

Northern and Yorke 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 Northern and Yorke Landscape Board

Opinion

I have audited the financial report of Northern and Yorke 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, their financial performance and their 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 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 and its controlled entities. 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 Presiding Member 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* 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 General Manager and Business 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
30 November 2021

Northern and Yorke Landscape Board

Financial Statements

For the year ended 30 June 2021

Northern and Yorke Landscape Board
Certification of Financial Statement
for the year ended 30 June 2021

We certify that the:

- financial statements for the Northern and Yorke Landscape Board (the Board):
 - are in accordance with the accounts and records of the Board;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Board at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Board for the financial year over its financial reporting and its preparation of financial statements have been effective.
- The certifiers acknowledge that these financial statements are not fully complete and further amendments are required.



Caroline Schaefer
Presiding Membe
29 November 2021



Anthony Fox
General Manager
Northern and Yorke Landscape Board
29 November 2021

Northern and Yorke Landscape Board
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000
Income		
Landscape and Water Levies	2.1	5 889
Commonwealth-sourced grants and funding	2.2	1 370
Grant revenues	2.3	380
Interest revenues		1
Other income	2.4	123
Total income		7 763
Expenses		
Employee benefits expenses	3.3	2 829
Supplies and services	4.1	2 965
Grants and subsidies	4.2	1 065
Depreciation	5.1	118
Borrowing Costs		4
Other expenses	4.3	58
Total expenses		7 039
Net result		724
Total comprehensive result		724

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

Northern and Yorke Landscape Board
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$'000
Current assets		
Cash and cash equivalents	6.1	5 593
Receivables	6.2	<u>554</u>
Total current assets		<u>6 147</u>
Non-current assets		
Property plant and equipment	5.1	<u>406</u>
Total non-current assets		<u>406</u>
Total assets		<u>6 553</u>
Current liabilities		
Payables	7.1	460
Financial liabilities	7.2	114
Employee benefits liability	3.4	390
Provisions	7.3	<u>5</u>
Total current liabilities		<u>969</u>
Non-current liabilities		
Payables	7.1	53
Financial liabilities	7.2	194
Employee benefits liability	3.4	564
Provisions	7.3	<u>11</u>
Total non-current liabilities		<u>822</u>
Total liabilities		<u>1 791</u>
Net assets		<u>4 762</u>
Equity		
Retained earnings		<u>4 762</u>
Total equity		<u>4 762</u>

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

Northern and Yorke Landscape Board
Statement of Changes in Equity
for the year ended 30 June 2021

		Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		-	-
Net result for 2020-21		724	724
Total comprehensive result for 2020-21		724	724
Net assets received from an administrative restructure	1.3	4 038	4 038
Balance at 30 June 2021		4 762	4 762

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

Northern and Yorke 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 levy receipts		6 482
Commonwealth funding received		961
Grant receipts		240
Interest received		1
Other receipts		123
Cash generated from operations		<u>7 807</u>
<i>Cash outflows</i>		
Employee benefits payments		(2 674)
Payments for supplies and services		(2 980)
Payments of grants and subsidies		(1 065)
Interest paid		(4)
Other payments		(43)
Cash used in operations		<u>(6 766)</u>
Net cash provided by operating activities		<u>1 041</u>
Cash flows from financing activities		
<i>Cash inflows</i>		
Cash received from restructuring activities		4 664
Cash generated from financing activities		<u>4 664</u>
<i>Cash outflows</i>		
Repayment of leases		(112)
Net cash used in financing activities		<u>(112)</u>
Net cash provided by / (used in) financing activities		<u>4 552</u>
Net increase / (decrease) in cash and cash equivalents		<u>5 593</u>
Cash at the beginning of the period		-
Cash at the end of the period	6.1	<u><u>5 593</u></u>

The accompanying notes form part of these financial statements.

Northern and Yorke Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2021

1. About the Northern and Yorke Landscape Board

The Northern and Yorke Landscape Board (the Board) was established 1 July 2020, as a not for profit independent statutory authority under the *Landscape South Australia Act 2019* (the LSA Act).

The Board adopted the relevant sections of the Regional Natural Resource Management Plans of the former Northern and Yorke Natural Resource Management (NRM) Board, Adelaide and Mount Lofty Ranges NRM Board and SA Murray-Darling Basin as its interim plan.

The Board operates under its approved Business Plan which aligns to the Landscape Plan. The Northern and Yorke Landscape Board 2020-21 Business Plan was approved by the Minister for Environment and Water on 22 June 2020, for implementation on 1 July 2020.

The Business 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's financial statements include the use of income, expenses, assets and liabilities controlled or incurred by the Board in its own right.

The Board entered into a Service Level Agreement with the Department for Environment and Water during 2020-21 which includes the delivery of corporate support services to the Board to ensure it is able to meet its 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, goods & services tax and payroll tax.

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.

Northern and Yorke Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2021

1.2. Objectives and programs

Board objectives

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

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

Board programs

The Northern and Yorke Landscape Board Business Plan 2020-2021 outlines the Board's priorities.

Pest Plant and Animal Control

- Coordinated control of priority weeds and exotic predators
- Active management of total grazing pressure

Sustainable Agriculture

- Improve livestock grazing practices
- Reduce soil acidification rate
- Maintain surface cover on pasture and cultivated lands
- Improve soil stability and water infiltration rates

Water Management

- Review the regions water management framework
- Manage land run-off and impacts to watercourse integrity
- Improve the efficiency of water use across catchments

Biodiversity

- Increase the area of native vegetation managed
- Revegetate and support regeneration in high priority areas
- Plan and implement cross-tenure fire management

Communities

- Community and Aboriginal engagement
- Collaboration and partnerships
- Grassroots grant program

The Board delivers a range of programs and projects in support of these priorities and focus areas. The table below provides the income and expenses attributable to each priority.

The table on the following page presents expenses and income attributable to each program.

Northern and Yorke 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

	Pest Plant and Animal Control	Sustainable Agriculture	Water Management	Biodiversity	Communities	Total
	2021	2021	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Landscape and Water Levies	1 483	551	1 494	739	1 622	5 889
Commonwealth funding	273	722	-	163	212	1 370
Grants Income	41	-	-	142	197	380
Interest	-	-	-	-	1	1
Other income	114	1	2	1	5	123
Total income	1 911	1 274	1 496	1 045	2 037	7 763
Expenses						
Employees benefits expense	900	283	463	472	720	2 838
Supplies and services	795	296	600	396	869	2 956
Grants and subsidies	80	187	52	353	393	1 065
Depreciation expense	32	12	24	16	34	118
Borrowing Costs	1	-	1	-	2	4
Other expenses	15	6	12	8	17	58
Total expenses	1 823	784	1 152	1 245	2 035	7 039
Net result	88	490	344	(200)	2	724

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

Northern and Yorke 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, 30 (29.2 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 7 (6.49 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 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	910
Receivables	<u>1</u>
Total assets	<u>911</u>
Liabilities	
Payables	92
Employee Benefits	818
Provisions	<u>47</u>
Total liabilities	<u>957</u>
Total net assets/(liabilities) transferred	<u><u>(46)</u></u>

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

Northern and Yorke 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* was repealed and the Northern and Yorke Natural Resources Management Board (NY NRMB), South Australian Murray-Darling Basin NRMB (SAMDB NRMB) and the Adelaide Mount Lofty Ranges Natural Resources Management Board (AMLR NRMB) were abolished.

By way of a notice published in the Government Gazette on 25 June 2020, the property, assets, rights and liabilities of the NRM Boards that fell within the functions and responsibilities of the Northern and Yorke Landscape Board were vested in or attached to the Northern and Yorke Landscape Board from 1 July 2020.

Transferred in

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

	NY NRMB \$'000	SAMDB NRMB \$'000	AMLR NRMB \$'000	Total \$'000
Assets				
Cash and cash equivalents	3 146	154	454	3 754
Receivables	600	2	(10)	592
Property plant and equipment	55	103	15	173
Total assets	3 801	259	459	4 519
Liabilities				
Payables	355	-	24	379
Financial liabilities	56	-	-	56
Total liabilities	411	-	24	435
Total net assets transferred	3 390	259	435	4 084

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 impacted the financial year. The Board was able to move a significant number of staff to work from home arrangements where feasible. The Board also ensured precautions were taken for staff and the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

A key impact to the Board in 2020-21 was a reduction in capacity to complete various projects or field operations. This particularly delayed operations related to large community gatherings or engagement with First Nations. The financial impact of individual projects under these priorities cannot be reliably measured and therefore has not been disclosed. The surplus funds for some projects have been extended into next financial year, otherwise they were redirected to other priority projects within the region.

Northern and Yorke 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	5 514
Water Levy collected through DEW	375
Total Landscape and Water Levies	5 889

The Board collects Landscape and water levies under Part 5 of the *Landscape South Australia Act 2019*.

Landscape levy collected through Councils and DEW

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 also 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 license 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	774
Goyders Line Project	496
Smart Farms Project	100
Total Commonwealth-sourced grants and funding	1 370

	2021 \$'000
Regional Land Partnerships Program funding consists of the following components	
Core services	637
Great Southern Ark	84
Living Flinders	51
Other	2
Total Regional Land Partnership funding	774

The Board has determined that the Commonwealth funding included in the table above is accounted for under AASB 1058. Commonwealth funding is 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.

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.3. Grant revenues

	2021 \$'000
Grant revenues recognised under AASB 1058	
State Government Grants	188
Sundry grants	192
Total grant revenues	380

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	116
Other revenue	7
Total other income	123

Sale of Goods income includes revenues generated through contracting of animal and plant control services conducted on Crown or private land, and sale of merchandise such as fox baits. All revenue from the sale of goods is revenue from contracts with customers. This revenue is recognised upon the delivery of the service to the customer, which is in arrears, therefore no contract liability is recognised.

Other revenue relates to the net gain from the disposal of non-current assets.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Board include the Minister for Environment and Water, the Presiding Member, all 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 \$227 000 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 have occurred throughout the 2020-21 financial year.

Northern and Yorke 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 2021 financial year were:

The Board

C V Schaefer (Presiding member)
P J Angus
S M Barrett
A L Baum (Retired 30 June 2021)
S C Germein
S J Greenslade (Retired July 2020)
P M Heaslip
G J White

Governance and Finance Committee

G J White
S C Germein
S M Barrett

Aboriginal Engagement Committee

P M Heaslip
A L Baum (Retired 30 June 2021)
S M Barrett
D Milera (Appointed 12 November 2020)
L J Thomas (Appointed 12 November 2020)
G J Agius (Appointed 12 November 2020)
Q L Agius (Appointed 12 November 2020)
I Campbell (Appointed 12 November 2020)

Planning and Performance Committee

P J Angus
G J White
A L Baum (Retired 30 June 2021)

Board and committee remuneration

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

	2021
\$0 - \$19 999	10
\$20 000 - \$39 999	1
Total number of members	11

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 \$58 000.

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 \$16 000.

Northern and Yorke 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	2 148
Employment on-costs - superannuation	239
Annual leave	220
Employment on-costs - other	137
Board and committee fees	53
Long service leave	48
Skills and experience retention leave	8
Other employee related expenses	7
Workers compensation	<u>(31)</u>
Total employee benefits expense	<u>2 829</u>

Employment on-costs - superannuation

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

Executive Remuneration

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

	2021
	No
\$154 001 – \$174 000	<u>1</u>
Total	<u>1</u>

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 tax.

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.4. Employee benefits liability

	2021 \$'000
<u>Current</u>	
Annual leave	267
Accrued salaries and wages	93
Skills and experience retention leave	17
Long service leave	13
Total current employee benefits	390
 <u>Non-current</u>	
Long service leave	564
Total non-current employee benefits	564
 Total employee benefits liability	 954

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 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.

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4. Expenses

4.1. Supplies and services

	2021
	\$'000
Fee for service	1 068
Fee for service - Corporate services fee to DEW	498
Fee for service - Board funded DEW salaries	442
Accommodation and property management	177
Information technology and communication charges	140
Motor vehicles	126
Minor works, maintenance and equipment	110
Fee for service - Shared Services SA fee	105
General administration	52
Staff development	52
Travel and accommodation	47
Contractors	5
Transport	1
Other supplies and services	142
Total supplies and services	2 965

4.2. Grants and subsidies

	2021
	\$'000
Recurrent grants	1 065
Total grants and subsidies	1 065

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.

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4.3. Other expenses

	2021 \$'000
Audit fees	45
Property, plant and equipment write-off	13
Total other expenses	58

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

5. Non-financial assets

Property, plant and equipment comprises tangible assets owned 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 with a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

	Land and buildings \$'000	ROU buildings \$'000	ROU vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	-	-	-	-
Acquisition through administrative restructuring	118	55	-	173
Acquisitions	-	-	80	80
Transfer in	-	-	325	325
Write offs	(13)	-	-	(13)
Disposals	-	-	(41)	(41)
Depreciation	(4)	(24)	(90)	(118)
Carrying amount at the end of the period	101	31	274	406
Gross carrying amount				
Gross carrying amount	105	79	354	731
Accumulated depreciation	(4)	(48)	(80)	(325)
Carrying amount at the end of the period	101	31	274	406

Review of accounting estimates

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

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5.1. Property, plant and equipment owned by the Board (continued)

Useful life

Depreciation is calculated on a straight line basis over the lease term as follows:

Class of asset	Useful life (years)
Buildings	19-60
Right-of-use vehicles	3-5
Right-of-use buildings	3-5

Impairment

There were no indications of impairment for property, plant and equipment owned by the Board 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 \$80 000.

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 20 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

The Board has 2 leases that are held directly between the Board and landlords, for office accommodation in Orroroo and Minlaton. The Office accommodation in Orroroo is leased from the District Council of Orroroo Carrieton and is in place up until 30 June 2021. A right of renewal exists to extend for a further 2 years. The office accommodation in Minlaton is leased from Yorke Peninsula Council and is in place up until 30 June 2022. Lease payments for both leases are reviewed annually in line with CPI indexation.

The Board also has a month to month lease arrangement with the Department for Environment & Water for office accommodation at 155 Main North Road, Clare. This arrangement replaced a 3 year term lease agreement that expired on 30th June 2021. The month to month arrangement will be replaced by a term lease agreement when negotiations are completed during the first half of the 2021-2022 financial year. As there is no ongoing commitment in place for office accommodation in Clare, no right-of-use assets or lease liabilities exist for the Clare office accommodation.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Board's maturity analysis of its lease liabilities is disclosed in note 9.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in notes 4.3 and 5.1. 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	<u>5 593</u>
Total cash and cash equivalents	<u>5 593</u>

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6.1. Cash and cash equivalents (continued)

Deposits with the Treasurer

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

6.2. Receivables

	2021
	\$'000
Current	
Trade receivables	
Accrued revenues	409
Debtors	140
Prepayments	5
Total receivables	554

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 and prepayments are non-interest bearing.

Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The Board has assessed debtors and determined that non-government debtors comprise a small number of low balances, which are current and collectable. No movement in doubtful debts has been made.

7. Liabilities

7.1. Payables

	2021
	\$'000
Current	
Trade payables	295
Employment on-costs	89
Accrued expenses	76
Total current payables	460
Non-current	
Employment on-costs	53
Total non-current payables	53
Total payables	513

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.

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7.1. Payables (continued)

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.

7.2. Financial Liabilities

	2021
	\$'000
Current	
Lease liabilities	114
Total current financial liabilities	114
Non-current	
Lease liabilities	194
Total non-current financial liabilities	194
Total financial liabilities	308

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

7.3. Provisions

	2021
	\$'000
Current	
Provision for workers compensation	5
Total current provisions	5
Non-current	
Provision for workers compensation	11
Total non-current provisions	11
Total provisions	16
<i>Movement in provisions</i>	
Carrying amount at the beginning of the period	-
Provisions recognised as a result of restructure activities	47
Decrease in provisions recognised	(31)
Carrying amount at the end of the period	16

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7.3. Provisions (continued)

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.

8. Outlook

8.1. Unrecognised contractual commitments

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

Expenditure commitments	2021
	\$'000
Within one year	350
Later than one year but not later than five years	173
Total expenditure commitments	523

The Board's commitments relate to non-cancellable contracts at the reporting date and a memorandum of administrative arrangements with the Department for Infrastructure and Transport for accommodation. These commitments have not been recognised in the Statement of Comprehensive Income and Statement of Financial Position.

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.

9. Measurement and risk

9.1. Long service leave liability – measurement

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

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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 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.

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 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 the Board's 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, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

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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	2021 Carrying amount \$'000	2021 Contractual maturities		
			Within 1 year \$'000	1-5 year \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	5 593	-	-	-
Financial assets at amortised cost					
Receivables	6.2	466	466	-	-
Total financial assets		6 059	466	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	7.1	321	321	-	-
Financial liabilities	7.2	308	114	194	-
Total financial liabilities		629	435	194	-

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.