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## To the Presiding Member Hills and Fleurieu Landscape Board

### Opinion

I have audited the financial report of the Hills and Fleurieu Landscape Board (the Board) for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2023, 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member and the Acting 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 2023.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager
- conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Daniel O'Donohue  
**Acting Deputy Auditor-General**

28 November 2023

# **Hills and Fleurieu Landscape Board**

## **Financial Statements**

For the year ended 30 June 2023

**Hills and Fleurieu Landscape Board**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2023*

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We certify that the:

- financial statements for the Hills and Fleurieu 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 Hills and Fleurieu Landscape Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



David Greenhough  
**Presiding Member**  
23 November 2023



Wendy Telfer  
**Acting General Manager**  
Hills and Fleurieu Landscape Board  
23 November 2023

**Hills and Fleurieu Landscape Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2023*

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	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Landscape and water levies	2.1	7 445	7 294
Commonwealth-sourced grants and funding	2.2	2 398	1 333
Grant revenues	2.3	1 191	2 917
Interest	6.1	254	-
Intra-government transfers	2.4	636	516
Other income	2.5	225	362
<b>Total income</b>		<b>12 149</b>	<b>12 422</b>
<b>Expenses</b>			
Employee benefits expense	3.3	5 446	4 501
Supplies and services	4.1	7 420	5 432
Grants and subsidies	4.2	1 377	2 146
Depreciation	5.1	123	92
Borrowing Costs	7.2	2	2
Other expenses	4.3	50	49
<b>Total expenses</b>		<b>14 418</b>	<b>12 222</b>
<b>Net result</b>		<b>(2 269)</b>	<b>200</b>
<b>Total comprehensive result</b>		<b>(2 269)</b>	<b>200</b>

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

**Hills and Fleurieu Landscape Board**  
**Statement of Financial Position**  
*as at 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	6 970	8 993
Receivables	6.2	985	1 386
<b>Total current assets</b>		<b>7 955</b>	<b>10 379</b>
<b>Non-current assets</b>			
Property plant and equipment	5.1	314	391
<b>Total non-current assets</b>		<b>314</b>	<b>391</b>
<b>Total assets</b>		<b>8 269</b>	<b>10 770</b>
<b>Current liabilities</b>			
Payables	7.1	1 111	713
Financial liabilities	7.2	35	52
Employee benefits liability	3.4	388	401
Provisions		9	9
Contract liabilities	2.3	21	515
<b>Total current liabilities</b>		<b>1 564</b>	<b>1 690</b>
<b>Non-current liabilities</b>			
Payables	7.1	69	73
Financial liabilities	7.2	29	63
Employee benefits liability	3.4	688	761
Provisions		28	23
<b>Total non-current liabilities</b>		<b>814</b>	<b>920</b>
<b>Total liabilities</b>		<b>2 378</b>	<b>2 610</b>
<b>Net assets</b>		<b>5 891</b>	<b>8 160</b>
<b>Equity</b>			
Retained earnings		5 891	8 160
<b>Total equity</b>		<b>5 891</b>	<b>8 160</b>

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

**Hills and Fleurieu Landscape Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2023*

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	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>	<b>7 960</b>	<b>7 960</b>
Net result for 2021-22	200	200
<b>Total comprehensive result for 2021-22</b>	<b>200</b>	<b>200</b>
<b>Balance at 30 June 2022</b>	<b>8 160</b>	<b>8 160</b>
Net result for 2022-23	(2 269)	(2 269)
<b>Total comprehensive result for 2022-23</b>	<b>(2 269)</b>	<b>(2 269)</b>
<b>Balance at 30 June 2023</b>	<b>5 891</b>	<b>5 891</b>

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

**Hills and Fleurieu Landscape Board**  
**Statement of Cash Flows**  
*for the year ended 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<i>Cash inflows</i>			
Landscape and water levies		7 445	6 999
Commonwealth funding received		2 680	1 596
Grants		1 091	2 216
Interest received		231	-
Intra-government transfers		636	516
GST recovered from DEW		425	430
Other receipts		225	204
<b>Cash generated from operations</b>		<b>12 733</b>	<b>11 961</b>
<i>Cash outflows</i>			
Payments for supplies and services		(7 610)	(5 660)
Employee benefits payments		(5 508)	(4 626)
Interest paid		(2)	(2)
Payments of grants and subsidies		(1 487)	(2 368)
Other payments		(53)	(56)
<b>Cash used in operations</b>		<b>(14 659)</b>	<b>(12 712)</b>
<b>Net cash used in operating activities</b>		<b>(1 926)</b>	<b>(751)</b>
<b>Cash flows from investing activities</b>			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(46)	(21)
<b>Cash used in investing activities</b>		<b>(46)</b>	<b>(21)</b>
<b>Net cash used in investing activities</b>		<b>(46)</b>	<b>(21)</b>
<b>Cash flows from financing activities</b>			
<i>Cash outflows</i>			
Repayment of leases		(51)	(53)
<b>Cash used in financing activities</b>		<b>(51)</b>	<b>(53)</b>
<b>Net cash used in financing activities</b>		<b>(51)</b>	<b>(53)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2 023)</b>	<b>(825)</b>
Cash at the beginning of the period		8 993	9 818
<b>Cash at the end of the period</b>	6.1	<b>6 970</b>	<b>8 993</b>

The accompanying notes form part of these financial statements.

# Hills and Fleurieu Landscape Board

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

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

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

The Hills and Fleurieu Landscape Plan 2021-2026 was approved by the Minister for Climate, Environment and Water in June 2021. The Board operates under an annual Business Plan which aligns to the Landscape Plan. The Hills and Fleurieu Business Plan 2022-23 identifies the Board's revenue and investment in priorities for management of landscapes in the region as detailed in note 1.2.

The Board entered into a Service Level Agreement (SLA) with the Department for Environment and Water (DEW) for the delivery of corporate support services to the Board during 2022-23 to enable it to meet its governance and financial management statutory requirements in delivering its business.

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

#### 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.

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.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable
- receivables and payables, which are stated with the amount of GST included.

The Board is grouped with the Department for Environment and Water (DEW) for GST purposes, and accordingly DEW prepares the Business Activity Statement on behalf of the Board via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Board either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DEW.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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## 1.2. Objectives and programs

### Objectives

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

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

### Programs

In discharging its functions under the LSA Act, the Board delivers the following programs, as outlined in the Hills and Fleurieu Business Plan for 2022-23:

#### Land

- Reducing the impact and spread of weeds
- Reducing the impact of pest animals and impact-causing native animals
- Supporting the uptake of regenerative agriculture and land management
- Future-proofing our agriculture

#### Water

- Delivering water resource planning to meet ecological, economic, cultural and social needs
- Improving on-ground management of our water resources
- Building understanding of our water resources

#### Nature

- Protecting and restoring our native vegetation and freshwater ecosystems
- Conserving and rehabilitating our coastal, estuarine and marine ecosystems
- Recovering our threatened species and ecological communities

#### Climate

- Transitioning to net zero carbon emissions
- Building climate resilience of our nature
- Building climate resilience of our communities and agriculture

#### Community

- Fostering a regional culture of landscape stewardship
- Walking alongside First Nations in looking after Yarta / Ruwi (Country)
- Strengthening shared understanding of landscape management challenges
- Increasing community capacity to manage our landscapes

The Board invests in and delivers a suite of programs across the region to achieve these priorities and focus areas.

The table on the following page presents income and expenses attributable to each program. Adjustments have been made to some comparative figures to reflect allocation changes made this year. Revenues and expenses are allocated to programs where these amounts can be tied directly to that program area. Where this is not the case, the amounts are allocated based on a budget allocation per the Board's 2022-23 business plan.

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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

**Income and expenses by program**

	Land		Water		Nature		Community		Climate		Total	
	2023 \$'000	2022 \$'000										
<b>Income</b>												
Landscape and water levies	1 573	2 058	3 072	2 982	967	852	1 025	1 297	808	105	7 445	7 294
Commonwealth-sourced grants and funding	306	684	-	-	626	644	229	-	1 237	5	2 398	1 333
Grants	865	509	6	6	180	247	15	650	125	1 505	1 191	2 917
Interest	77	-	41	-	47	-	50	-	39	-	254	-
Intra-government transfers	273	116	83	-	97	-	102	-	81	400	636	516
Other income	47	148	25	54	29	62	100	91	24	7	225	362
<b>Total income</b>	<b>3 141</b>	<b>3 515</b>	<b>3 227</b>	<b>3 042</b>	<b>1 946</b>	<b>1 805</b>	<b>1 521</b>	<b>2 038</b>	<b>2 314</b>	<b>2 022</b>	<b>12 149</b>	<b>12 422</b>
<b>Expenses</b>												
Employee benefits expense	1 719	1 436	1 046	771	1 209	743	938	885	534	666	5 446	4 501
Supplies and services	1 634	998	2 672	1 809	1 563	833	562	557	989	1 235	7 420	5 432
Grants and subsidies	2	20	63	28	806	912	315	707	191	479	1 377	2 146
Depreciation	37	37	20	14	23	16	24	23	19	2	123	92
Borrowing Costs	-	1	-	-	1	-	1	1	-	-	2	2
Other expenses	16	20	8	8	8	8	11	12	7	1	50	49
<b>Total expenses</b>	<b>3 408</b>	<b>2 512</b>	<b>3 809</b>	<b>2 630</b>	<b>3 610</b>	<b>2 512</b>	<b>1 851</b>	<b>2 185</b>	<b>1 740</b>	<b>2 383</b>	<b>14 418</b>	<b>12 222</b>
<b>Net result</b>	<b>(267)</b>	<b>1 003</b>	<b>(582)</b>	<b>412</b>	<b>(1 664)</b>	<b>(707)</b>	<b>(330)</b>	<b>(147)</b>	<b>574</b>	<b>(361)</b>	<b>(2 269)</b>	<b>200</b>

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

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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## 2. Income

### 2.1. Landscape and water levies

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Landscape levy collected within council areas	5 210	5 082
Water levy collected through DEW	2 235	2 212
<b>Total landscape and water levies</b>	<b>7 445</b>	<b>7 294</b>

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. Revenue is recognised when the invoice is raised at the beginning of the levy period to which they relate. Councils may seek to recover costs in accordance with the LSA Act, incurred in the collection of the levy.

#### ***Water levies collected through DEW***

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

### 2.2. Commonwealth-sourced grants and funding

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Commonwealth funding</b>		
Regional Land Partnerships Program	2 398	1 333
<b>Total Commonwealth-sourced grants and funding</b>	<b>2 398</b>	<b>1 333</b>

The Board has determined that the Commonwealth funding included in the table above is accounted for under AASB 1058. Commonwealth funding is generally paid in arrears, subject to an approved declaration of claim by the Board. The Board has determined that it has an unconditional contractual right to receive a portion of the funding under AASB 9 when a claim is submitted, as it has satisfied the eligibility criteria and expects that the claim will be accepted. Accordingly, revenue and a receivable are recognised when the claim is submitted. When Commonwealth funding is paid in advance it is recognised on receipt.

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**2.3. Grant revenues**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Income recognised under AASB 1058</b>		
State Government Grants	521	2 179
Sundry grants	175	84
<b>Total income recognised under AASB 1058</b>	<b>696</b>	<b>2 263</b>
<b>Income recognised under AASB 15</b>		
State Government Grants	495	654
<b>Total income recognised under AASB 15</b>	<b>495</b>	<b>654</b>
<b>Total grant revenues</b>	<b>1 191</b>	<b>2 917</b>

***Grants recognised under AASB 1058***

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

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

***Grants recognised under AASB 15***

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. The existence of a sufficiently specific performance obligation, when it is satisfied and the amount of revenue to be allocated to each performance involves significant judgement. Revenue is recognised when the Board satisfies the performance obligation by providing the relevant services. The payments are normally received in advance or shortly after the relevant obligation is satisfied. Where payments are received in advance and performance obligations are still outstanding at 30 June 2023 a contract liability is recognised.

**Contract Liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities	21	515
<b>Total contract liabilities</b>	<b>21</b>	<b>515</b>

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

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**2.4. Intra-government transfers**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Recovery from Department of Treasury and Finance*	520	-
Commonwealth funding	116	116
Government grants and transfers	-	400
<b>Total intra-government transfers</b>	<b>636</b>	<b>516</b>

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

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

\*Refer note 3.3.

**2.5. Other income**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Recoup of expenses	216	142
Sale of goods and services	2	36
Other revenue	7	21
Assets received for nil consideration	-	163
<b>Total other income</b>	<b>225</b>	<b>362</b>

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the Board include the Minister for Climate, Environment and Water, the Presiding Member, General Manager, and the other members of the Board who have responsibility for the strategic direction and management of the Board. Total compensation for key management personnel was \$648 000 (2022: \$662 000).

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

**Transactions with key management personnel and other related parties**

No material transactions with key management personnel or related parties have occurred during 2022-23.

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**3.2. Board and committee members**

Members during the 2022-23 financial year were:

**The Board**

D L Greenhough (Presiding Member)  
J Harvey  
R Hirst (appointed January 2023)  
J R Klein  
A J Lowe  
L T Muffet (appointed January 2023)  
K J Parkes (appointed January 2023)  
C J Schofield (retired January 2023)  
C D West  
A M Williams

**Committees**

**Risk and Performance Committee**

D L Greenhough  
C J Schofield  
J R Goode (resigned January 2023)  
T N Johnston  
L T Muffet (appointed February 2023)

**Water Resources Steering Committee**

J R Klein  
C J Schofield  
A M Williams  
D Jordan\*  
M Fuller\*  
N Power\*  
C Fielbig\*

**McLaren Vale Water Allocation Plan Committee**

J R Klein  
C D West  
J R Bosworth  
R L Brokenshire  
A Hirschausen  
G Malone  
B Moyles  
C G Dundon  
R Williams  
J L Woodley

\* In accordance with Premier and Cabinet Circular 016, government employees did not receive any remuneration for board/committee duties during the financial year.

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**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:

	<b>2023</b>	<b>2022</b>
\$0 - \$19 999	23	19
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>24</b>	<b>20</b>

The total remuneration received or receivable by members was \$50 000 (2022: \$50 000). 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 related FBT paid or payable in respect of those benefits.

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members. These expenses, in addition to Payroll tax, amount to \$10 000 (2022: \$11 000).

**3.3. Employee benefits expense**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	3 719	3 502
Employment on-costs - superannuation	457	392
Annual leave	389	318
Employment on-costs - other	240	210
Targeted Voluntary Separation Packages	527	-
Board and committee fees	41	45
Skills and experience retention leave	13	19
Workers compensation	5	13
Other employee related expenses	9	5
Long service leave	46	(3)
<b>Total employee benefits expense</b>	<b>5 446</b>	<b>4 501</b>

***Employment expenses***

The Board's employees are employed under Part 2 of the Landscape Act.

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

***Executive remuneration***

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

	<b>2023</b>	<b>2022</b>
	<b>No</b>	<b>No</b>
\$180 001 – \$200 000	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

**Hills and Fleurieu Landscape Board**  
**Notes to and forming part of the financial statements**  
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**3.3. Employee benefits expense (continued)**

The total remuneration received by those employees for the year was \$192 000 (2022: \$194 000).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and fringe benefits and any related fringe benefits tax.

**Targeted Voluntary Separation Packages (TVSPs)**

The number of employees who accepted a TVSP during the reporting period was 7 (2022: nil).

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	527	-
Leave paid to separated employees	205	-
Recovery from the Department of Treasury and Finance	(520)	-
<b>Net cost to the Board</b>	<b>212</b>	<b>-</b>

**3.4. Employee benefits liability**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	341	339
Long service leave	29	35
Skills and experience retention leave	17	24
Accrued salaries and wages	1	3
<b>Total current employee benefits</b>	<b>388</b>	<b>401</b>
<b>Non-current</b>		
Long service leave	688	761
<b>Total non-current employee benefits</b>	<b>688</b>	<b>761</b>
<b>Total employee benefits liability</b>	<b>1 076</b>	<b>1 162</b>

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

**Long service leave**

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

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the department's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the department. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption.

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**3.4. Employee benefits liability (continued)**

The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2022 (3.5%) to 2023 (4.0%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

Following the actuarial assessment performed by DTF the salary inflation rate has increased from 2022 (2.5%) to 2023 (3.5%) for long service leave liability.

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

**4. Expenses**

**4.1. Supplies and services**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Fee for service	4 135	2 527
Fee for service - Water planning management	1 438	1 439
Fee for service - Corporate services fee to DEW	512	454
Minor works, maintenance and equipment	285	157
Accommodation and property management	279	240
Fee for service - Shared Services SA fee	173	161
General administration	121	83
Motor Vehicles	93	113
Contracted staff training development	93	36
Information technology and communication	66	57
Travel and accommodation	27	2
Temporary staff	14	61
Transport	10	10
Other supplies and services	174	92
<b>Total supplies and services</b>	<b>7 420</b>	<b>5 432</b>

**Hills and Fleurieu Landscape Board**  
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**4.2. Grants and subsidies**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grants and subsidies paid to entities within the SA Government</b>		
Grants and subsidies paid to entities within SA Government	58	49
<b>Total grants and subsidies paid to entities within the SA Government</b>	<b>58</b>	<b>49</b>
<b>Grants and subsidies paid to entities external to the SA Government</b>		
Other entities	1 096	2 022
Local Government	223	75
<b>Grants and subsidies paid to entities external to the SA Government</b>	<b>1 319</b>	<b>2 097</b>
<b>Total grants and subsidies</b>	<b>1 377</b>	<b>2 146</b>

The Board provided financial assistance to Local Government, State Government agencies and private bodies during the year. Funds are paid by way of grants and all recipients are required to comply with conditions relevant to each grant.

**4.3. Other expenses**

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$49 700 (2022: \$48 700). No other services were provided by the Auditor-General's Department.

**5. Non-financial assets**

Property, plant and equipment comprises tangible assets owned by the Board and right-of-use leased assets. The assets presented below do not meet the definition of investment property.

**5.1. Property, plant and equipment**

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

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

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

**Reconciliation 2022-23**

	Infrastructure	Plant and equipment	Computing Equipment	Capital work in progress	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	223	25	8	21	114	391
Acquisitions	-	46	-	-	-	46
Depreciation	(58)	(13)	(2)	-	(50)	(123)
<b>Carrying amount at the end of the period</b>	<b>165</b>	<b>58</b>	<b>6</b>	<b>21</b>	<b>64</b>	<b>314</b>
<b>Gross carrying amount</b>						
Gross carrying amount	222	208	15	21	191	657
Accumulated depreciation	(57)	(150)	(9)	-	(127)	(343)
<b>Carrying amount at the end of the period</b>	<b>165</b>	<b>58</b>	<b>6</b>	<b>21</b>	<b>64</b>	<b>314</b>

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

***Review of accounting estimates***

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

***Useful life***

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Infrastructure	10-40
Plant and equipment	3-40
Computing equipment	10
Right-of-use vehicles	3-5

***Impairment***

There were no indications of impairment of property, plant and equipment as at 30 June 2023.

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

Right-of-use assets for Property, plant and equipment leased by the Board as lessee are measured at cost.

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

The Board has 10 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60 000km) up to 5 years (100 000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

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

**Hills and Fleurieu Landscape Board**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	6 970	8 993
<b>Total cash and cash equivalents</b>	<b>6 970</b>	<b>8 993</b>

The Hills and Fleurieu Landscape fund was established in accordance with section 96 of the LSA Act. The account is an interest bearing deposit account with the Department of Treasury and Finance (DTF) pursuant to section 21 of the *Public Finance and Audit Act 1987*.

There was no interest earned during 2022 due to Treasury advising public authorities in November 2020 that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Interest re-commenced being paid in September 2022 on cash balances from May 2022.

**6.2. Receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual receivables</b>		
Debtors	958	977
Accrued revenues	26	45
Workers' compensation recoveries	1	-
Prepayments	-	14
<b>Total contractual receivables</b>	<b>985</b>	<b>1 036</b>
<b>Statutory receivables</b>		
Accrued landscape levies	-	344
GST recoverable from DEW	-	6
<b>Total statutory receivables</b>	<b>-</b>	<b>350</b>
<b>Total current receivables</b>	<b>985</b>	<b>1 386</b>

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

**7.1. Payables**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Contractual payables	835	517
Accrued expenses	156	110
<b>Statutory payables</b>		
Employment on-costs	110	86
GST payable to DEW	10	-
<b>Total statutory payables</b>	<b>120</b>	<b>86</b>
<b>Total current payables</b>	<b>1 111</b>	<b>713</b>
<b><u>Non-current</u></b>		
<b>Statutory payables</b>		
Employment on-costs	69	73
<b>Total non-current payables</b>	<b>69</b>	<b>73</b>
<b>Total payables</b>	<b>1 180</b>	<b>786</b>

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

The net amount of GST payable to the ATO (via DEW) is included as part of payables.

Statutory payables do not arise from contracts.

***Employment on-costs***

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has increased to 43% (2022: 42%). The average factor for the calculation of employer superannuation cost on-costs has increased from the 2022 rate (10.6%) to 2023 (11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

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## 7.2. Financial liabilities

All financial liabilities relate to lease liabilities.

Lease liabilities are measured via discounting the lease payments using either the interest rate implicit in the lease or Treasury's incremental borrowing rate.

The current portion of lease liabilities is \$35 000 (2022: \$52 000) and the non-current portion is \$29 000 (\$63 000).

The borrowing costs associated with these lease liabilities was \$2 000 (2022: \$2 000).

Total cash outflows for leases is \$53 000 (2022: \$55 000).

## 8. Outlook

### 8.1. Unrecognised contractual commitments

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

#### *Other contractual commitments*

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	91	70
Later than one year but not later than five years	63	-
<b>Total expenditure commitments</b>	<b>154</b>	<b>70</b>

The Board's expenditure commitments in 2022-23 were for Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

### 8.2. Contingent assets and contingent liabilities

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

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

### 8.3. Events after the reporting period

There are no known events after balance date that affect these financial statements in a material manner.