

Eyre Peninsula Landscape Board

Financial report
for the year ended
30 June 2021

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the Presiding Member Eyre Peninsula Landscape Board

Opinion

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

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and the General Manager.

Basis for opinion

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

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

Responsibilities of the General Manager and the Board for the financial report

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

In preparing the financial report, the General Manager is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 38 (2) of the *Landscape South Australia Act 2019*, I have audited the financial report of the Board for the financial year ended 30 June 2021.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager

- conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Presiding Member and General Manager about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson
Auditor-General
29 November 2021

Eyre Peninsula Landscape Board

Financial Statements

For the year ended 30 June 2021

Eyre Peninsula Landscape Board
Statement of Comprehensive Income
for the year ended 30 June 2021

We certify that the:

- attached general purpose financial statements for the Eyre Peninsula Landscape Board (the Board):
 - are in accordance with the accounts and records of the Board;
 - comply with relevant Treasurers 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 Eyre Peninsula Landscape Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



Mark Whitfield
Presiding Member
25 November 2021



Jonathan Clark
General Manager
Eyre Peninsula Landscape Board
25 November 2021

Eyre Peninsula Landscape Board
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000
Income		
Landscape and water levies	2.1	3 431
Commonwealth-sourced grants and funding	2.2	1 317
Grant revenues	2.3	82
Interest revenues		1
Other income	2.4	75
Total income		<u>4 906</u>
Expenses		
Employee benefits expense	3.3	2 247
Supplies and services	4.1	2 020
Grants and subsidies	4.2	241
Depreciation	5.1	77
Borrowing Costs		4
Other expenses	4.3	47
Total expenses		<u>4 636</u>
Net result		<u>270</u>
Total comprehensive result		<u><u>270</u></u>

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

Eyre Peninsula Landscape Board
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$'000
Current assets		
Cash and cash equivalents	6.1	2 141
Receivables	6.2	610
Total current assets		<u>2 751</u>
Non-current assets		
Property plant and equipment	5.1	236
Total non-current assets		<u>236</u>
Total assets		<u>2 987</u>
Current liabilities		
Payables	7.1	211
Financial liabilities	7.2	70
Employee benefits	3.4	268
Provisions	7.3	4
Total current liabilities		<u>553</u>
Non-current liabilities		
Payables	7.1	34
Financial liabilities	7.2	117
Employee benefits	3.4	363
Provisions	7.3	10
Total non-current liabilities		<u>524</u>
Total liabilities		<u>1 077</u>
Net assets		<u>1 910</u>
Equity		
Retained earnings		1 910
Total equity		<u>1 910</u>

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

Eyre Peninsula Landscape Board
Statement of Changes in Equity
for the year ended 30 June 2021

	Note	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		-	-
Net result for 2020-21		270	270
Total comprehensive result for 2020-21		<u>270</u>	<u>270</u>
Net assets received from an administrative restructure	1.3	1 640	1 640
Balance at 30 June 2021		<u><u>1 910</u></u>	<u><u>1 910</u></u>

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

Eyre Peninsula Landscape Board
Statement of Cash Flows
for the year ended 30 June 2021

	Note	2021 \$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Landscape and water levies		3 319
Commonwealth funding received		1 336
Grants		427
Interest received		1
Other receipts		32
Cash generated from operations		5 115
<i>Cash outflows</i>		
Payments for supplies and services		(2 101)
Employee benefits payments		(2 266)
Payments of grants and subsidies		(239)
Interest paid		(4)
Other payments		(39)
Cash used in operations		(4 649)
Net cash provided by operating activities		466
Cash flows from investing activities		
<i>Cash outflows</i>		
Purchase of property, plant and equipment		(25)
Cash used in investing activities		(25)
Net cash used in investing activities		(25)
Cash flows from financing activities		
<i>Cash inflows</i>		
Cash received from restructuring activities	1.3	1 769
Cash generated from financing activities		1 769
<i>Cash outflows</i>		
Repayment of leases		(69)
Cash used in financing activities		(69)
Net cash provided by financing activities		1 700
Net increase in cash and cash equivalents		2 141
Cash at the beginning of the period		-
Cash at the end of the period	6.1	2 141

The accompanying notes form part of these financial statements.

Eyre Peninsula Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2021

1. About the Eyre Peninsula Landscape Board

The Eyre Peninsula Landscape Board (the Board) is a body corporate of the state of South Australia, established 1 July 2020, pursuant to the *Landscape South Australia Act 2019* (the Landscape Act). The Board is a not for profit entity.

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

The Board also adopted the Business Plan of the former Eyre Peninsula Natural Resources Management Board for the 2020-21 period, to the extent it related to the Eyre Peninsula landscape management region, and adjusted to fulfil the requirements of the Board under the Landscape Act.

The Board entered into a Service Level Agreement with DEW during 2020-21 for the delivery of corporate support services to the Board 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. As this is the first year of operations, there are no comparative figures provided.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

The Board is not subject to income tax. It is liable for fringe benefits tax and payroll tax.

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

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

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

1.2. Objectives and programs

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:

Sustainable Agriculture

Program priorities include:

- Support to land managers and agriculture groups across the region to continuously improve agricultural practices in the face of ongoing and emerging challenges, including soil constraints, pest impacts, vegetation management and climate change.
- Implementation of Regional Land Partnership initiatives including the Regenerative Agriculture program
- Maintain the Regional Agriculture Landcare Facilitator network to support farmers, agronomists and farming system groups and promote sustainable agricultural practices.

Water Resources Management

Program priorities include:

- Continued implementation and monitoring of the Water Allocation Plan for the Southern Basins and Musgrave Prescribed Wells Area
- Provision of advice and support in relation to water affecting activities enquiries
- Administration and prompt processing of water affecting activities throughout the region
- Ensuring compliance with Water Affecting Activities policies and permits.
- Interim Review of the Water Allocation Plan in 2021

Pest Plant and Animals

Program priorities include:

- Implementation of regional pest management plans for priority pest plants and animals
- Ongoing delivery of the fox baiting program, with distribution to landholders across the region
- Collaboration with other regions and agencies to address emerging or potential biosecurity threats to the region

Eyre Peninsula Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2021

1.2. Objectives and programs (continued)

Grassroots Grants Program

The Landscape Act requires the Board to establish and fund a Grassroots Grants Program. The purpose of a Grassroots Grant Program is to support individuals, and volunteer, community and other bodies, organisations and groups working at the local level on a not-for-profit basis, by making grants to undertake work or activities to achieve outcomes that promote the objects of the landscape legislation at the local level.

Other Stewardship

Program priorities include:

- Delivery of the Regional Land Partnership Core Services and Environmental projects, including the Saltmarsh Threat Abatement and Recovery project
- Continue to support and source funding for landscape scale programs, such as WildEyre, and implement strategies to protect threatened species and ecological communities
- Support to community groups, volunteers and citizen scientists to undertake natural resource management activities across the region that build community capacity and knowledge, and assist resources condition monitoring
- Maintain the biodiversity monitoring program, which includes 355 bushland condition monitoring sites and bird monitoring sites across the region
- Collaboration with the education sector to implement the Education Strategic Plan to provide nature based education initiatives
- Engage Local Government to assist with the delivery of outcomes including stormwater management, roadside vegetation management and coastal management
- Implementation of the Caretakers of this land: Aboriginal engagement strategy
- Coordination of monitoring, evaluation and reporting activities across the organisation

Leadership and Accountability

The Board is the primary entity in the region with responsibilities for management of natural resources. It has a range of statutory requirements with respect to planning, monitoring, evaluation and reporting. The Board is guided by the principles of good governance to ensure it operates with integrity, openness, accountability, consideration of risks, efficiency and considers the views and aspirations of its community.

A proportion of project funds are invested in monitoring, evaluation and reporting. The Board is committed to refining its monitoring and evaluation strategy and reviewing targets to ensure they are measurable and relevant to desired outcomes. The Board is increasingly involving community groups and individuals in development of strategic plans and undertaking surveys to collect monitoring data information under the guidance of field staff.

The below table presents expenses and income information attributable to each of the programs as reflected in the Board's Business plan for the year ended 30 June 2021.

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

1.2. Objectives and programs (continued)

Expenses and income by program

For the year ended 30 June 2021

	Water						
	Sustainable Agriculture	Resources Management	Pest Plant and Animals	Other Stewardship	Grassroots Grants Program	Leadership & Accountability	Total
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Income							
Landscape and water levies	559	215	1 817	-	93	747	3 431
Commonwealth-sourced grants and funding	-	-	107	1 210	-	-	1 317
Grant revenues	-	23	47	12	-	-	82
Interest revenues	-	-	1	-	-	-	1
Other income	2	3	34	3	-	33	75
Total income	561	241	2 006	1 225	93	780	4 906
Expenses							
Employee benefits expense	21	98	1 115	599	-	414	2 247
Supplies and services	445	117	707	428	-	323	2 020
Grants and subsidies	95	-	4	44	93	5	241
Depreciation	9	3	28	17	-	20	77
Borrowing costs	1	-	1	1	-	1	4
Other expenses	6	2	19	11	-	9	47
Total expenses	577	220	1 874	1 100	93	772	4 636
Net result	(16)	21	132	125	-	8	270

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

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

1.3. Net assets received from an Administrative Restructure

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

- On 25 June 2020, by notice of the Premier in the SA Government Gazette, 26 (23.9 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 1 (1.0 FTE) employee 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	717
Receivables	1
Total assets	<u>718</u>
Liabilities	
Payables	69
Provisions	36
Employee benefits	648
Total liabilities	<u>753</u>
Total net assets/(liabilities) transferred	<u><u>(35)</u></u>

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

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

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

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

Transferred in

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

	\$'000
Assets	
Cash and cash equivalents	1 052
Receivables	<u>849</u>
Total assets	<u>1 901</u>
Liabilities	
Payables	<u>226</u>
Total liabilities	<u>226</u>
Total net assets transferred	<u><u>1 675</u></u>

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

1.4. Impact of COVID-19 pandemic on the Board

The COVID-19 pandemic had a minor impact on the Board during the financial year. The Board managed the move of a significant number of staff to work from home arrangements where feasible. The Board developed a local area policy to manage COVID-19 impacts on job safety, public interactions and other precautions for staff and the public where facilities remained open, adopting best practice advice to ensure personal safety at those sites.

A minor impact to the Board in 2020-21 was a reduction in capacity to complete elements of some programs requiring community engagement and workshop delivery. The financial impact of this cannot be reliably measured, are negligible, and therefore have not been disclosed.

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

2. Income

2.1. Landscape and water levies

	2021 \$'000
Landscape levy collected through councils	2 990
Water levy collected through DEW	441
Total landscape and water levies	3 431

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

Landscape levy collected through councils

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

Water levies collected through DEW

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

2.2. Commonwealth-sourced grants and funding

	2021 \$'000
Regional Land Partnerships Program	1 317
Total Commonwealth-sourced grants and funding	1 317

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.

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

2.3. Grant revenues

	2021 \$'000
Income recognised under AASB 1058	
State Government grants	75
Sundry grants	7
Total income recognised under AASB 1058	<u><u>82</u></u>

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.

2.4. Other income

	2021 \$'000
Sale of goods	40
Resources received free of charge	31
Other revenue	4
Total other income	<u><u>75</u></u>

3. Board, committees and employees

3.1. Key management personnel

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

The total compensation for the Board's key management personnel was \$215 000 in 2020-21.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

No transactions with key management personnel or related parties occurred during 2020-21.

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

3.2. Board and committee members

Members during the 2020-2021 financial year were:

The Board

M K Whitfield (Presiding Member)

B Foster

A Irvine

J Major

D May

S Milner

M Turner

Risk and Audit Committee

D B Laube (Chair, appointed November 2020)

M K Whitfield (Presiding Member, appointed November 2020)

R Donaldson (appointed November 2020)

J L S Major (appointed November 2020)

S Milner (appointed November 2020)

Board and committee remuneration

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

\$0 - \$19 999

2021

8

\$20 000 - \$39 999

1

Total number of members

9

Remuneration of members reflects all costs of performing Board, Group and Committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$46 000.

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 \$25 000.

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

3.3. Employee benefits expense

	2021 \$'000
Salaries and wages	1 769
Annual leave	167
Long service leave	(8)
Employment on-costs - superannuation	188
Employment on-costs - other	103
Skills and experience retention leave	5
Board and committee fees	45
Workers compensation	(22)
Total employee benefits expense	2 247

Employment on-costs – superannuation

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

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

	2021 No
\$154 001 – \$174 000	1
Total	1

The total remuneration received by those employees for the year was \$0.171 million.

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.

3.4. Employee benefits liability

	2021 \$'000
<u>Current</u>	
Accrued salaries and wages	63
Annual leave	135
Long service leave	66
Skills and experience retention leave	4
Total current employee benefits	268
<u>Non-current</u>	
Long service leave	363
Total non-current employee benefits	363
Total employee benefits liability	631

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

3.4. Employee benefits liability (continued)

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

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

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 9.1.

4. Expenses

4.1. Supplies and services

	2021
	\$'000
Fee for service - Corporate fee	476
Fee for service	423
Fee for service - Agricultural Innovation	375
Accommodation and property management	160
Fee for service - Board funded DEW salaries	129
Fee for service - Shared Services SA	102
Motor vehicles	48
Minor works, maintenance and equipment	45
Commissions and selling costs	40
Travel and accommodation	39
Transport	37
Information technology and communication charges	33
General administration	27
Staff development	21
Monitoring	3
Other supplies and services	62
Total supplies and services	2 020

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

4.2. Grants and subsidies

	2021
	\$'000
Recurrent grants	241
Total grants and subsidies	<u><u>241</u></u>

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.

4.3. Other expenses

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

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

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

5. Non-financial assets

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

5.1. Property, plant and equipment owned by the Board

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

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Reconciliation of non-current assets

	Plant and equipment \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	-	-	-
Assets received for nil consideration	31	-	31
Acquisitions	25	257	282
Depreciation	(6)	(71)	(77)
Carrying amount at the end of the period	50	186	236
Gross carrying amount			
Gross carrying amount	149	257	406
Accumulated depreciation	(99)	(71)	(170)
Carrying amount at the end of the period	50	186	236

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.

Useful life

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

Class of asset	Useful Life (years)
Plant and Equipment	5-15
Right-of-use vehicles	3-5

Impairment

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

Eyre Peninsula Landscape Board
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5.2. Property, plant and equipment leased by the Board

Right-of-use assets for property, plant and equipment leased by the Board as lessee are measured at cost. Additions to leased property, plant and equipment during 2020-21 were \$257 000.

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

The Board has 13 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 disclosed at note 5.1 and the borrowing costs on the Statement of Comprehensive Income. Cash outflows related to leases are disclosed in the Statement of Cash Flows.

6. Financial assets

6.1. Cash and cash equivalents

	2021
	\$'000
Deposits with the Treasurer	2 141
Total cash and cash equivalents	2 141

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

Cash is measured at nominal amounts.

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6.2. Receivables

	2021
<u>Current</u>	<u>\$'000</u>
Trade receivables	472
Accrued revenues	138
Total receivables	<u>610</u>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, 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 Board has assessed the provision for doubtful debts and determined that non-government debtors comprise a small number of low balances, which are current and collectable. No provision for doubtful debts has been recognised.

7. Liabilities

7.1. Payables

	2021
<u>Current</u>	<u>\$'000</u>
Trade payables	97
Accrued expenses	59
Employment on-costs	55
Total current payables	<u>211</u>
Non-current	
Employment on-costs	34
Total non-current payables	<u>34</u>
Total payables	<u>245</u>

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

Employment on-costs

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

The Board contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

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

Eyre Peninsula Landscape Board
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7.2. Financial liabilities

	2021 \$'000
Current	
Lease liabilities	70
Total current payables	<u>70</u>
Non-current	
Lease liabilities	117
Total non-current payables	<u>117</u>
Total financial liabilities	<u><u>187</u></u>

7.3. Provisions

	2021 \$'000
<u>Current</u>	
Provision for workers compensation	4
Total current provisions	<u>4</u>
<u>Non-current</u>	
Provision for workers compensation	10
Total non-current provisions	<u>10</u>
Total provisions	<u><u>14</u></u>
	2021 \$'000
<i>Movement in provisions</i>	
Carrying amount at the beginning of the period	-
Provisions recognised as a result of restructure activities	36
Decrease in provisions recognised	<u>(22)</u>
Carrying amount at the end of the period	<u>14</u>

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

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

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8. Outlook

8.1. Unrecognised contractual commitments

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

Expenditure commitments

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

	2021
	\$'000
No later than one year	748
Later than one year but not later than five years	<u>489</u>
Total expenditure commitments	<u>1 237</u>

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 are for:

- Non-cancellable procurement contracts (\$1.090 million)
- Non-cancellable Grant Contracts (\$64 000)
- Memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation (\$83 000)

8.2. Contingent assets and liabilities

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

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

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9. Measurement and risk

9.1. Long service leave liability - measurement

AASB 119 Employee Benefits specifies the calculation methodology for long service leave liability.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth bonds was 1.25%.

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

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

9.2. Fair value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

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

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

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

Eyre Peninsula Landscape Board
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9.3. Financial instruments

Financial risk management

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

The Board's exposure to financial risk (liquidity, credit and market) is low due to the nature of the financial instruments held.

Categorisation of financial instruments

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

Classification of financial instruments

Financial assets and financial liabilities are measured at amortised cost.

Category of financial asset and financial liability	Note	2021 Carrying amount \$'000	2021 Contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	2 141	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	6.2	489	489	-	-
Total financial assets		2 630	489	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	7.1	109	109	-	-
Financial liabilities	7.2	187	70	117	-
Total financial liabilities		296	179	117	-

Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.