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To the Presiding Member South Australian Arid Lands Landscape Board

Opinion

I have audited the financial report of the South Australian Arid Lands Landscape Board (the Board) for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2024, 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 Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- 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 Disclosures, 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 2024.

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
Assistant Auditor-General (Financial Audit)

28 November 2024

South Australian Arid Lands Landscape Board

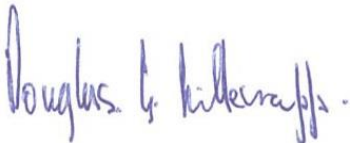
Financial Statements

For the year ended 30 June 2024

South Australian Arid Lands Landscape Board
Certification of the Financial Statements
for the year ending 30 June 2024

We certify that the:

- financial statements for the South Australian Arid Lands 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.



Douglas Lillecrapp
Presiding Member
27 November 2024



Jodie Gregg-Smith
General Manager
South Australian Arid Lands Landscape Board
27 November 2024

South Australian Arid Lands Landscape Board
Statement of Comprehensive Income
for the year ending 30 June 2024

	Note	2024	2023
		\$'000	\$'000
Income			
Landscape and water levies	2.1	2 963	2 736
Commonwealth-sourced grants and funding	2.2	1 880	2 757
Grant revenues	2.3	1 520	1 124
Intra-government transfers	2.4	542	590
Interest revenues		246	156
Other income	2.5	97	81
Total income		7 248	7 444
Expenses			
Employee related expense	3.3	3 155	2 777
Supplies and services	4.1	3 073	2 963
Grants and subsidies		267	372
Depreciation	5.1	32	43
Borrowing Costs	7.2	3	1
Other expenses	4.2	48	47
Total expenses		6 578	6 203
Net result		670	1 241
Total comprehensive result		670	1 241

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

South Australian Arid Lands Landscape Board
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	5 704	4 809
Inventories		-	16
Receivables	6.2	1 302	1 343
Total current assets		7 006	6 168
Non-current assets			
Property plant and equipment	5.1	186	105
Receivables	6.2	1	-
Total non-current assets		187	105
Total assets		7 193	6 273
Current liabilities			
Payables	7.1	464	328
Financial liabilities	7.2	42	20
Employee related liability	3.4	272	277
Provisions		4	8
Contract liabilities		-	43
Total current liabilities		782	676
Non-current liabilities			
Financial liabilities	7.2	112	48
Employee related liability	3.4	341	260
Provisions		28	29
Total non-current liabilities		481	337
Total liabilities		1 263	1 013
Net assets		5 930	5 260
Equity			
Retained earnings		5 930	5 260
Total equity		5 930	5 260

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

South Australian Arid Lands Landscape Board
Statement of Changes in Equity
for the year ended 30 June 2024

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	<u>4 019</u>	<u>4 019</u>
Net result for 2022-23	1 241	1 241
Total comprehensive result for 2022-23	<u>1 241</u>	<u>1 241</u>
Balance at 30 June 2023	<u>5 260</u>	<u>5 260</u>
Net result for 2023-24	670	670
Total comprehensive result for 2023-24	<u>5 930</u>	<u>5 930</u>
Balance at 30 June 2024	<u><u>5 930</u></u>	<u><u>5 930</u></u>

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

South Australian Arid Lands Landscape Board
Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Landscape and water levies		4 047	2 392
Commonwealth funding received		876	3 085
Grants		1 594	694
Intra-government transfers		542	590
Interest received		242	140
Other receipts		104	419
Cash generated from operations		7 405	7 320
<i>Cash outflows</i>			
Employee related payments		(3 081)	(2 880)
Payments for supplies and services		(3 082)	(3 208)
Payments of grants and subsidies		(267)	(409)
Interest paid		(3)	(1)
Net GST paid to DEW		(3)	(57)
Other payments		(53)	(51)
Cash used in operations		(6 489)	(6 606)
Net cash provided by operating activities		916	714
<i>Cash outflows</i>			
Purchase of property, plant and equipment		-	(14)
Total cash used in investing activities		-	(14)
Net cash used in investing activities		-	(14)
<i>Cash outflows</i>			
Repayment of leases		(21)	(36)
Cash used in financing activities		(21)	(36)
Net cash used in financing activities		(21)	(36)
Net increase in cash and cash equivalents		895	664
Cash at the beginning of the period		4 809	4 145
Cash at the end of the period	6.1	5 704	4 809

The accompanying notes form part of these financial statements.

South Australian Arid Lands Landscape Board

Notes to and forming part of the financial statements

For the year ended 30 June 2024

1. About the South Australian Arid Lands Landscape Board

The South Australian Arid Lands Landscape Board (the Board) is a body corporate of the State of South Australia, established pursuant to the *Landscape South Australia Act 2019* (the Landscape Act). The Board is a not-for-profit entity.

The SA Arid Lands Strategic Landscape Plan 2021-2026 was approved by the Minister for Climate, Environment and Water in July 2021. The Board operates under a Business Plan which aligns to the Landscape Plan. The SA Arid Lands Business Plan 2023-24 identifies the Board's revenue and investment in priorities for management of landscapes in the region as detailed in note 1.2.

In 2023, the Board entered into a three-year Service Level Agreement (SLA) with the Department for Environment and Water (DEW) from 1 July 2023 to 30 June 2026. This facilitated the delivery of agreed corporate support services to the Board during 2023-24 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.

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs

Board objectives

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

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

Board programs

In discharging its functions under the Landscape Act, the Board delivers the following programs, as outlined in the SA Arid Lands Business Plan for 2023-24:

Climate Resilient Region

- Ensuring climate risk is embedded in all Board business.
- Providing land managers with the knowledge and skills they need to mitigate and adapt to climate change.
- Exploring adaptation pathways to ensure communities are climate resilient.

Sustainable Land Management

- Effective pest plant and animal control protecting production systems.
- Addressing the threat of excessive total grazing pressure.
- Building land managers' capacity in adaptive agriculture, best practice land management and rehabilitation.

Water Management

- Planning, research & leveraging infrastructure investment to support the judicious use of groundwater.
- Maintaining hydrogeology to protect Great Artesian Basin springs and groundwater-dependent ecosystems.
- Understanding and managing surface water systems including the Lake Eyre Basin.

Protecting and Enhancing Biodiversity

- Managing key threats to protect natural values.
- Taking action for threatened species and ecosystem recovery.
- Maintaining and improving the condition of Great Artesian Basin springs and water-dependent ecosystems.

People and Partnerships

- First Nations partnerships supporting cross-cultural knowledge sharing and landscape management outcomes.
- Supporting Landscape Groups to lead community action and education.
- Raising awareness of the region's natural values and connecting people to nature.
- Supporting community action to achieve land, water and coastal management outcome.

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 expense attributable to each program. 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 2023-24 business plan.

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2 Objectives and programs (continued)

Income and expenses by program

	Climate Resilient Region		Sustainable Land Management		Water Management		Protecting and Enhancing Biodiversity		People and Partnerships		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income												
Landscape and water levies	75	-	574	536	747	607	428	529	1 140	1 064	2 963	2 736
Commonwealth-sourced grants and funding	34	-	402	879	92	60	1 207	1 695	145	123	1 880	2 757
Grant revenues	238	-	911	589	-	-	350	300	21	235	1 520	1 124
Intra-government transfers	13	-	50	89	198	208	73	85	208	208	542	590
Interest revenues	-	-	-	46	34	19	73	55	139	36	246	156
Other income	-	2	69	41	9	4	5	4	14	30	97	81
Total income	360	2	2 006	2 180	1 080	898	2 136	2 668	1 666	1 696	7 248	7 444
Expenses												
Employee related expense	126	-	834	586	576	390	616	979	1 003	822	3 155	2 777
Supplies and services	118	-	1 232	906	334	301	849	1 241	540	515	3 073	2 963
Grants and subsidies	96	86	15	143	56	8		23	100	112	267	372
Depreciation	6	7	6	9	6	8	7	10	7	9	32	43
Borrowing costs	1	-	-	1	1	-	-	-	1	-	3	1
Other expenses	8	-	9	12	6	5	13	18	12	12	48	47
Total expenses	355	93	2 096	1 657	980	712	1 485	2 271	1 663	1 470	6 578	6 203
Net result	5	(91)	(90)	523	100	186	651	397	4	226	670	1 241

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

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2. Income

2.1. Landscape and water levies

	2024	2023
	\$'000	\$'000
Water levy collected through DEW	2 097	1 957
Landscape levy collected within council areas	626	578
Landscape levy collected from out of council areas	240	201
Total landscape and water levies	2 963	2 736

Landscape and water levies are collected under Part 5 of the Landscape 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. Councils may seek to recover costs in accordance with the Landscape Act, incurred in the collection of the levy.

Water levies collected through DEW

The Minister declares the water levy rates by notice of gazette under section 76 of the Landscape Act for water 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 from DEW.

2.2. Commonwealth-sourced grants and funding

	2024	2023
	\$'000	\$'000
Regional Delivery Partnerships Program*	1 806	-
Other Commonwealth funding	74	506
Regional Land Partnerships Program	-	2 251
Total Commonwealth-sourced grants and funding	1 880	2 757

	2024	2023
	\$'000	\$'000
*Regional Delivery Partnerships Program funding consists of the following components		
Idnya Reintroduction Program	500	-
Regional Capacity Services	410	-
Emergency Preparedness Response	250	-
Wetland Wonders	222	-
LEB Riparian & Springs	220	-
Sustainable Agriculture Facilitator	135	-
Plains Wanderer	69	-
Total Regional Delivery Partnerships funding	1 806	-

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.2 Commonwealth-sourced grants and funding (continued)

From 1 July 2023, the Department of Climate Change, Energy, Environment and Water under a panel agreement, appointed regional delivery partners to deliver on-ground environmental protection, sustainable agriculture and natural resource management activities across Australia. Funding for these services is provided from the Natural Heritage Trust.

The South Australian Arid Lands Landscape Board was appointed as a delivery partner administering approved programs and projects under the agreement within the South Australian Arid Lands region.

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.

2.3. Grant revenues

	2024	2023
	\$'000	\$'000
Income recognised under AASB 1058		
State Government grants	688	126
Sundry grants	482	496
Donation	350	300
Total income recognised under AASB 1058	1 520	922
Income recognised under AASB 15		
State Government grants	-	202
Total income recognised under AASB 15	-	202
Total grant revenues	1 520	1 124

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 a contract liability is recognised.

2.4. Intra-government transfers

Intra-government transfers are recurrent funding relates to appropriation received from DEW pursuant to subsection 90(4) of the Landscape Act to support the Boards business operation and the administration of the Landscape Act. Total of the funding were \$542 000 (2023: \$590 000).

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

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.5. Other income

	2024	2023
	\$'000	\$'000
Sale of goods	53	31
Recoup of expenses	29	34
Other revenue	15	16
Total other income	97	81

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, the Regional Leadership team, the General Manager and the other members of the Board who have responsibility for the strategic direction and management of the Board.

The total compensation for the Board's key management personnel was \$736 000 (2023: \$701 000).

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 transactions with key management personnel or related parties occurred during 2023-24.

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.2. Board and committee members

Members of the Board during the 2023-24 financial year were:

T Flowers
E Brown
S Michael
E Litchfield
K Tschirner
S Treloar
D G Lillecrapp
J Harris

Marree-Innamincka Group

F Warren
J Barnes
J Hayes (Chair)
L Edwards
L Litchfield
M Mayfield
C Oldfield

Northern Flinders Group

M Daniels
M Reynolds
R Wilton
V Lee
A Nunan

Gawler Ranges

A J Michael (Deputy Member)
B G French
D Sharp
K Greenfield (Chair)
L G Koch
N Pritchard
W Wadsworth

Marla-Oodnadatta Group

C Lennon
D Clarke
F Lumb
M Mackay
P Quinn
R Bowland
S Lennon

North East Pastoral Group

C Duncan-Tiver
M Duncan-Tiver
N S Rasheed
R Williams (Chair)
T Taplin
T Zwierson
W Burford

Port Augusta / Quorn Group

A R Paynter
F O'Connor
K Thomas
M Clifton
R Hackett
S Marafiote
P Zanit*

Kingoonya Group

C Fahey
D Maidment
L Day
N Manders
T Law

Governance and Finance committee

E Brown
J Harris
K Tschirner (Chair)
S Treloar

Water Advisory committee

E Litchfield (Chair)
T Flowers
S Michael

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

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

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:

	2024	2023
\$0 - \$19 999	52	64
\$20 000 - \$39 999	-	-
\$40 000 - \$59 999	1	-
Total number of members	53	64

The total remuneration received or receivable by members was \$66 000 (2023: \$70 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any related fringe benefits tax 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 \$44 000 (2023: \$43 000)

3.3. Employee related expense

	2024	2023
	\$'000	\$'000
Salaries and wages	2 302	2 149
Employment on-costs - superannuation	290	247
Annual leave	230	207
Employment on-costs - other	142	123
Board and committee fees	66	65
Workers compensation	(4)	6
Skills and experience retention leave	6	8
Long service leave	122	(29)
Other employee related expenses	1	1
Total employee related expense	3 155	2 777

Employee 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.

Employee remuneration

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

	2024	2023
	No	No
\$166 001 – \$186 000	-	1
\$186 001 – \$206 000	1	-
Total	1	1

The total remuneration received by those employees for the year was \$203 000 (2023: \$181 000).

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.

South Australian Arid Lands Landscape Board
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.4. Employee related liability

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Annual leave	155	152
Long service leave	47	47
Skills and experience retention leave	14	14
Accrued salaries and wages	-	1
Employment on-costs	56	63
Total current employee benefits	272	277
<u>Non-current</u>		
Long service leave	309	237
Employment on-costs	32	23
Total non-current employee benefits	341	260
Total employee related liability	613	537

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 are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of services. These assumptions are based on employee data over SA Government entities. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.0%) to 2024 (4.25%)

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 2023 (2.5%) to 2024 (3.5%) for long service leave liability. This increase to the percentage has led to an overall increase in the reported long service leave for 2024.

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.

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.

The Board makes contributions 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.

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3.4 Employee related liability (continued)

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has increased from the 2023 rate (43%) to 2024 (44%). The average factor for the calculation of employer superannuation on-costs has increased from the 2023 rate (11.1%) to 2024 (11.5%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Fee for service	1 361	1 374
Fee for service - Corporate fee	379	399
Accommodation and property management	207	211
Fee for service - Shared Services SA fee	165	163
Minor works, maintenance and equipment	161	71
Motor vehicles	133	101
Travel and accommodation	127	134
General administration	120	80
Fee for Service - Water planning management	72	69
Staff development	67	30
Information technology and communication charges	46	38
Contractors	8	-
Consultants	5	-
Transport	2	2
Fee for service - Board funded DEW salaries	-	78
Other supplies and services	220	213
Total supplies and services	3 073	2 963

4.2. Grants and subsidies

The Board has provided grants to support community to achieve natural resource management outcomes in the region through its Grassroots Grants, Kangaroo Partnership Project Grant, Water Accounting Grants and Building Pastoral Sustainability Grants. Total grants provided were \$267 000 (2023: \$372 000).

4.3. Other expenses

Audit fees paid/payable to the Audit Office of South Australia relate to work performed under *the Public Finance and Audit Act 1987* were \$48 200 (2023: \$46 900). No other services were provided by the Audit Office of South Australia.

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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.

The assets presented below do not meet the definition of investment property.

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.

Reconciliation 2023-24

	Plant and equipment	Buildings	Furniture	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	13	10	16	66	105
Additions	-	-	-	113	113
Depreciation	(4)	(1)	(1)	(26)	(32)
Carrying amount as at the end of the period	9	9	15	153	186
Gross carrying amount					
Gross carrying amount	132	12	18	183	345
Accumulated depreciation	(123)	(3)	(3)	(30)	(159)
Carrying amount as at the end of the period	9	9	15	153	186

Review of accounting estimates

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

Useful life

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

Class of asset	Useful life (years)
Plant and equipment	5-10
Fit out & Furniture	10-15
Buildings	20
Right-of-use vehicles	Lease term

Impairment

There were no indications of impairment of property, plant and equipment as at 30 June 2024.

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5.2. Property, plant and equipment leased by the Board

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

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 Board has 7 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.

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 disclosed at note 5.1 and borrowing costs on the Statement of Comprehensive Income. Cash outflows relates to leases are disclosed in the Statement of Cash Flows.

6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	5 704	4 809
Total cash and cash equivalents	5 704	4 809

The South Australian Arid Lands 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.

6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Contractual receivables		
Debtors	1 140	1 301
Less impairment loss on receivables	(1)	(1)
Total contractual receivables	1 139	1 300
Statutory receivables		
Accrued landscape levies	115	27
GST input tax recoverable from DEW	28	-
Accrued Revenue	20	16
Total statutory receivables	163	43
Total current receivables	1 302	1 343
Non-current		
Workers compensation recoveries	1	-
Total non-current receivables	1	-
Total receivables	1 303	1 343

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6.2. Receivables (continued)

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are generally 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 related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Receivables and prepayments are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. The impairment loss relates to contracts with customers external to SA Government.

The net amount of GST receivables from the ATO (via DEW) is included as part of receivables.

7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Contractual payables	362	147
Accrued expenses	102	70
Statutory Payables		
GST payable to DEW	-	111
Total statutory payables	<u>-</u>	<u>111</u>
Total current payables	<u>464</u>	<u>328</u>
Total payables	<u>464</u>	<u>328</u>

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. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. Statutory payables are carried at cost.

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

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7.2. Financial Liabilities

All financial liabilities are 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 \$42 000 (2023: \$20 000) and the non-current portion is \$112 000 (2023: \$48 000).

The borrowing costs associated with these lease liabilities was \$3 000 (2023: \$1 000).

Total cash outflows for leases is \$24 000 (2023: \$37 000).

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2024	2023
	\$'000	\$'000
Lease liabilities		
Not later than one year	48	19
Later than one year but not later than five years	120	47
Total lease liabilities (undiscounted)	168	66

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

	2024	2023
	\$'000	\$'000
No later than one year	597	112
Later than one year but no later than five years	1 497	485
Later than five years	624	754
Total expenditure commitments	2 718	1 351

The Board's commitments relate to non-cancellable contracts at the reporting date which have not been recognised in the Statement of Comprehensive Income and Statement of Financial Position. The Board's expenditure commitments relate to the Memoranda of Administrative Arrangement with the Department of Infrastructure and Transport for office accommodation.

8.2. Contingent assets and liabilities

Contingent assets and 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 the existence 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.