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To the Presiding Member Aboriginal Lands Trust

Qualified opinion

I have audited the financial report of the Aboriginal Lands Trust (the Trust) for the financial year ended 30 June 2023.

In my opinion, except for the possible effects of the matters described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Trust 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, the Chief Executive and the Business Manager.

Basis for qualified opinion

Valuation of land and buildings

Following initial recognition, the Trust is required to recognise property, plant and equipment at fair value in accordance with Treasurer's Instructions (Accounting Policy Statements (TI(APS))).

AASB 116 Property, Plant and Equipment requires entities to undertake revaluations with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. The TI (APS) further requires revaluations to be performed at least every six years by a qualified valuer.

As detailed in note 5 of the Trust's financial report, the reported value of land and buildings as at 30 June 2023 is \$33.5 million. The disclosed land and buildings reported values were based on valuations undertaken as at or prior to 30 June 2015, specifically:

- Land and buildings located in the Adelaide, Mid North, Murray lands, West Coast, Lower Eyre Peninsula, Flinders and South-East regions were valued to fair value as at 30 June 2014 by an independent valuer.
- Land and buildings located in the Far North, Riverland, Coorong and Yorke Peninsula region were valued to fair value as at 30 June 2015 by an independent valuer.
- Land and buildings at Iga Warta were valued by the Valuer-General as at 30 June 2012.

Accordingly, the Trust has not complied with the requirements of the TI(APS) or its own accounting policies which require revaluation of land and buildings every 5 years.

Determining the fair value of assets involves significant judgement and assumptions to be made and is a key source of estimation uncertainty. These judgements and assumptions need to be reviewed with sufficient regularity to ensure they remain appropriate.

The existing valuations are no longer supportable after the significant length of time without analysis to determine whether the underlying assumptions continue to be appropriate. Management were unable to provide sufficient evidence that the reported land and buildings carrying values materially reflect fair value

I am unable to quantify with certainty the effect on the financial statements of adopting out of date land and buildings valuations.

Head of Bight Whale Watching Tourist Centre revenue

The Trust has recognised revenue from the Head of Bight Whale Watching Tourist Centre (the Centre) operations. Income received is from admissions to the Centre and sale of goods.

There is an absence of adequate procedures and controls in place to ensure the revenue received by the Aboriginal Lands Trust represents all the Head of Bight Whale Watching Tourist Centre takings.

Consequently, I am unable to form an opinion as to whether the Centre revenue of \$533,697 (\$276,425) is complete.

Related party transactions

Note 3 to the financial report describes transactions with key management personnel and other related parties. There is an absence of adequate procedures in place to ensure that all related party transactions have been identified by the Trust.

Consequently, I am unable to form an opinion as to whether the disclosure of transactions with key management personnel and other related parties is complete.

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 Trust. 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 qualified opinion.

Responsibilities of the Chief Executive and members of the Board for the financial report

The Chief Executive 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*, the *Aboriginal Lands Trust Act 2013* and 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 that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the Trust's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for 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 22(2) of the *Aboriginal Lands Trust Act 2013*, I have audited the financial report of the Aboriginal Lands Trust 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 entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive and the Board'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 Chief Executive and the Board 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

21 December 2023

ABORIGINAL LANDS TRUST

CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

We certify that the:

- financial statements of the Aboriginal Lands Trust:
 - are in accordance with the accounts and records of the Trust;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Aboriginal Lands Trust at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Aboriginal Lands Trust for the financial year over its financial reporting and its preparation of financial statements have been effective.



Karen Sinclair
Presiding Member



Klynton Wanganeen
Chief Executive



John Evans
Business Manager

Signed at Level 14/19 Grenfell Street, Adelaide, 14 December 2023

ABORIGINAL LANDS TRUST

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note No.	2023 \$	2022 \$
Income			
Commonwealth-sourced grants and funding	2.1	2,120,766	1,121,799
SA Government grants, subsidies and transfers	2.2	1,020,185	1,330,858
Interest		114,939	3,303
Lease and rental income		609,053	548,347
Head of Bight Whale Watching Centre revenue		533,697	276,425
Other income	2.3	53,214	231,423
Total income		4,451,854	3,512,155
Expenses			
Employee benefits expenses	3.3	1,278,578	1,271,167
Board expenses	3.2	150,301	124,155
Contractors fees		391,711	430,801
Consultants fees	4.1	77,789	31,754
Depreciation	5.2, 5.3	278,609	249,478
Legal and other professional fees		218,232	523,270
Materials, equipment and maintenance costs		182,122	212,628
Telephone, printing and stationery		28,038	24,104
Travel and accommodation		60,147	56,340
Vehicle expenses		156,180	175,181
Office accommodation		151,328	205,727
Other expenses	4.2	616,143	594,634
Total expenses		3,589,178	3,899,239
Net result		862,676	(387,084)
Total comprehensive result		862,676	(387,084)

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

ABORIGINAL LANDS TRUST

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note No.	2023 \$	2022 \$
<u>Current assets</u>			
Cash and cash equivalents	6.1	6,439,926	5,595,907
Receivables	6.2	94,970	73,264
Inventories		69,693	56,575
Total current assets		6,604,589	5,725,746
<u>Non-current assets</u>			
Property, plant and equipment	5.1	34,078,753	34,186,481
Total non-current assets		34,078,753	34,186,481
Total assets		40,683,342	39,912,227
<u>Current liabilities</u>			
Funds managed on behalf of a third party	6.1	834,247	814,338
Payables	7.1	229,832	366,347
Employee benefits	3.4	92,378	73,714
Total current liabilities		1,156,457	1,254,399
<u>Non-current liabilities</u>			
Payables	7.1	2,520	1,574
Employee benefits	3.4	60,090	54,655
Total non-current liabilities		62,610	56,229
Total liabilities		1,219,067	1,310,628
Net Assets		39,464,275	38,601,599
<u>Equity</u>			
Asset revaluation surplus		7,657,350	7,657,350
Retained earnings		31,806,925	30,944,249
Total Equity		39,464,275	38,601,599

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

ABORIGINAL LANDS TRUST

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Note No.	Asset Revaluation Surplus	Unspent Project Funds Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2021		7,657,350	-	30,733,550	38,390,900
Net result for 2021-2022		-	-	(387,084)	(387,084)
Prior Period - error corrections	5.3	-	-	597,783	597,783
Balance at 30 June 2022		7,657,350	-	30,944,249	38,601,599
Net result for 2022-2023		-	-	862,676	862,676
Balance at 30 June 2023		7,657,350	-	31,806,925	39,464,275

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

ABORIGINAL LANDS TRUST

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note No.	2023 \$	2022 \$
Cash flows from operating activities			
<i>Cash inflows</i>			
SA Government grants, subsidies and transfers		1,130,185	1,450,550
Lease and rental income		1,171,080	900,731
Receipts from Commonwealth-sourced grants and funding		2,220,066	1,121,799
Interest received		114,939	3,303
Other receipts		52,790	188,378
GST recovered/(paid) from/to the ATO		(100,513)	4,926
Funds received on behalf of third party		23,650	1,020
Cash generated from operations		4,612,197	3,670,707
<i>Cash outflows</i>			
Employee benefits and board payments		(1,407,566)	(1,390,322)
Payments for supplies and services		(2,178,881)	(2,333,340)
Fund Payment on Behalf of Third Party		(3,741)	(66,981)
Cash used in operations		(3,590,188)	(3,790,643)
Net cash provided by / (used in) operating activities		1,022,009	(119,936)
Cash flows from investing activities			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(177,990)	(270,863)
Cash used in investing activities		(177,990)	(270,863)
Net cash provided by / (used in) investing activities		(177,990)	(270,863)
Net increase/(decrease) in cash and cash equivalents		844,019	(390,799)
Cash and cash equivalents at the beginning of the period		5,595,907	5,986,706
Cash and cash equivalents at the end of the period	6.1	6,439,926	5,595,907

The accompanying notes form part of these financial statements.

1. About the Aboriginal Lands Trust

The Trust is a South Australian not-for-profit statutory authority constituted under the *Aboriginal Lands Trust Act 2013* (the Act).

The Trust does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Trust.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

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

For the purposes of preparing the financial statements, the Trust is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

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, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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.

1.2. Objectives and programs

In accordance with the Act, the objects of the Trust are:

- to acquire, hold and deal with Trust Land in accordance with this Act for the ongoing benefit of Aboriginal South Australians;
- to manage Trust Land in accordance with this and any other relevant Act or law;
- to engage in commercial and other activities in accordance with this Act for the ongoing benefit of Aboriginal South Australians;
- to consult for the purposes of this Act;
- to advise the Minister in relation to matters related to the Trust;
- to carry out other functions assigned to the Trust under this or any other Act or by the Minister.

In achieving its objectives, the Trust provides a range of services. The services are classified under one program titled "Aboriginal Lands Trust".

2. Income

2.1. Commonwealth-sourced grants and funding	2023	2022
	\$	\$
Sea Country indigenous protected areas	993,000	-
Wardang Island indigenous protected areas	187,597	185,007
Yappala indigenous protected areas	199,068	196,320
Raukkan environmental activities	615,350	650,846
Other project grants and funds	125,751	89,626
Total Commonwealth-sourced grants and funding	2,120,766	1,121,799

Commonwealth-sourced grants and funding are recognised in accordance with AASB 1058 as income on receipt.

Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the Trust. The Commonwealth has provided funding to the State to support Indigenous Protected Area Jobs Land and Economy Program.

2.2. SA Government grants, subsidies and transfers	2023	2022
	\$	\$
Operating grant	984,900	980,464
Other project grants and funds	35,285	350,394
Total revenues from SA Government	1,020,185	1,330,858

Grants are recognised on receipt and are received from Attorney-General's Department, Aboriginal Affairs and Reconciliation.

2.3. Other income	2023	2022
	\$	\$
Gain on disposal of assets	23,700	200
Recoveries	20,719	111,603
SAICORP insurance settlement	-	64,159
Other contributions	8,795	55,461
Total other income	53,214	231,423

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Trust include the Premier/Minister, the members of the Board and the Chief Executive Officer. Total compensation for the Trust's key management personnel was \$309,446 in 2022-23 and \$293,189 in 2021-22.

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*.

Transactions with key management personnel and other related parties

There were no transactions between the Trust and key management personnel or other related parties in 2022-23.

3.2. Board and committee members

Board members during the 2023 financial year were:

Ms Jennifer Johncock
Mr Ian Johnson
Ms Irene McKenzie
Mr Edward Newchurch
Ms Karen Sinclair (Chairperson)
Ms Denise Wilton
Mr Glen Wingfield

Board and committee remuneration

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

	2023	2022
\$0 - \$ 19,999	7	7
Total number of members	7	7

The total remuneration received or receivable by members was \$59,235 (2022: \$54,372). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Board expenses

	2023	2022
	\$	\$
Board fees	53,070	49,039
Board superannuation	6,165	5,333
Accommodation and meals	40,710	23,456
Travel and phone allowance	50,356	46,327
Total board expenses	150,301	124,155

3.3. Employee benefits expenses

	2023	2022
	\$	\$
Salaries and wages (including annual leave and long service leave)	1,147,006	1,156,397
Employment on-costs - Superannuation	117,280	114,770
Workers compensation	14,292	-
Total employee benefits expenses	1,278,578	1,271,167

Employment on-costs - superannuation

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

Executive remuneration

	2023	2022
	\$	\$
The number of employees whose remuneration received or receivable falls within the following bands:		
\$180,001 to \$200,000	-	1
Total	-	1

The total remuneration received by executive employee for the year 2023 was \$0 (2022: \$188,718).

The table includes all employees whose normal remuneration was 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, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Trust.

3.4. Employee benefits liability

	2023	2022
	\$	\$
Current		
Accrued salaries and wages	10,031	8,656
Annual leave	82,347	65,058
Total current employee benefits	92,378	73,714
Non-Current		
Long service leave	60,090	54,655
Total non-current employee benefits	60,090	54,655
Total employee benefits	152,468	128,369

Long-term employee benefits are measured at present value and short-term 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 Trust'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 Trust. 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%).

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

The unconditional portion of the long service leave provision is classified as current as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service.

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No	2023 \$	No	2022 \$
Below \$10,000	17	50,255	5	15,954
\$10,000 or above	2	27,534	1	15,800
Total	19	77,789	6	31,754

4.2. Other expenses

	2023 \$	2022 \$
Advertising and publicity	6,470	4,518
Bank fees and charges	3,800	2,557
Cleaning	9,920	9,520
Computer expenses	980	14,446
Electricity	18,405	11,016
Support & donations	3,820	2,000
Insurance	38,679	34,473
Work, health & safety expenses	542	4,576
Protective clothing	5,816	1,878
Rates & taxes	81,528	8,721
Leased property costs	413,038	421,643
Postage & courier	7,985	5,990
Staff amenities	3,548	2,372
Staff training	16,764	1,656
Subscriptions	3,955	2,373
Licence, Fees & other Charges	90	377
Sundry expenses	-	24,587
Taxis	803	1,381
Written-off expenditure	-	40,550
Total other expenses	616,143	594,634

The Written-off expenditure relates to solar panels at Head of Bight Whale Watching Centre, which were irreparably damaged as a result of several severe weather events during October and November 2021.

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$61,500 (2022: \$60,200), and are reported as part of Legal and other professional fees. No other services were provided by the Auditor-General's Department.

5. Non-financial assets

5.1. Property, plant and equipment by asset class

	2023 \$	2022 \$
Land and buildings		
Land at fair value	32,399,000	32,399,000
Buildings at fair value	2,187,000	2,187,000
Accumulated depreciation at the end of the period	(1,095,008)	(990,826)
Total land and buildings	33,490,992	33,595,174
Plant and equipment		
Plant and equipment at cost (deemed fair value)	1,331,461	1,186,322
Accumulated depreciation at the end of the period	(743,699)	(595,015)
Total plant and equipment	587,761	591,307
Total property, plant and equipment	34,078,753	34,186,481

5.2. Useful life and depreciation

Depreciation is calculated on diminishing value basis. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings	10-30
Plant & equipment	7-20

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.

5.3. Property, plant and equipment owned by the Trust

Property, plant and equipment owned by the Trust with a value equal to or in excess of \$10,000 is capitalised, otherwise it is expensed. Owned property, plant and equipment is subsequently measured at fair value. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Land and buildings

An independent valuation of all Trust land and buildings commenced during 2013-14 and was performed by Kym Dreyer, B.App.Sc. (Val.) L.F.A.P.I. Certified Practising Valuer/ Managing Director (SA) of M3 Property Strategists. Properties in the Adelaide region, the Mid North, Murraylands, West Coast, Lower Eyre Peninsula, Flinders Region and South East have been revalued as at 30 June 2014. Far North, Riverland, Coorong and Yorke Peninsula properties have been revalued as at 30 June 2015.

The valuation of the land and buildings at Iga Warta was last performed by the Valuer-General as at 30 June 2012. Evaluation and assessment of this land and buildings was not performed by M3 Property Strategists due to being denied access by the land owners. The Trust considers the impact from the lack of revaluation of this property to be immaterial to the overall valuation of land and buildings.

Fair value was determined using the market approach for land and non-specialised buildings. The valuation was based on recent market transactions for similar land and buildings in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

Depreciated replacement cost was used for any specialised buildings, due to there not being an active market for such buildings. Restrictions on the sale of and use of assets was taken into account when determining fair value. The revaluation of Trust land considered that requirements of the *Aboriginal Lands Trust Act 2013* including for Trust land to be used for the continuing benefit of Aboriginal South Australians would not have a material impact on the land's fair value. Another key judgement in the revaluation of Trust land was that the leasing of land by the Trust to Aboriginal communities and other organisations would not have a material impact of the on the land's fair value due to the non-commercial nature of most lease arrangements.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

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

Lessors arrangements

The Trust is a lessor of Point Pearce Farm land under a lease agreement. This arrangement has been classified as an operating lease. The lease expires in February 2030. Refer to note 8.1.

Reconciliation 2022-23

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Carrying amount at 1 July 2022	32,399,000	1,196,174	591,307	34,186,481
Prior period - error correction	-	-	-	-
Acquisitions	-	-	177,990	177,990
Disposals	-	-	(7,109)	(7,109)
Depreciation	-	(104,182)	(174,427)	(278,609)
Carrying amount at 30 June 2023	32,399,000	1,091,992	587,761	34,078,753

The prior period error correction is to bring to account the current depreciated value of the Trust's buildings which were not recognised for a number of years.

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at Bank	1,650,514	1,613,933
Short-term deposits	3,953,165	3,165,636
Head of Bight whale watching centre	2,000	2,000
Funds managed on behalf of a third party	834,247	814,338
Total cash and cash equivalents	6,439,926	5,595,907

Funds managed on behalf of a third party

In January 2017 the Umoona Community Council Incorporated and Aboriginal Lands Trust entered into a deed for the Trust to receive, hold and use insurance proceeds on behalf of Umoona community. The insurance proceeds payable to Umoona Community Council Incorporated relate to a fire that destroyed an administration building used by Umoona community.

Under the terms of the deed the Trust is required to use funds held for the purpose of establishing a replacement building on Umoona Land fit for administration purposes for the benefit of Umoona community.

As at 30 June 2023 the balance of funds held by the Trust on behalf of Umoona Community Council Incorporated is \$834,247. As the Trust does not benefit from these funds a corresponding liability has been recognised.

6.2. Receivables

	2023 \$	2022 \$
Current		
Receivables	94,970	73,264
Total current receivables	94,970	73,264

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.

The net amount of GST recoverable from the ATO is included as part of receivables.

Receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at historical cost.

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2023 \$	2022 \$
Current		
Creditors	109,524	275,824
Accrued expenses	64,900	63,470
Statutory Payables		
GST payable	45,309	18,778
Employment on-costs	10,099	8,275
Total statutory payables	55,408	27,053
Total current payables	229,832	366,347
Non-Current		
Employment on-costs	2,520	1,574
Total non-current payables	2,520	1,574
Total payables	232,352	367,921

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.

Statutory payables do not arise from contracts.

Employment on-costs

Employment on-costs include 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.

8. Outlook

8.1. Unrecognised commitments

Operating lease commitments as lessor

Commitments under operating leases as a lessor at the reporting date but not recognised as receivable in the financial report, are as follows:

	2023 \$	2022 \$
Not later than one year	530,000	482,360
Later than one year but no later than five years	2,650,000	803,933
Later than five years	353,333	-
Total Operating lease commitments as lessor	3,533,333	1,286,293

The Trust's operating lease commitment as lessor is for a commercial farming lease on Trust's land. The lease is non-cancellable and expires on 22 February 2030. Rent is receivable in advance. The Trust re-directs 80% of the commercial farm lease proceeds back into the Community. The remaining 20% is retained by the Trust to cover administration costs.

8.2. Contingent assets and liabilities

The Trust is currently involved in a litigation with one of its lessees in the Supreme Court of South Australia. The outcome of the litigation determines the Trust's ability to recognise and recover funds from the lessee. The outcome of the litigation is uncertain.

8.3. Events after the reporting period

The Trust is not aware of any events after the reporting period, requiring disclosure.