

Hills and Fleurieu Landscape Board  
Financial report  
for the year ended  
30 June 2021



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## To the Presiding Member Hills and Fleurieu Landscape Board

### Opinion

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

# **Hills and Fleurieu Landscape Board**

## **Financial Statements**

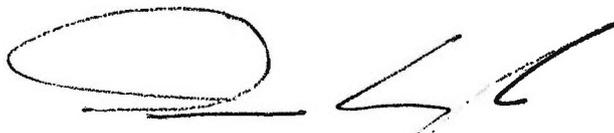
For the year ended 30 June 2021

**Hills and Fleurieu Landscape Board**  
**Certification of the Financial Statements**  
**for the year ended 30 June 2021**

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We certify that the:

- financial statements for the Hills and Fleurieu Landscape 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 Board at the end of the financial year and the result of its operation and cash flows for the financial year.
  
- internal controls employed by the Hills and Fleurieu Landscape Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



D Greenhough  
**Presiding Member**

25 November 2021



Michael Garrod  
**General Manager**

Hills and Fleurieu Landscape Board

25 November 2021

**Hills and Fleurieu Landscape Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

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	Note	2021 \$'000
<b>Income</b>		
Landscape and water levies	2.1	7 247
Commonwealth-sourced grants and funding	2.2	1 436
Grant revenues	2.3	1 901
Interest		1
Other income	2.4	215
<b>Total income</b>		<b>10 800</b>
<b>Expenses</b>		
Employee benefits expense	3.3	3 803
Supplies and services	4.1	4 762
Grants and subsidies	4.2	1 289
Depreciation	5.1	81
Borrowing Costs		3
Other expenses	4.3	77
<b>Total expenses</b>		<b>10 015</b>
<b>Net result</b>		<b>785</b>
<b>Total comprehensive result</b>		<b>785</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.

**Hills and Fleurieu Landscape Board**  
**Statement of Financial Position**  
*as at 30 June 2021*

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	Note	2021 \$'000
<b>Current assets</b>		
Cash and cash equivalents	6.1	9 818
Receivables	6.2	914
<b>Total current assets</b>		<b>10 732</b>
<b>Non-current assets</b>		
Property plant and equipment	5.1	238
<b>Total non-current assets</b>		<b>238</b>
<b>Total assets</b>		<b>10 970</b>
<b>Current liabilities</b>		
Payables	7.1	574
Financial liabilities	7.2	46
Employee benefits	3.4	463
Provisions	7.3	6
Contract liabilities	2.3	3 688
<b>Total current liabilities</b>		<b>4 777</b>
<b>Non-current liabilities</b>		
Payables	7.1	77
Financial liabilities	7.2	61
Employee benefits	3.4	820
Provisions	7.3	13
<b>Total non-current liabilities</b>		<b>971</b>
<b>Total liabilities</b>		<b>5 748</b>
<b>Net assets</b>		<b>5 222</b>
<b>Equity</b>		
Retained earnings		5 222
<b>Total equity</b>		<b>5 222</b>

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

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

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		Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		-	-
Net result for 2020-21		785	785
<b>Total comprehensive result for 2020-21</b>		<b>785</b>	<b>785</b>
Net assets received from an administrative restructure	1.3	4 437	4 437
<b>Balance at 30 June 2021</b>		<b>5 222</b>	<b>5 222</b>

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

**Hills and Fleurieu Landscape Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

	Note	2021 \$'000
<b>Cash flows from operating activities</b>		
<i>Cash inflows</i>		
Landscape and water levies		7 214
Commonwealth funding received		2 059
Grants		5 250
Interest received		1
Other receipts		206
<b>Cash generated from operations</b>		<b>14 730</b>
<i>Cash outflows</i>		
Payments for supplies and services		(4 632)
Employee benefits payments		(3 394)
Interest paid		(3)
Payments of grants and subsidies		(1 269)
<b>Cash used in operations</b>		<b>(9 298)</b>
<b>Net cash provided by operating activities</b>		<b>5 432</b>
<b>Cash flows from investing activities</b>		
<i>Cash outflows</i>		
Purchase of property, plant and equipment		(29)
<b>Cash used in investing activities</b>		<b>(29)</b>
<b>Net cash used in investing activities</b>		<b>(29)</b>
<b>Cash flows from financing activities</b>		
<i>Cash inflows</i>		
Cash received from restructuring activities	1.3	4 479
<b>Cash generated from financing activities</b>		<b>4 479</b>
<i>Cash outflows</i>		
Repayment of leases		(64)
<b>Cash used in financing activities</b>		<b>(64)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>4 415</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>9 818</b>
Cash at the beginning of the period		-
<b>Cash at the end of the period</b>	6.1	<b>9 818</b>

The accompanying notes form part of these financial statements.

# Hills and Fleurieu Landscape Board

## Notes to and forming part of the financial statements

### for the year ended 30 June 2021

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#### 1. About the Hills and Fleurieu Landscape Board

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

The Board adopted the Regional Management Plans of the former Adelaide and Mount Lofty Ranges Natural Resource Management Board and SA Murray-Darling Basin Natural Resource Management Board as its Landscape Plan to guide its operations in 2020-21, while it developed a new 5-year Landscape Plan. The Board operates under a Business Plan which aligns to the Landscape Plan. The Hills and Fleurieu Business Plan 2020-21 was approved by the Minister for Environment and Water on 22 June 2020, for implementation on 1 July 2020. The Plan 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) during 2020-2021 for the delivery of corporate support services to the Board to ensure it is able to meet its governance and financial management statutory requirements in delivering its business.

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

DEW prepares a Business Activity Statement on behalf of the Board under the grouping provisions of 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 operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

# Hills and Fleurieu Landscape Board

## Notes to and forming part of the financial statements

### for the year ended 30 June 2021

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## 1.2. Objectives and programs

### Objectives

The functions of the Board under Section 25(1) of the LSA 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

### Programs

The Hills and Fleurieu Business Plan 2020-21 sets out the Board's investment in five priorities:

- Sustainable production
  - Supporting landholders to adopt sustainable land management practices (soils, pests, water, biodiversity)
  - Controlling emerging weeds and pests
  - Collaborating to manage overabundant native species and total grazing pressure
- Water
  - Water allocation planning and implementation to supporting sustainable use of water resources
  - Implementing low flows to improve aquatic ecosystem health and advice and compliance for water affecting activities
- Biodiversity
  - Supporting restoration of habitats and management of threats to coastal, terrestrial and aquatic biodiversity
  - Implementing recovery plan actions for prioritised threatened species and threatened ecological communities
- People
  - Raising community awareness and involving community in planning
  - Partnering with First Nations
  - Supporting volunteers and bushfire recovery
- Climate adaptation
  - Collaborating to promote climate resilience planning and adaptation.

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 expenses and income attributable to each priority.

**Hills and Fleurieu 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**

	Sustainable production	Water	Biodiversity	People	Climate adaptation	Total
	2021	2021	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Landscape and water levies	2 402	2 268	995	1 460	122	7 247
Commonwealth-sourced grants and funding	572	-	864	-	-	1 436
Grants	716	9	745	431	-	1 901
Interest	1	-	-	-	-	1
Other income	99	46	27	40	3	215
<b>Total income</b>	<b>3 790</b>	<b>2 323</b>	<b>2 631</b>	<b>1 931</b>	<b>125</b>	<b>10 800</b>
<b>Expenses</b>						
Employee benefits expense	1 521	627	607	963	85	3 803
Supplies and services	1 211	2 002	1 034	474	41	4 762
Grants and subsidies	5	33	620	631	-	1 289
Depreciation	33	12	14	20	2	81
Borrowing Costs	1	-	1	1	-	3
Other expenses	32	12	13	19	1	77
<b>Total expenses</b>	<b>2 803</b>	<b>2 686</b>	<b>2 289</b>	<b>2 108</b>	<b>129</b>	<b>10 015</b>
<b>Net result</b>	<b>987</b>	<b>(363)</b>	<b>342</b>	<b>(177)</b>	<b>(4)</b>	<b>785</b>

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

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

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

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

- On 25 June 2020, by notice of the Premier in the SA Government Gazette, 44 (37.6 FTE) employees transferred from DEW to the Board pursuant to section 9 (1) of the *Public Sector Act 2009* (the PS Act), to take effect from 1 July 2020.
- On 1 April 2021, by notice of the Premier in the SA Government Gazette, a further 4 (3.0 FTE) employees transferred from DEW to the Regional Landscape Boards pursuant to section 9 (1) of the PS Act, to take effect from 12 April 2021.

***Transferred in***

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

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

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

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

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

Additionally, on 1 July 2020, the *Natural Resources Management Act 2004* (NRM Act) was repealed, and the Adelaide and Mount Lofty Ranges and the South Australian Murray Darling Basin Natural Resources Management (NRM) Boards were abolished. By notice in the Government Gazette on 25 June 2020, a share of the relevant property, assets, rights and liabilities of these NRM Boards, with effect from 1 July 2020, were vested in or attached to the Board.

**Transferred in**

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

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

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

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

The COVID-19 global pandemic has impacted all of South Australia since March 2020. The Board has managed to facilitate 'work from home arrangements' where feasible. The Board has ensured precautions were taken for all staff and members of the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

The Board adapted the way that its business was conducted, including field work and events, using strategies such as limiting numbers at events and moving to an 'online' format where possible. Where savings resulted, such as reduced travel and catering costs, this was reinvested into the projects to extend outcomes.

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

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**2. Income**

**2.1. Landscape and water levies**

	<b>2021</b>
	<b>\$'000</b>
Landscape levy collected through councils	5 032
Water levies collected through DEW	2 215
<b>Total landscape and water levies</b>	<b>7 247</b>

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

Landscape levy collected through councils

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

Water levies collected through DEW

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

**2.2. Commonwealth funding**

	<b>2021</b>
	<b>\$'000</b>
<b>Commonwealth funding</b>	
Regional Land Partnerships Program	1 436
<b>Total Commonwealth-sourced grants and funding</b>	<b>1 436</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.

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

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**2.3. Grant revenues**

	<b>2021</b> <b>\$'000</b>
<b>Income recognised under AASB 1058</b>	
State Government Grants	316
Sundry grants	5
<b>Total income recognised under AASB 1058</b>	<b>321</b>
<b>Income recognised under AASB 15</b>	
State Government Grants	1 522
Sundry grants	58
<b>Total income recognised under AASB 15</b>	<b>1 580</b>
<b>Total grant revenues</b>	<b>1 901</b>

Grants recognised under AASB 1058

The Board has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or not linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Board has an unconditional right to receive cash which usually coincides with receipt of cash.

Grants recognised under AASB 15

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

**Contract Balances**

	<b>2021</b> <b>\$'000</b>
Contract liabilities	3 688
<b>Total contract liabilities</b>	<b>3 688</b>

Contract liabilities relate to funding provided by DEW to coordinate works to rebuild fences as part of the bushfire recovery, Landscape Priorities Fund grants and other grants received in advance from the State Government, for which revenue will be recognised as performance obligations are satisfied.

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

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**2.4. Other income**

	<b>2021</b>
	<b>\$'000</b>
Sale of goods and services	90
Recoup of expenses	88
Support services income	29
Provision of services	4
Other revenue	4
<b>Total other income</b>	<b>215</b>

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the Board including the Minister for the Environment and Water, the Hills and Fleurieu Landscape Board Presiding Member and General Manager, and the other members of the Board who have responsibility for the strategic direction and management of the Board.

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

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

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

Under the *Landscape South Australian Act 2019*, the Minister appointed the Board effective from 1 July 2020 until 30 June 2021 with the Presiding Member reappointed. These appointments have been extended until 30 June 2023. The Risk and Performance Committee were appointed from 7 January 2021 until 7 January 2024.

**3.2. Board and committee members**

Members during 2021 financial year were:

**The Board**

D L Greenhough (Presiding Member)

J R Klein

A J Lowe

C J Schofield

D A Smith (Retired June 2021)

C D West

A M Williams

**Committees**

**Risk and Performance Committee**

D L Greenhough

C J Schofield

J R Goode

T N Johnston

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

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

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

	<b>2021</b>
\$0 - \$19 999	8
\$20 000 - \$39 999	<u>1</u>
<b>Total number of members</b>	<b><u>9</u></b>

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 \$50 000.

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 \$17 000.

**3.3. Employee benefits expense**

	<b>2021</b>
	<b>\$'000</b>
Salaries and wages	2 793
Annual leave	292
Long service leave	173
Employment on-costs - superannuation	319
Employment on-costs - other	187
Skills and experience retention leave	19
Board and committee fees	51
Workers compensation	(32)
Other employee related expenses	<u>1</u>
<b>Total employee benefits expense</b>	<b><u>3 803</u></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.

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

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**3.4. Employee benefits liability**

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

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

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

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

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

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

**Long service leave**

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

Details about the measurement of long service leave liability is provided as note 9.1.

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

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**4. Expenses**

**4.1. Supplies and services**

	2021 \$'000
Fee for service - Project delivery	2 916
Fee for service - Corporate services fee to DEW	706
Fee for service - Board funded DEW salaries	300
Accommodation and property management	185
Fee for service - Shared Services SA fee	174
Minor works, maintenance and equipment	140
Information technology and communication	70
Contracted staff training development	29
General administration	52
Temporary staff	41
Accommodation	16
Motor Vehicles	22
Transport	8
Other supplies and services	103
<b>Total supplies and services</b>	<b>4 762</b>

**4.2. Grants and subsidies**

	2021 \$'000
Recurrent grants	1 289
<b>Total grants and subsidies</b>	<b>1 289</b>

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
Property, plant and equipment write offs	26
Audit fees paid/payable to the Auditor-General's Department	51
<b>Total other expenses</b>	<b>77</b>

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

**Hills and Fleurieu Landscape Board**  
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**5. Non-financial assets**

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

**5.1. Property, plant and equipment owned by the Board**

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

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

**Reconciliation 2020-21**

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

**Hills and Fleurieu Landscape Board**  
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**5.1. Property, plant and equipment owned by the Board (continued)**

**Review of accounting estimates**

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

**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>
Infrastructure	10-40
Plant and equipment	3-40
Computing equipment	10
Right-of-use vehicles	3-5

**Impairment**

There were no indications of impairment of property, plant and equipment as at 30 June 2021.

**5.2. Property plant and equipment leased by the Board**

Right-of-use assets for Property, plant and equipment leased by the Board as lessee are measured at cost. Additions to leased property, plant and equipment during 2020-21 were \$171 000.

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

**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2021</b>
	<b>\$'000</b>
Deposits with the Treasurer	9 818
<b>Total cash and cash equivalents</b>	<b>9 818</b>

Cash is measured at nominal amounts.

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

**Hills and Fleurieu Landscape Board**  
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**6.2. Receivables**

	2021
<u>Current</u>	<u>\$'000</u>
Trade receivables	854
Accrued revenues	60
<b>Total current receivables</b>	<b>914</b>
<b>Total receivables</b>	<b>914</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally 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 expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

**Hills and Fleurieu Landscape Board**  
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**7. Liabilities**

**7.1. Payables**

	2021 \$'000
<b><u>Current</u></b>	
Trade payables	405
Accrued expenses	70
Employment on-costs	99
<b>Total current payables</b>	<b><u>574</u></b>
<b><u>Non-current</u></b>	
Trade Payables	-
Employment on-costs	77
<b>Total non-current payables</b>	<b><u>77</u></b>
<b>Total payables</b>	<b><u>651</u></b>

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

***Employment on-costs***

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

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

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken 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.

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
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**7.2. Financial liabilities**

	2021 \$'000
<b>Current</b>	
Lease liabilities	46
<b>Total current financial liabilities</b>	<b>46</b>
<b>Non-current</b>	
Lease liabilities	61
<b>Total non-current financial liabilities</b>	<b>61</b>
<b>Total financial liabilities</b>	<b>107</b>

The Board measures financial liabilities at amortised cost.

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

**7.3. Provisions**

	2021 \$'000
<b>Current</b>	
Provision for workers compensation	6
<b>Total current provisions</b>	<b>6</b>
<b>Non-current</b>	
Provision for workers compensation	13
<b>Total non-current provisions</b>	<b>13</b>
<b>Total provisions</b>	<b>19</b>
<b><i>Movement in provisions</i></b>	
Provisions recognised as a result of restructure activities	57
Decrease in provisions recognised	(38)
<b>Carrying amount at the end of the period</b>	<b>19</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 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.

**Hills and Fleurieu Landscape Board**  
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**8. Outlook**

**8.1. Unrecognised contractual commitments**

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

***Expenditure commitments***

	2021 \$'000
No later than one year	70
<b>Total expenditure commitments</b>	<b>70</b>

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

**8.2. Contingent assets and contingent liabilities**

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

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

**9. Measurement and risk**

**9.1. Long service leave liability – measurement**

*AASB 119 Employee Benefits (AASB 119)* contains the calculation methodology for long service leave liability.

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

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

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

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

**Hills and Fleurieu Landscape Board**  
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**9.2. Fair value**

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

***Initial recognition***

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

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

***Revaluation***

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

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

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

**9.3. Financial instruments**

***Financial risk management***

Risk management is managed by the Board's corporate services section and Board risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer 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 and financial liability are disclosed in the respective financial asset / financial liability note.

**Hills and Fleurieu Landscape Board**  
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**9.3 Financial instruments (continued)**

**Classification of financial instruments**

Financial assets and financial liabilities are measured at amortised cost.

Category of financial asset and financial liability	Note	Carrying amount \$'000	2021 Contractual Maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					-
Cash and cash equivalents	6.1	9 818	-	-	-
<b>Financial assets at amortised cost</b>					-
Receivables	6.2	861	861	-	-
<b>Total financial assets</b>		<b>10 679</b>	<b>861</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	7.1	424	424	-	-
Financial liabilities	7.2	107	46	61	-
<b>Total financial liabilities</b>		<b>531</b>	<b>470</b>	<b>61</b>	<b>-</b>

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