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To the Presiding Member Northern and Yorke Landscape Board

Opinion

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

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Presiding Member and the General Manager.

Basis for opinion

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 38(2) of the *Landscape South Australia Act 2019*, I have audited the financial report of the Board for the financial year ended 30 June 2022.

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

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

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

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

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

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



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

30 November 2022

Northern and Yorke Landscape Board

Financial Statements

For the year ended 30 June 2022

Northern and Yorke Landscape Board
Certification of Financial Statement
for the year ended 30 June 2022

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.



Caroline Schaefer
Presiding Member
Northern and Yorke Landscape Board
25 November 2022



Anthony Fox
General Manager
Northern and Yorke Landscape Board
25 November 2022

Northern and Yorke Landscape Board
Statement of Comprehensive Income
for the year ended 30 June 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|---|------|----------------|----------------|
| Income | | | |
| Landscape and Water Levies | 2.1 | 5 955 | 5 889 |
| Intra-government transfers | 2.2 | 231 | - |
| Commonwealth-sourced grants and funding | 2.3 | 1 710 | 1 370 |
| Grant revenues | 2.4 | 746 | 380 |
| Interest revenues | | - | 1 |
| Other income | 2.5 | 106 | 123 |
| Total income | | 8 748 | 7 763 |
| Expenses | | | |
| Employee benefits expenses | 3.3 | 3 527 | 2 866 |
| Supplies and services | 4.1 | 2 695 | 2 928 |
| Grants and subsidies | 4.2 | 1 427 | 1 065 |
| Depreciation | 5.1 | 121 | 118 |
| Borrowing Costs | | 3 | 4 |
| Other expenses | 4.3 | 46 | 58 |
| Total expenses | | 7 819 | 7 039 |
| Net result | | 929 | 724 |
| Total comprehensive result | | 929 | 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 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|--------------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 6.1 | 6 122 | 5 593 |
| Receivables | 6.2 | 805 | 554 |
| Total current assets | | 6 927 | 6 147 |
| Non-current assets | | | |
| Property plant and equipment | 5.1 | 420 | 406 |
| Total non-current assets | | 420 | 406 |
| Total assets | | 7 347 | 6 553 |
| Current liabilities | | | |
| Payables | 7.1 | 469 | 460 |
| Financial liabilities | 7.2 | 106 | 114 |
| Employee benefits liability | 3.4 | 333 | 390 |
| Provisions | 7.3 | 6 | 5 |
| Total current liabilities | | 914 | 969 |
| Non-current liabilities | | | |
| Payables | 7.1 | 45 | 53 |
| Financial liabilities | 7.2 | 217 | 194 |
| Employee benefits liability | 3.4 | 465 | 564 |
| Provisions | 7.3 | 15 | 11 |
| Total non-current liabilities | | 742 | 822 |
| Total liabilities | | 1 656 | 1 791 |
| Net assets | | 5 691 | 4 762 |
| Equity | | | |
| Retained earnings | | 5 691 | 4 762 |
| Total equity | | 5 691 | 4 762 |

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 2022

| | | 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 |
| Net result for 2021-22 | | 929 | 929 |
| Total comprehensive result for 2021-22 | | 929 | 929 |
| Balance at 30 June 2022 | | 5 691 | 5 691 |

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 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|---|------|----------------|----------------|
| Cash flows from operating activities | | | |
| <i>Cash inflows</i> | | | |
| Landscape levy receipts | | 5 955 | 6 482 |
| Intra-government transfers | | 231 | - |
| Commonwealth funding received | | 2 150 | 961 |
| Grant receipts | | 61 | 240 |
| Interest received | | - | 1 |
| Other receipts | | 106 | 123 |
| Cash generated from operations | | 8 503 | 7 807 |
| <i>Cash outflows</i> | | | |
| Employee benefits payments | | (3 707) | (2 674) |
| Payments for supplies and services | | (2 667) | (2 980) |
| Payments of grants and subsidies | | (1 427) | (1 065) |
| Interest paid | | (3) | (4) |
| Other payments | | (55) | (43) |
| Cash used in operations | | (7 859) | (6 766) |
| Net cash provided by operating activities | | 644 | 1 041 |
| Cash flows from financing activities | | | |
| Cash inflows | | | |
| Cash received from restructuring activities | 1.3 | - | 4 664 |
| Cash generated from financing activities | | - | 4 664 |
| Cash outflows | | | |
| Repayment of leases | | (115) | (112) |
| Net cash used in financing activities | | (115) | (112) |
| Net cash provided by / (used in) financing activities | | (115) | 4 552 |
| Net increase / (decrease) in cash and cash equivalents | | 529 | 5 593 |
| Cash at the beginning of the period | | 5 593 | - |
| Cash at the end of the period | 6.1 | 6 122 | 5 593 |

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 2022

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 operates under its approved Business Plan which aligns to the Landscape Plan 2021-26. The Northern and Yorke Landscape Board 2021-22 Business Plan was approved by the Minister for Environment and Water on 13th July 2021.

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 (SLA) with the Department for Environment and Water (DEW) for 2021-22 which includes the delivery of support services to the Board to ensure it is able to meet its governance and financial management statutory requirements in delivering its business. This agreement details the services, projects and funds to deliver the annual work plan. This SLA is reviewed and updated on an annual basis.

1.1. Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

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

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

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

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

Material accounting policies are set out throughout the notes.

Northern and Yorke Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2022

1.2. Objectives and priorities

Board 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.

Board priorities

The Northern and Yorke Landscape Board Business Plan 2021-22 outlines the Board's priorities.

Pest Plant and Animal Control

- Deliver programs that control priority weeds and feral animals to reduce their effects on agriculture and biodiversity
- Develop land manager networks and facilitate collaboration for pest control and management

Sustainable Agriculture

- Building land managers' capacity in adaptive agriculture and best practice land management
- Support innovation and adoption of practices for resilience and adaptation
- Protect and improve the condition of soil, groundcover and vegetation

Water Management

- Sustainably manage the region's prescribed water resources
- Protect and rehabilitate watercourses and wetlands
- Promote the sustainable use of water for environmental, cultural, social and industry outcomes

Biodiversity

- Support the protection and restoration of coastal habitats
- Coordinate programs to improve climate change resilience and adaptive capacity
- Improve ecosystems through restoration of habitat

Communities

- Make decisions based on best available science, cultural knowledge and local experience
- Actively engaged community at the centre of landscape management
- Foster partnerships that increase communication, expertise and collaboration in landscape management

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.

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.2. Objectives and priorities (continued)

Expenses and income by priorities

For the year ended 30 June 2022

| | Pest Plant and Animal Control | | Sustainable Agriculture | | Water Management | | Biodiversity | | Communities | | Total | |
|----------------------------|----------------------------------|----------------|----------------------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 |
| Income | | | | | | | | | | | | |
| Landscape and Water Levies | 1 662 | 1 483 | 430 | 551 | 1 587 | 1 494 | 669 | 739 | 1 607 | 1 622 | 5 955 | 5 889 |
| Intra-government transfers | - | - | 231 | - | - | - | - | - | - | - | 231 | - |
| Commonwealth funding | 210 | 273 | 565 | 722 | - | - | 468 | 163 | 467 | 212 | 1 710 | 1 370 |
| Grants Income | - | 41 | - | - | 164 | - | 372 | 142 | 210 | 197 | 746 | 380 |
| Interest | - | - | - | - | - | - | - | - | - | 1 | - | 1 |
| Other income | 79 | 114 | - | 1 | 3 | 2 | - | 1 | 24 | 5 | 106 | 123 |
| Total income | 1 951 | 1 911 | 1 226 | 1 274 | 1 754 | 1 496 | 1 509 | 1 045 | 2 308 | 2 037 | 8 748 | 7 763 |
| Expenses | | | | | | | | | | | | |
| Employees benefits expense | 1 258 | 908 | 370 | 286 | 381 | 468 | 540 | 477 | 978 | 727 | 3 527 | 2 866 |
| Supplies and services | 1 014 | 788 | 90 | 293 | 818 | 594 | 190 | 392 | 583 | 861 | 2 695 | 2 928 |
| Grants and subsidies | 41 | 80 | 640 | 187 | - | 52 | 318 | 353 | 428 | 393 | 1 427 | 1 065 |
| Depreciation expense | 35 | 32 | 9 | 12 | 27 | 24 | 14 | 16 | 36 | 34 | 121 | 118 |
| Borrowing Costs | 1 | 1 | - | - | 1 | 1 | - | - | 1 | 2 | 3 | 4 |
| Other expenses | 14 | 15 | 4 | 6 | 10 | 12 | 6 | 8 | 12 | 17 | 46 | 58 |
| Total expenses | 2 363 | 1 824 | 1 113 | 784 | 1 237 | 1 151 | 1 068 | 1 246 | 2 038 | 2 034 | 7 819 | 7 039 |
| Net result | (412) | 87 | 113 | 490 | 517 | 345 | 441 | (201) | 270 | 3 | 929 | 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 2022

1.3. Net assets received from an Administrative Restructure

2021-22

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

2020-21

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

- On 25 June 2020, by notice of the Premier in the SA Government Gazette, 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 | 1 |
| Total assets | 911 |
| Liabilities | |
| Payables | 92 |
| Employee Benefits | 818 |
| Provisions | 47 |
| Total liabilities | 957 |
| Total net assets/(liabilities) transferred | (46) |

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 2022

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

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2. Income

2.1. Landscape and Water Levies

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Landscape Levy collected within council area | 5 578 | 5 514 |
| Water Levy collected through DEW | 377 | 375 |
| Total Landscape and Water Levies | 5 955 | 5 889 |

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

Landscape levy collected within council areas

The Board declares contributions by councils under Section 66 of the *LSA Act* for the relevant financial year by notice in the Board Annual Business Plan. The Landscape levy is then collected by constituent councils from ratepayers and is based on the value of rateable land. Revenue is recognised when the invoice is raised at the beginning of the levy period to which they relate. Councils may also 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 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 by DEW.

2.2. Intra-government transfers

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Commonwealth funding | 231 | - |
| Total intra-government transfers | 231 | - |

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

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.3. Commonwealth-sourced grants and funding

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Regional Land Partnership Program | 1 560 | 774 |
| Pygmy Blue Tongue Project | 150 | - |
| Goyders Line Project | - | 496 |
| Smart Farms Project | - | 100 |
| Total Commonwealth-sourced grants and funding | 1 710 | 1 370 |

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Regional Land Partnership Program funding consists of the following components | | |
| Core services | 419 | 637 |
| Marna Banggara (Great Southern Ark) | 534 | 84 |
| Living Flinders | 542 | 51 |
| Carbon - Biodiversity | 65 | - |
| Other | - | 2 |
| Total Regional Land Partnership funding | 1 560 | 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.

2.4. Grant revenues

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Grant revenues recognised under AASB 1058 | | |
| State Government Grants | 600 | 188 |
| Sundry grants | 146 | 192 |
| Total grant revenues | 746 | 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.

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.5. Other income

| | 2022 | 2021 |
|---------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Sale of goods | 78 | 116 |
| Other revenue | 28 | 7 |
| Total other income | 106 | 123 |

Sale of Goods income includes revenues generated through contracting of pest and animal 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.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Board include the Minister for Climate, Environment and Water, the Presiding Member, all other members of the Board and the Regional Leadership Team who have responsibility for the strategic direction and management of the Board.

The total compensation for the Board's key management personnel was \$644 000 in 2021-22 (2020-21: \$227 000).

The compensation disclosed in this note excludes salaries and other benefits the Minister for Climate, 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 2021-22 financial year.

3.2. Board and committee members

Members during the 2022 financial year were:

The Board

C V Schaefer (Presiding Member)
P J Angus
S M Barrett
S C Germein
P M Heaslip
G J White
M Wauchope

Governance and Finance Committee

G J White
S M Barrett
M Wauchope

Aboriginal Engagement Committee

P M Heaslip
S C Germein
S M Barrett
G J Agius
Q L Agius
C Kartinyeri
I Campbell
L J Thomas

Planning and Performance Committee

P J Angus
G J White
M Wauchope

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.2. Board and committee members (continued)

Board and committee remuneration

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

| | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| \$0 - \$19 999 | 11 | 10 |
| \$20 000 - \$39 999 | 1 | 1 |
| Total number of members | 12 | 11 |

Remuneration of members reflects all costs of performing Board 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 \$71 000 (2020-21: \$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.

3.3. Employee benefits expense

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Salaries and wages | 2 684 | 2 185 |
| Employment on-costs - superannuation | 296 | 239 |
| Annual leave | 232 | 220 |
| Employment on-costs - other | 157 | 138 |
| Board and committee fees | 47 | 53 |
| Long service leave | (16) | 48 |
| Skills and experience retention leave | 8 | 8 |
| Other employee related expenses | 12 | 7 |
| Targeted Voluntary Separation Packages - including Rejuvenation Package | 101 | - |
| Workers compensation | 6 | (32) |
| Total employee benefits expense | 3 527 | 2 866 |

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.

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who accepted a TVSP during the reporting period was 2 (2021: nil).

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Amounts paid to separated employees: | | |
| Targeted Voluntary Separation Packages - including Rejuvenation Package | 101 | - |
| Net cost to Northern and Yorke Landscape Board | 101 | - |

2022 TVSPs include separations resulting from the Public Sector Workforce Rejuvenation Scheme.

Northern and Yorke Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3. Employee benefits expense (continued)

Executive Remuneration

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

| | 2022 | 2021 |
|-----------------------|-------------|-------------|
| | No | No |
| \$157 001 – \$177 000 | - | 1 |
| \$177 001 – \$197 000 | 1 | - |
| Total | 1 | 1 |

The total remuneration received by those employees for the year was \$0.193 million (2020-21: \$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.

3.4. Employee benefits liability

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Annual leave | 268 | 267 |
| Accrued salaries and wages | 3 | 93 |
| Skills and experience retention leave | 13 | 17 |
| Long service leave | 49 | 13 |
| Total current employee benefits | 333 | 390 |
| <u>Non-current</u> | | |
| Long service leave | 465 | 564 |
| Total non-current employee benefits | 465 | 564 |
| Total employee benefits liability | 798 | 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.

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3.4. Employee benefits liability (continued)

Long service leave

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

4. Expenses

4.1. Supplies and services

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Fee for service | 1 472 | 1 068 |
| Fee for service - Corporate services fee to DEW | 339 | 582 |
| Fee for service - Board funded DEW salaries | - | 405 |
| Accommodation and property management | 110 | 177 |
| Information technology and communication charges | 86 | 56 |
| Motor vehicles | 117 | 126 |
| Minor works, maintenance and equipment | 77 | 110 |
| Fee for service - Shared Services SA fee | 151 | 105 |
| General administration | 62 | 52 |
| Staff development | 38 | 52 |
| Travel and accommodation | 57 | 47 |
| Contractors | 23 | 5 |
| Transport | 1 | 1 |
| Other supplies and services | 162 | 142 |
| Total supplies and services | 2 695 | 2 928 |

Most of Board's accommodation is provided by the DIT under Memoranda of Administrative Arrangement issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and are accordingly expensed.

4.2. Grants and subsidies

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Grants and subsidies paid to entities within the SA Government | 19 | 19 |
| Grants and subsidies paid to entities external to the SA Government | 1 408 | 1 046 |
| Total grants and subsidies | 1 427 | 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.

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4.3. Other expenses

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Audit fees | 46 | 45 |
| Property, plant and equipment write-off | - | 13 |
| Total other expenses | 46 | 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

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.

Reconciliation 2021-22

| | Land and buildings | ROU buildings | ROU vehicles | Total |
|---|-------------------------------|--------------------------|-------------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 101 | 31 | 274 | 406 |
| Acquisition through administrative restructuring | - | - | - | - |
| Acquisitions | - | 130 | 5 | 135 |
| Transfer in | - | - | - | - |
| Write offs | - | - | - | - |
| Disposals | - | - | - | - |
| Depreciation | (2) | (27) | (92) | (121) |
| Carrying amount at the end of the period | 99 | 134 | 187 | 420 |
| Gross carrying amount | | | | |
| Gross carrying amount | 127 | 209 | 329 | 665 |
| Accumulated depreciation | (28) | (75) | (142) | (245) |
| Carrying amount at the end of the period | 99 | 134 | 187 | 420 |

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5.1. Property, plant and equipment (continued)

Reconciliation 2020-21

| | 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.

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 |
| Vehicles | 6-15 |
| Plant and equipment | 5 |
| 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 2022.

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5.2. Property, plant and equipment leased by the Board

Right-of-use assets for property, plant and equipment leased by the Board as lessee are measured at cost. Additions to leased property, plant and equipment during 2021-22 were \$135 000 (2020-21: \$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 18 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 2023. A right of renewal exists to extend for a further 4 years. The office accommodation in Minlaton is leased from Yorke Peninsula Council and is in place up until 30 June 2027. Lease payments for both leases are reviewed annually in line with CPI indexation.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. 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

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Deposits with the Treasurer | 6 122 | 5 593 |
| Total cash and cash equivalents | 6 122 | 5 593 |

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

| | 2022 | 2021 |
|----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Trade receivables | | |
| Accrued revenues | (31) | 409 |
| Debtors | 825 | 140 |
| Prepayments | 11 | 5 |
| Total current receivables | 805 | 554 |
| Total receivables | 805 | 554 |

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6.2. Receivables (continued)

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 value balances, which are current and collectable. No movement in doubtful debts has been made.

7. Liabilities

7.1. Payables

| | 2022 | 2021 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Trade payables | 326 | 295 |
| Employment on-costs | 68 | 89 |
| Accrued expenses | 75 | 76 |
| Total current payables | 469 | 460 |
| Non-current | | |
| Employment on-costs | 45 | 53 |
| Total non-current payables | 45 | 53 |
| Total payables | 514 | 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.

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% (2021: 42%). The average factor for the calculation of employer superannuation cost on-costs was 10.6% (2021: 10.1%). These rates are used in the employment on-cost calculation.

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7.2. Financial Liabilities

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Lease liabilities | 106 | 114 |
| Total current financial liabilities | 106 | 114 |
| Non-current | | |
| Lease liabilities | 217 | 194 |
| Total non-current financial liabilities | 217 | 194 |
| Total financial liabilities | 323 | 308 |

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

7.3. Provisions

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Provision for workers compensation | 6 | 5 |
| Total current provisions | 6 | 5 |
| Non-current | | |
| Provision for workers compensation | 15 | 11 |
| Total non-current provisions | 15 | 11 |
| Total provisions | 21 | 16 |
| Reconciliation of workers compensation (statutory and non-statutory) | | |
| Carrying amount at the beginning of the period | 16 | - |
| Provisions recognised as a result of restructure activities | - | 47 |
| Increase / (Decrease) in provisions recognised | 5 | (31) |
| Carrying amount at the end of the period | 21 | 16 |

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

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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.

| | 2022 | 2021 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Within one year | 44 | 350 |
| Later than one year but not later than five years | 74 | 173 |
| Total expenditure commitments | 118 | 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.

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 has increased from 2021 (1.25%) to 2022 (3.50%).

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 has decreased from 2021(2.0%) to 2022 (1.50%).

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

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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 Business Services Team 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.

Classification of financial instruments

Financial assets and financial liabilities are measured at amortised cost.