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## To the Presiding Member Kangaroo Island Landscape Board

### Opinion

I have audited the financial report of Kangaroo Island 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 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 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  
**Acting Deputy Auditor-General**

29 November 2023

# **Kangaroo Island Landscape Board**

## **Financial Statements**

For the year ended 30 June 2023

**Kangaroo Island 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 Kangaroo Island 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.



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Andrew Heinrich  
**Presiding Member**  
28 November 2023



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Will Durack  
**General Manager**  
Kangaroo Island Landscape Board  
28 November 2023

**Kangaroo Island 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 Levies	2.1	416	406
Intra-government transfers	2.2	1 377	1 346
Commonwealth-sourced grants and funding	2.3	2 741	5 458
Grant revenues	2.4	702	898
Interest revenues	6.1	165	-
Other income	2.5	267	106
<b>Total income</b>		<b>5 668</b>	<b>8 214</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	3 369	3 191
Supplies and services	4.1	3 038	3 079
Grants and subsidies	4.2	215	183
Depreciation	5.1	218	221
Borrowing Costs	7.2	2	3
Other expenses	4.3	45	44
<b>Total expenses</b>		<b>6 887</b>	<b>6 721</b>
<b>Net result</b>		<b>(1 219)</b>	<b>1 493</b>
<b>Total comprehensive result</b>		<b>(1 219)</b>	<b>1 493</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.

**Kangaroo Island 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	4 295	4 961
Receivables	6.2	1 623	2 018
<b>Total current assets</b>		<b>5 918</b>	<b>6 979</b>
<b>Non-current assets</b>			
Receivables	6.2	1	1
Property plant equipment	5.1	510	308
<b>Total non-current assets</b>		<b>511</b>	<b>309</b>
<b>Total assets</b>		<b>6 429</b>	<b>7 288</b>
<b>Current liabilities</b>			
Payables	7.1	563	322
Financial liabilities	7.2	141	112
Employee benefits	3.4	215	236
Provisions		11	9
<b>Total current liabilities</b>		<b>930</b>	<b>679</b>
<b>Non-current liabilities</b>			
Payables	7.1	118	193
Financial liabilities	7.2	292	145
Employee benefits	3.4	275	245
Provisions		36	29
<b>Total non-current liabilities</b>		<b>721</b>	<b>612</b>
<b>Total liabilities</b>		<b>1 651</b>	<b>1 291</b>
<b>Net assets</b>		<b>4 778</b>	<b>5 997</b>
<b>Equity</b>			
Retained earnings		4 778	5 997
<b>Total equity</b>		<b>4 778</b>	<b>5 997</b>

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

**Kangaroo Island Landscape Board**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2023*

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	Note	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		<u>4 504</u>	<u>4 504</u>
Net result for 2021-22		1 493	1 493
<b>Total comprehensive result for 2021-22</b>		<u>1 493</u>	<u>1 493</u>
<b>Balance at 30 June 2022</b>		<u>5 997</u>	<u>5 997</u>
Net result for 2022-23		(1 219)	(1 219)
<b>Total comprehensive result for 2022-23</b>		<u>(1 219)</u>	<u>(1 219)</u>
<b>Balance at 30 June 2023</b>		<u><u>4 778</u></u>	<u><u>4 778</u></u>

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

# Kangaroo Island 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		372	406
Intra-government transfers		1 377	1 346
Commonwealth funding received		3 447	6 004
Grants		752	576
Interest received		150	-
Other receipts		277	112
<b>Cash generated from operations</b>		<b>6 375</b>	<b>8 444</b>
<i>Cash outflows</i>			
Employee benefits payments		(3 337)	(3 193)
Supplies and services		(3 055)	(3 239)
Grants and subsidies		(237)	(201)
Interest paid		(2)	(3)
GST paid to DEW		(119)	(310)
Other payments		(49)	(47)
<b>Cash used in operations</b>		<b>(6 799)</b>	<b>(6 993)</b>
<b>Net cash provided by operating activities</b>		<b>(424)</b>	<b>1 451</b>
<b>Cash flows from investing activities</b>			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(35)	(68)
<b>Cash used in investing activities</b>		<b>(35)</b>	<b>(68)</b>
<b>Net cash used in investing activities</b>		<b>(35)</b>	<b>(68)</b>
<b>Cash flows from financing activities</b>			
<i>Cash outflows</i>			
Repayment of leases		(207)	(194)
<b>Cash used in financing activities</b>		<b>(207)</b>	<b>(194)</b>
<b>Net cash used in financing activities</b>		<b>(207)</b>	<b>(194)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(666)</b>	<b>1 189</b>
Cash at the beginning of the period		4 961	3 772
<b>Cash at the end of the period</b>	6.1	<b>4 295</b>	<b>4 961</b>

The accompanying notes form part of these financial statements.

# **Kangaroo Island 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 Kangaroo Island Landscape Board**

The Kangaroo Island Landscape Board (the Board) was established 1 July 2020 as an independent not for profit statutory authority pursuant to the *Landscape South Australia Act 2019* (The Landscape Act).

The Kangaroo Island Landscape Plan 2021-2026 was adopted by the Minister for Climate, Environment and Water under section 50 of the *Landscape South Australia Act 2019* in June 2021. The Board operates under a Business Plan which aligns to the Landscape Plan for implementation on 1 July 2022. The Business Plan identifies the boards expected revenue and investment in priorities for management of landscapes in the region as detailed in note 1.2.

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

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

#### **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.

Significant accounting policies are set out throughout the notes.

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.

# **Kangaroo Island 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 priorities**

#### **Board's objectives**

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

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

#### **Board priorities**

The Kangaroo Island Business Plan 2022-23 sets out the Boards investment in five priorities :

##### **Community**

- This priority focuses on a connected community at the centre of decision making

##### **Biodiversity**

- This priority focuses on healthy terrestrial and marine ecosystems and biodiversity

##### **Economy**

- This priority focuses on sustainable primary production and the island's economy

##### **Water**

- This priority focuses on effective water management

##### **Pests**

- This priority focuses on effective terrestrial and marine pest management

The Board invests in and delivers a suite of programs across the region to achieve the priorities and focus areas. The table on the following page presents expenses and income attributable to each priority.

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

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

**Expenses and income by priority**

	Community		Biodiversity		Economy		Water		Pests		Total	
	2023 \$'000	2022 \$'000										
<b>Income</b>												
Landscape Levies	-	-	-	-	-	-	-	-	416	406	416	406
Intra-government transfers	-	630	-	295	-	72	-	126	-	223	-	1 346
Commonwealth-sourced grants and funding	313	310	1 518	3 019	423	861	-	168	487	1 100	2 741	5 458
Grant revenues	1 298	194	62	208	147	44	-	80	320	368	1 827	894
Interest	33	-	33	-	33	-	33	-	33	-	165	-
Other income	-	3	497	78	-	-	2	3	20	26	519	110
<b>Total income</b>	<b>1 644</b>	<b>1 137</b>	<b>2 110</b>	<b>3 600</b>	<b>603</b>	<b>977</b>	<b>35</b>	<b>377</b>	<b>1 276</b>	<b>2 123</b>	<b>5 668</b>	<b>8 214</b>
<b>Expenses</b>												
Employee benefit expense*	717	767	1 400	1 116	398	153	122	174	732	981	3 369	3 191
Supplies and services	367	3	1 839	2 181	217	153	74	136	541	606	3 038	3 079
Grants and subsidies	32	66	158	117	-	-	-	-	25	-	215	183
Depreciation**	90	164	52	57	25	-	26	-	25	-	218	221
Borrowing costs	2	-	-	3	-	-	-	-	-	-	2	3
Other expenses	45	44	-	-	-	-	-	-	-	-	45	44
<b>Total expenses</b>	<b>1 253</b>	<b>1 044</b>	<b>3 449</b>	<b>3 474</b>	<b>640</b>	<b>306</b>	<b>222</b>	<b>310</b>	<b>1 323</b>	<b>1 587</b>	<b>6 887</b>	<b>6 721</b>
<b>Net result</b>	<b>391</b>	<b>93</b>	<b>(1 339)</b>	<b>126</b>	<b>(37)</b>	<b>671</b>	<b>(187)</b>	<b>67</b>	<b>(47)</b>	<b>536</b>	<b>(1 219)</b>	<b>1 493</b>

\* A portion of employee benefits expense and supplies and services are allocated equally to each priority

\*\* Depreciation and interest revenue are allocated equally to each priority

**Kangaroo Island 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 levies**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Landscape Levy collected within council areas	416	406
<b>Total Landscape Levies</b>	<b>416</b>	<b>406</b>

Landscape 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 Landscape 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.

**2.2. Intra-government transfers**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
State Government recurrent funding	1 261	1 230
Commonwealth funding	116	116
<b>Total Intra-government transfers</b>	<b>1 377</b>	<b>1 346</b>

DEW receives recurrent funding, which is administered through the Landscape Administration fund and provided to regional landscape Boards to support business operation and the administration of the Landscape Act. The funding is subsequently paid to regional landscape boards pursuant to subsection 90(4) of the Landscape Act.

Intra-government transfers are recognised as income when the Board obtains control of the asset which is on receipt.

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

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**2.3. Commonwealth sourced grants and funding**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Regional Land Partnerships Program*	1 960	4 545
Commonwealth grants	781	913
<b>Total Commonwealth-sourced grants and funding</b>	<b>2 741</b>	<b>5 458</b>

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>* Regional Land Partnerships Program funding consists of the following components</b>		
Bushfire Recovery Funding (BRF)	-	2 415
Core services (NLP)	313	442
Creating a Safe Haven for the Kangaroo Island Dunnart (NLP)	487	440
Recovering the Kangaroo Island Narrow Leaved Mallee Woodland (NLP)	467	583
Planning for the Future of the Kangaroo Island Dunnart (ERF)	426	402
Building Resilient Ag (NLP)	139	134
Building Native Oyster shellfish Reefs	128	129
<b>Total Regional Land Partnership funding</b>	<b>1 960</b>	<b>4 545</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.

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

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**2.4. Grant revenues**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Income recognised under AASB 1058</b>		
State Government Grants	306	413
Sundry grants	396	485
<b>Total grant revenues</b>	<b>702</b>	<b>898</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. This includes \$252 000 received from Nature Foundation via a contract with Ian Potter Foundation. These funds have been used in the Cat eradication programs and there are no specific performance obligations outstanding relating to these funds.

**2.5. Other income**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Donations	131	-
Sale of goods	114	98
Other revenue	22	8
<b>Total other income</b>	<b>267</b>	<b>106</b>

Other income includes revenue generated from the sales of goods such as native plants and associated equipment. The revenue is recognised upon the delivery of the service to the customer, which is in arrears, therefore no contract liability is recognised.

# **Kangaroo Island Landscape Board**

## **Notes to and forming part of the financial statements**

*for the year ended 30 June 2023*

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### **3. Board, committees and employees**

#### **3.1. Key management personnel**

Key management personnel of the Board includes the Minister for Climate, Environment and Water, the Presiding Member, members and the General Manager who have responsibility for the strategic direction and management of the Board.

The total compensation for the Board's key management personnel was \$216 000 in 2022-23 (2022: \$208 000).

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 under section 6 of the *Parliamentary Remuneration Act 1990*.

#### ***Related party transactions***

The Board is a body corporate and was established pursuant to the *Landscape South Australia Act 2019* and is wholly owned and controlled by the Crown.

Related parties of the Board include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

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

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

#### **3.2. Board and committee members**

Members during the 2022-23 financial year were:

##### **The Board**

A Heinrich (Presiding Member)

G M Crowley (term expired January 2023)

B J Cooper (term commenced January 2023)

P K Davis

G J Flanagan (term commenced January 2023)

J A Gellard (term commenced January 2023)

D L Laslett (term commenced January 2023)

P T Pledge

P D Rismiller

R L Willson (term expired January 2023)

M Pengilly (term expired January 2023)

**Kangaroo Island 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>
	<b>\$'000</b>	<b>\$'000</b>
\$0 - \$19 999	10	6
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>11</b>	<b>7</b>

Remuneration of members reflects all costs of performing Board, Group and Committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any related FBT paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$64 000 (2022: \$53 000).

For the purpose 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**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	2 571	2 505
Employment on-costs - superannuation	303	276
Annual leave	238	202
Employment on-costs - other	151	145
Board and committee fees	48	38
Skills and experience retention leave	3	2
Long service leave	36	(6)
Workers compensation	10	27
Other employee related expenses	9	2
<b>Total employee benefits expense</b>	<b>3 369</b>	<b>3 191</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.

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

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**3.3. Employee benefits expense (continued)**

***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>
\$160 001 – \$180 000	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

The total remuneration received by those employees for the year was \$161 000 (2022: \$164 000).

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.

**3.4. Employee benefits liability**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Annual leave	196	209
Accrued salaries and wages	1	5
Long service leave	13	20
Skills and experience retention leave	5	2
<b>Total current employee benefits</b>	<b>215</b>	<b>236</b>
<b><u>Non-current</u></b>		
Long service leave	275	245
<b>Total non-current employee benefits</b>	<b>275</b>	<b>245</b>
<b>Total employee benefits liability</b>	<b>490</b>	<b>481</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.

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

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

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

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 1.5% (2022) to 2.0% (2023).

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

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

**Long service leave**

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

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the Board'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 Board. 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. 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	1 463	1 847
Fee for service - Corporate services fee to DEW	477	347
Minor works, maintenance and equipment	280	140
Motor vehicles	136	141
Fee for service - Shared Services SA fee	114	102
Accommodation and property management	44	58
Travel and accommodation	43	28
Contracted staff development	40	29
General administration	39	39
Information technology and communication expenses	31	68
Transport	3	1
Other supplies and services	368	279
<b>Total supplies and services</b>	<b>3 038</b>	<b>3 079</b>

**Kangaroo Island Landscape Board**  
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**4.2. Grants and subsidies**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent grants	215	183
<b>Total grants and subsidies</b>	<b>215</b>	<b>183</b>

The Board provided financial assistance to 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.

For contributions payable, the contribution will be recognised as a liability and expense when the Board has a present obligation to pay the contribution and the expense recognition criteria are met.

**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 \$45 000 (2022: \$44 000). No other services were provided by the Auditor-General's Department.

**Kangaroo Island Landscape Board**  
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**5. Non-financial assets**

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

**5.1. Property, plant and equipment**

Property, plant and equipment owned by the Board 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 over their useful lives in a manner that reflects the consumption of their service potential.

**Reconciliation 2022-23**

	<b>Plant and equipment</b>	<b>Park infrastructure</b>	<b>Capital work in progress</b>	<b>ROU buildings</b>	<b>ROU vehicles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>11</b>	<b>46</b>	<b>-</b>	<b>76</b>	<b>175</b>	<b>308</b>
Additions	35	-	1	358	26	420
Depreciation	(12)	(3)	-	(76)	(127)	(218)
<b>Carrying amount at the end of the period</b>	<b>34</b>	<b>43</b>	<b>1</b>	<b>358</b>	<b>74</b>	<b>510</b>
<b>Gross carrying amount</b>						
Gross carrying amount	300	48	1	358	332	1 039
Accumulated depreciation	(266)	(5)	-	-	(258)	(529)
<b>Carrying amount at the end of the period</b>	<b>34</b>	<b>43</b>	<b>1</b>	<b>358</b>	<b>74</b>	<b>510</b>

**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.

**Kangaroo Island Landscape Board**  
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**5.1. Property, plant and equipment (continued)**

***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>
Plant and equipment	5-10
Park infrastructure	15
Right-of-use vehicles	Life of lease
Right-of-use buildings	Life of lease

***Impairment***

Property, plant and equipment owned by the Board has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

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 two leases held directly between the Board and landlords, one for office accommodation in Kingscote and the other is for the Nursery and Seedbank facility, operations include propagation and sales of seedlings and plants. Rent is payable in advance. The Office accommodation is leased from J Berden and M Berden and is in place up to 30 June 2027 and the Nursery facility is leased from Cajetan and Giannina Amadio in place up to 30 June 2028. Lease payments are reviewed annually in line with CPI indexation.

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

The lease liabilities related to the right-of-use assets and borrowing costs are also disclosed in note 7.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in notes 4.1 and 5.1. Cash outflows related to leases are disclosed in the Statement of Cash Flows.

**Kangaroo Island 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	4 295	4 961
<b>Total cash and cash equivalents</b>	<b>4 295</b>	<b>4 961</b>

The Kangaroo Island Landscape fund was established in accordance with section 96 of the Landscape 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*.

Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. 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 recommenced 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>Current</b>		
<b>Receivables</b>		
Debtors	1 498	1 996
Accrued revenues	125	10
Prepayments	-	12
<b>Total current receivables</b>	<b>1 623</b>	<b>2 018</b>
<b>Non-current</b>		
Workers compensation recoveries	1	1
<b>Total non-current receivables</b>	<b>1</b>	<b>1</b>
<b>Total receivables</b>	<b>1 624</b>	<b>2 019</b>

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

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

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

**Kangaroo Island Landscape Board**  
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**7. Liabilities**

**7.1. Payables**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade payables	436	209
Accrued expenses	63	60
Employment on-costs	64	53
<b>Total current payables</b>	<b>563</b>	<b>322</b>
<b>Non-current</b>		
GST payable to DEW	91	169
Employment on-costs	27	24
<b>Total non-current payables</b>	<b>118</b>	<b>193</b>
<b>Total payables</b>	<b>681</b>	<b>515</b>

Payables and accruals are recognised for all amounts owing but unpaid. 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. 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.

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 has increased from the 2022 rate (42%) to 2023 (43%). 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.

**Kangaroo Island Landscape Board**  
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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 borrowing costs associated with the lease liabilities was \$2 000 (2022: \$3 000).

Total cash outflows for leases is \$209 000 (2022: \$197 000).

**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.

***Other contractual commitments***

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	5	95
Later than one year but not later than five years	111	-
<b>Total expenditure commitments</b>	<b>116</b>	<b>95</b>

The Board's commitments relate to non-cancellable contracts at the reporting date.

**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.

**8.3. Events after the reporting period**

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