</b>	<b>171</b>	<b>-</b>	<b>171</b>
<b>Total net assets transferred</b>	<b>2 082</b>	<b>252</b>	<b>2 334</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.

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

The COVID-19 pandemic had a minor impact on the Board during the financial year. The Board facilitated work from home arrangements for staff on an as needs basis throughout the year. Precautions were taken for staff and the public where sites and facilities remained open, adopting best practice to ensure personal and community safety whilst maintaining business operations.

Minor impacts to the Board in 2021-22 included:

- delays to works specified in the Landscape Plan and Business plan due to travel restrictions or preventative health measures; and
- rescheduling and realignment of community events and program deliverables.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**2. Income**

**2.1. Landscape and water levies**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Water levy collected through DEW	2 118	1 901
Landscape levy collected within council areas	563	558
Landscape levy collected from out of council areas	184	215
<b>Total landscape and water levies</b>	<b>2 865</b>	<b>2 674</b>

Landscape and water levies are collected under Part 5 of the Landscape 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 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 by DEW.

***Landscape levy collected from out of council areas***

The Board declares a landscape levy by notice of gazette under section 71 of the Landscape Act for persons who occupy land outside council areas, based on the size of area occupied. Levy collection is administered by the Board with invoices raised in September each financial year, and revenue is recognised when funds are received.

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Regional Land Partnerships Program	2 067	1 909
Other Commonwealth funding	218	33
<b>Total Commonwealth-sourced grants and funding</b>	<b>2 285</b>	<b>1 942</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.



**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**2.3. Grant revenues**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Income recognised under AASB 15</b>		
State Government grants	613	303
Sundry grants	-	5
<b>Total income recognised under AASB 15</b>	<b>613</b>	<b>308</b>

**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 a contract liability is recognised.

**Contract Balances**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities	245	263
<b>Total contract balances</b>	<b>245</b>	<b>263</b>

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

**2.4. Intra-government transfers**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
State Government recurrent funding	381	372
<b>Total intra-government transfers</b>	<b>381</b>	<b>372</b>

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

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

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**2.5. Other income**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Recoup of expenses	50	9
Sale of goods	36	15
Other revenue	17	11
<b>Total other income</b>	<b>103</b>	<b>35</b>

**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, the 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 the members of the Regional Leadership Team as key management personnel for the first time.

The total compensation for the Board's key management personnel was \$631 000 (2021: \$219 000).

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 material transactions with key management personnel or related parties occurred during 2021-22.

**3.2. Board and committee members**

Members of the Board during the 2021-22 financial year were:

R B Sawers (Presiding Member)

D G Lillecrapp

S Michael

S Treloar

K Tschirner

T Flowers

E Litchfield

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**3.2. Board and committee members (continued)**

Members of groups and committees during the 2021-22 financial year were:

**Kingoonya Group**

L Day (Chair)  
 C Taylor (Chair)  
 T B Law  
 D Hunter  
 J G Barry  
 J L Barry (Deputy Member)  
 K Taylor (Deputy Member)  
 R Jit  
 C Fahey  
 E Matthias

**Northern Flinders Group**

I C Ferguson (Chair)  
 L J Nicholls  
 N C Purnell-Webb  
 N C Warnest  
 R Wilton  
 G Lee  
 R Daniels  
 T Neldner  
 G Aird (Deputy Member)

**Marree-Innamincka Group**

J M Haynes (Chair)  
 J Barnes  
 L M Litchfield  
 M Mayfield  
 C M B Oldfield  
 F Warren  
 L Edwards  
 Ah Chee (Deputy Member)  
 G Rieck (Deputy Member)

**Marla-Oodnadatta Group**

J Williams (Chair)  
 F Lumb  
 C M Thomas  
 G D Warren  
 C J Williams  
 S Lennon  
 C Lennon (Deputy Member)

**Gawler Ranges**

K Greenfield (Chair)  
 L G Koch  
 B G French  
 J G Kerr  
 A J Michael (Deputy Member)  
 D Sharp  
 G Standish  
 A Oswald (Deputy Member)

**North East Pastoral Group**

R Williams (Chair)  
 N S Rasheed  
 T Taplin  
 W Burford  
 M Duncan-Tiver  
 M Goldsworthy  
 T C Coulthard

**Governance and Finance committee**

K Tschirner (Chair)  
 S Treloar  
 E Litchfield

**Water Advisory committee**

R Sawers (Chair)  
 D Lillecrapp  
 T Flowers  
 E Litchfield

**Board and committee remuneration**

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

	<b>2022</b>	<b>2021</b>
\$0 - \$19 999	56	49
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>57</b>	<b>50</b>

**South Australian Arid Lands 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 \$72 000 (2021: \$57 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any fringe benefits tax 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 \$46 000 (2021: \$32 000).

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.

**3.3. Employee benefits expense**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	2 082	1 702
Employment on-costs - superannuation	240	183
Annual leave	221	162
Employment on-costs - other	122	97
Board and committee fees	63	56
Workers compensation	19	(21)
Skills and experience retention leave	8	5
Long service leave	3	(55)
Other employee related expenses	2	1
<b>Total employee benefits expense</b>	<b>2 760</b>	<b>2 130</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.

***Executive remuneration***

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

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
\$157 001 – \$177 000	-	1
\$177 001 – \$197 000	1	-
<b>Total</b>	<b>1</b>	<b>1</b>

The total remuneration received by those employees for the year was \$184 000 (2021: \$167 000).

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.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**3.4. Employee benefits liability**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Annual leave	176	150
Long service leave	50	3
Skills and experience retention leave	16	15
Accrued salaries and wages	-	68
<b>Total current employee benefits</b>	<b>242</b>	<b>236</b>
<b><u>Non-current</u></b>		
Long service leave	309	402
<b>Total non-current employee benefits</b>	<b>309</b>	<b>402</b>
<b>Total employee benefits liability</b>	<b>551</b>	<b>638</b>

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.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1. Supplies and services**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Fee for service	890	776
Fee for service - Corporate fee	312	407
Accommodation and property management	183	85
Fee for service - Shared Services SA fee	157	84
Travel and accommodation	128	161
General administration	94	90
Minor works, maintenance and equipment	79	69
Fee for service - Board funded DEW salaries	71	132
Motor vehicles	65	75
Information technology and communication charges	62	45
Staff development	39	39
Transport	2	-
Contractors	-	60
Other supplies and services	205	102
<b>Total supplies and services</b>	<b>2 287</b>	<b>2 125</b>

**4.2. Grants and subsidies**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent Grants	220	149
<b>Total grants and subsidies</b>	<b>220</b>	<b>149</b>

The Board provides grants to support community to achieve natural resource management outcomes in the region through its Grassroots Grants and Building Pastoral Sustainability Grants.

**4.3. Other expenses**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fees	46	49
Bad debts	-	1
<b>Total other expenses</b>	<b>46</b>	<b>50</b>

Audit fees paid/payable to the Auditor-General's Department relate to work performed under *the Public Finance and Audit Act 1987* were \$45 900 (2021: \$48 600). No other services were provided by the Auditor-General's Department.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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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.

The assets presented below do not meet the definition of investment property.

**5.1. Property, plant and equipment**

Property, plant and equipment owned by the Board with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Board is recorded at fair value.

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

**Reconciliation 2021-22**

	Plant and equipment \$'000	Buildings \$'000	Furniture \$'000	ROU Vehicles \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	4	12	-	79	95
Transfers from restructure	-	-	-	-	-
Additions	-	-	18	-	18
Reduction due to change in lease terms	-	-	-	(2)	(2)
Depreciation	(1)	(1)	(1)	(43)	(46)
Transfers	-	-	-	-	-
<b>Carrying amount as at the end of the period</b>	<b>3</b>	<b>11</b>	<b>17</b>	<b>34</b>	<b>65</b>
<b>Gross carrying amount</b>					
Gross carrying amount	118	12	32	120	282
Accumulated depreciation	(115)	(1)	(15)	(86)	(217)
<b>Carrying amount as at the end of the period</b>	<b>3</b>	<b>11</b>	<b>17</b>	<b>34</b>	<b>65</b>

**Reconciliation 2020-21**

	Plant and equipment \$'000	Buildings \$'000	ROU Vehicles \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	-	-	-	-
Transfer from restructure	5	-	-	5
Additions	-	12	122	134
Depreciation	(1)	-	(43)	(44)
<b>Carrying amount as at the end of the period</b>	<b>4</b>	<b>12</b>	<b>79</b>	<b>95</b>
<b>Gross carrying amount</b>				
Gross carrying amount	118	12	122	266
Accumulated depreciation	(114)	-	(43)	(171)
<b>Carrying amount as at the end of the period</b>	<b>4</b>	<b>12</b>	<b>79</b>	<b>95</b>

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**5.1. Property, plant and equipment (continued)**

***Review of accounting estimates***

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

***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>
Plant and equipment	5-10
Fitout & Furniture	10-15
Buildings	20
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 6 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 variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

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



**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	4 145	3 080
<b>Total cash and cash equivalents</b>	<b>4 145</b>	<b>3 080</b>

The South Australian Arid Lands Landscape fund was established in accordance with section 96 of the Landscape 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**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<b>Contractual receivables</b>		
From government entities	770	33
From non-government entities	152	1 091
Prepayments	13	-
Less impairment loss on receivables	(1)	(1)
<b>Total contractual receivables</b>	<b>934</b>	<b>1 123</b>
<b>Statutory receivables</b>		
Accrued landscape levies	12	83
<b>Total statutory receivables</b>	<b>12</b>	<b>83</b>
<b>Total current receivables</b>	<b>946</b>	<b>1 206</b>

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are generally 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 and prepayments are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. The impairment loss relates to contracts with customers external to SA Government.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**7. Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Contractual payables	145	98
Accrued expenses	56	65
<b>Statutory Payables</b>		
Employment on-costs	61	55
<b>Total statutory payables</b>	<u>61</u>	<u>55</u>
<b>Total current payables</b>	<u>262</u>	<u>218</u>
<b>Non-current</b>		
<b>Statutory Payables</b>		
Employment on-costs	30	38
<b>Total non-current payables</b>	<u>30</u>	<u>38</u>
<b>Total payables</b>	<u>292</u>	<u>256</u>

Payables and accrued expenses are raised 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.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**7.2. Financial Liabilities**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	26	42
<b>Total current financial liabilities</b>	<b>26</b>	<b>42</b>
<b>Non-current</b>		
Lease liabilities	8	37
<b>Total non-current financial liabilities</b>	<b>8</b>	<b>37</b>
<b>Total financial liabilities</b>	<b>34</b>	<b>79</b>

The Board measures financial liabilities at amortised cost. All material cash outflows are reflected in the lease liabilities disclosed above.

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 \$1 000 (2021: \$2 000).

**7.3. Provisions**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Provision for workers compensation	8	4
<b>Total current provisions</b>	<b>8</b>	<b>4</b>
<b><u>Non-current</u></b>		
Provision for workers compensation	24	9
<b>Total non-current provisions</b>	<b>24</b>	<b>9</b>
<b>Total provisions</b>	<b>32</b>	<b>13</b>
<b><i>Reconciliation of workers compensation (statutory and non-statutory)</i></b>		
Carrying amount at the beginning of the period	13	-
Provisions recognised as a result of restructure activities	-	35
Increase/(Decrease) in provisions recognised	19	(22)
<b>Carrying amount at the end of the period</b>	<b>32</b>	<b>13</b>

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 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.

**South Australian Arid Lands Landscape Board**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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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.

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	109	269
Later than one year but no later than five years	470	-
Later than five years	881	-
<b>Total expenditure commitments</b>	<b>1 460</b>	<b>269</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 expenditure commitments relate to the Memoranda of Administrative Arrangement with the Department of Infrastructure and Transport for office accommodation.

**8.2. Contingent assets and 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 the existence 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.