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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 2024.

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 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 *Aboriginal Lands Trust Act 2013* 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, the Chief Executive and the Business Manager.

Basis for qualified opinion

Land and buildings

The Trust's land and buildings are carried at \$34.6 million at 30 June 2024 (\$33.5 million at 30 June 2023). I was unable to obtain sufficient appropriate audit evidence as to the completeness of buildings controlled by the Trust and the accuracy of the carrying amount of land and buildings due to the following.

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 an independent qualified valuer.

As detailed in note 5 of the Trust's financial report, the reported value of land and buildings as at 30 June 2024 is \$33.4 million. The disclosed land and buildings' reported values were based on valuations undertaken as at or before 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. We also noted the Trust did not have structured processes in place to ensure the condition of its assets was regularly reviewed and updated.

The existing reported valuations are no longer supportable after the significant length of time without analysis to determine whether the underlying assumptions continue to be appropriate. Management was 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 outdated land and buildings valuations.

Completeness of buildings reported as controlled by the Trust

The Trust leases properties to various parties for periods up to 100 years. These lease arrangements have been classified as finance leases. As a result, the value of the buildings leased have been derecognised in line with the accounting treatment for finance leases outlined in AASB 116 *Leases*. Should there be a substantial change in the arrangement for a leased asset such that it no longer qualifies as being subject to a finance lease, it should be re-recognised as a Trust building, along with recognition of associated revenue through the Statement of Comprehensive Income.

The Trust did not have processes in place to review its finance leases to ensure there have been no material changes to the underlying lease arrangements from continuing to be classified as finance leases.

I was unable to obtain sufficient appropriate audit evidence as to the status of the leased assets as at 30 June 2024.

Consequently, I am unable to form an opinion as to whether the value of 'buildings at fair value' recognised and reported in note 5 of the Trust's financial report include all buildings that should have been recorded as controlled assets of the Trust. I am unable to conclude on the completeness of the values reported as 'buildings at fair value' and it is not possible to quantify the potential impact on the financial report.

Head of Bight Whale Watching Tourist Centre revenue

The Trust 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 Trust represents all of the Head of Bight Whale Watching Tourist Centre takings.

Consequently, I am unable to form an opinion as to whether the Centre revenue of \$531,009 (\$533,697) 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 Presiding Member 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 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 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 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 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'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.



Andrew Blaskett
Auditor-General

11 February 2025

ABORIGINAL LANDS TRUST

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note No.	2024 \$	2023 \$
Income			
Commonwealth-sourced grants and funding	2.1	1,017,323	2,120,766
SA Government grants, subsidies and transfers	2.2	1,030,000	1,020,185
Interest		193,887	114,939
Lease and rental income		692,406	609,053
Head of Bight Whale Watching Centre revenue		531,009	533,697
Other income	2.3	125,620	53,214
Total income		3,590,245	4,451,854
Expenses			
Employee benefits expenses	3.3	1,708,023	1,278,578
Board expenses	3.2	109,250	150,301
Contractors fees		314,222	391,711
Consultants fees	4.1	100,378	77,789
Depreciation	5.2, 5.3	236,747	278,609
Legal and other professional fees		224,498	218,232
Materials, equipment and maintenance costs		215,388	182,122
Telephone, printing and stationery		25,271	28,038
Travel and accommodation		74,561	60,950
Vehicle expenses		139,472	156,180
Office accommodation		143,309	151,328
Other expenses	4.2	680,601	615,340
Total expenses		3,971,720	3,589,178
Net result		(381,475)	862,676
Total comprehensive result		(381,475)	862,676

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 2024

	Note No.	2024 \$	2023 \$
<u>Current assets</u>			
Cash and cash equivalents	6.1	4,217,319	6,439,926
Receivables	6.2	104,254	94,970
Inventories		63,130	69,693
Total current assets		4,384,703	6,604,589
<u>Non-current assets</u>			
Property, plant and equipment	5.1	35,351,596	34,078,753
Total non-current assets		35,351,596	34,078,753
Total assets		39,736,299	40,683,342
<u>Current liabilities</u>			
Funds managed on behalf of a third party	6.1	-	834,247
Payables	7.1	415,731	229,832
Employee benefits	3.4	145,095	92,378
Total current liabilities		560,826	1,156,457
<u>Non-current liabilities</u>			
Employee benefits	3.4	92,673	62,610
Total non-current liabilities		92,673	62,610
Total liabilities		653,499	1,219,067
Net Assets		39,082,800	39,464,275
<u>Equity</u>			
Asset revaluation surplus		7,657,350	7,657,350
Retained earnings		31,425,450	31,806,925
Total Equity		39,082,800	39,464,275

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 2024

	Note No.	Asset Revaluation Surplus	Unspent Project Funds Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2022		7,657,350	-	30,944,249	38,601,599
Net result for 2022-2023		-	-	862,676	862,676
Prior Period - error corrections	5.3	-	-	-	-
Balance at 30 June 2023		7,657,350	-	31,806,925	39,464,275
Net result for 2023-2024		-	-	(381,475)	(381,475)
Balance at 30 June 2024		7,657,350	-	31,425,450	39,082,800

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 2024

	Note No.	2024 \$	2023 \$
Cash flows from operating activities			
<i>Cash inflows</i>			
SA Government grants, subsidies and transfers		1,128,114	1,130,185
Lease and rental income		1,339,953	1,171,080
Receipts from Commonwealth-sourced grants and funding		1,017,323	2,220,066
Interest received		189,088	114,939
Other receipts		146,790	52,790
GST recovered/(paid) from/to the ATO		43,329	(100,513)
Funds received on behalf of third party		20,858	23,650
Cash generated from operations		3,885,455	4,612,197
<i>Cash outflows</i>			
Employee benefits and board payments		(1,519,990)	(1,407,566)
Payments for supplies and services		(2,173,340)	(2,178,881)
Cash used in operations		(3,693,330)	(3,586,447)
Net cash provided by / (used in) operating activities		192,125	1,025,750
Cash flows from investing activities			
<i>Cash outflows</i>			
Fund Payment on Behalf of Third Party		(855,105)	(3,741)
Purchase of property, plant and equipment		(1,559,627)	(177,990)
Cash used in investing activities		(2,414,732)	(181,731)
Net cash provided by / (used in) investing activities		(2,414,732)	(181,731)
Net increase/(decrease) in cash and cash equivalents		(2,222,607)	844,019
Cash and cash equivalents at the beginning of the period		6,439,926	5,595,907
Cash and cash equivalents at the end of the period	6.1	4,217,319	6,439,926

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

	2024	2023
	\$	\$
Sea Country indigenous protected areas	-	993,000
Wardang Island indigenous protected areas	190,411	187,597
Yappala indigenous protected areas	202,054	199,068
Raukkan environmental activities	624,858	615,350
Other project grants and funds	-	125,751
Total Commonwealth-sourced grants and funding	1,017,323	2,120,766

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

The Trust has voluntarily agreed to work with the National Indigenous Advancement Australia, to manage and deliver certain programs for the Australian Government. These programs take place on Trust lands and are intended to benefit Aboriginal communities. Since these activities may not align with the Trust's core functions under the Act, the programs are carried out through grant agreements, where the Trust gets a percentage of the grant funds for the cost of running the programs.

2.2. SA Government grants, subsidies and transfers

	2024	2023
	\$	\$
Operating grant	1,030,000	984,900
Other project grants and funds	-	35,285
Total revenues from SA Government	1,030,000	1,020,185

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

2.3. Other income

	2024	2023
	\$	\$
Gain on disposal of assets	10,538	23,700
Recoveries	56,097	20,719
SAICORP insurance settlement	8,930	-
Other contributions	50,055	8,795
Total other income	125,620	53,214

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 \$201,673 in 2023-24 and \$309,446 in 2022-23.

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 2023-24.

3.2. Board and committee members

Board members during the 2024 financial year were:

Ms Teresa Brady (Commenced 14/9/2023)
 Mr Darrien Bromley (Commenced 14/9/2023 and Chairperson on 9/4/2024)
 Mr Jonathon Fatt-Clifton (Commenced 8/5/2024 and resigned 23/7/2024)
 Ms Jennifer Johncock
 Mr Ian Johnson (Term expired on 17/7/2023)
 Mr Dwayne Kemp ((Commenced 14/9/2023 and resigned 14/2/2024)
 Ms Irene McKenzie (Term expired on 17/7/2023)
 Mr Edward Newchurch
 Ms Karen Sinclair (Chairperson until 9/4/2024)
 Ms Nirelle Ware (Commenced 14/9/2023)
 Ms Denise Wilton (Term expired on 17/7/2023)
 Mr Glen Wingfield

Board and committee remuneration

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

	2024	2023
\$0 - \$ 19,999	12	7
Total number of members	12	7

The total remuneration received or receivable by members was \$55,894 (2023: \$59,235). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Board expenses

	2024	2023
	\$	\$
Board fees	50,158	53,070
Board superannuation	5,736	6,165
Accommodation and meals	22,822	40,710
Travel and phone allowance	30,534	50,356
Total board expenses	109,250	150,301

3.3. Employee related expenses

	2024	2023
	\$	\$
Salaries and wages (including annual leave and long service leave)	1,303,856	1,147,006
Employment on-costs - Superannuation	134,596	117,280
Workers compensation	269,571	14,292
Total employee benefits expenses	1,708,023	1,278,578

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.

The total remuneration received by executive employee for the year 2024 was \$113,758 (2023: \$193,936).

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 related liabilities

	2024 \$	2023 \$
Current		
Accrued salaries and wages	16,193	10,031
Annual leave	114,136	82,347
Employment on-costs	14,766	10,099
Total current employee benefits	145,095	102,477
Non-Current		
Long service leave	88,619	60,090
Employment on-costs	4,054	2,520
Total non-current employee benefits	92,673	62,610
Total employee benefits	237,768	165,087

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 2023 (4%) to 2024 (4.25%).

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.

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.

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	2024 \$	No	2023 \$
Below \$10,000	5	33,635	17	50,255
\$10,000 or above	2	66,743	2	27,534
Total	7	100,378	19	77,789

4.2. Other expenses

	2024 \$	2023 \$
Advertising and publicity	1,993	6,470
Bank fees and charges	3,786	3,800
Cleaning	10,315	9,920
Computer expenses	4,352	980
Derecognised asset expense	67,778	-
Electricity	6,844	18,405
Insurance	42,308	38,679
Leased property costs	460,794	413,038
Postage & courier	8,279	7,985
Protective clothing	14,028	5,816
Rates & taxes	33,483	81,528
Subscriptions, licence, fees & other charges	4,674	4,045
Support & donations	6,999	3,820
Staff amenities	3,544	3,548
Staff training	10,998	16,764
Work, health & safety expenses	426	542
Total other expenses	680,601	615,340

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$73,000 (2023: \$59,000), 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

	2024 \$	2023 \$
Land and buildings		
Land at fair value	32,399,000	32,399,000
Buildings at fair value	1,647,000	2,187,000
Accumulated depreciation at the end of the period	(682,533)	(1,095,008)
Total land and buildings	33,363,467	33,490,992
Plant and equipment		
Plant and equipment at cost (deemed fair value)	1,546,899	1,331,461
Accumulated depreciation at the end of the period	(840,866)	(743,699)
Total plant and equipment	706,033	587,762
Capital work in progress		
Capital work in progress	1,282,096	-
Total capital work in progress	1,282,096	-
Total property, plant and equipment	35,351,596	34,078,754

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 2024.

Lessor 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 2023-24

	Land	Buildings	Plant and Equipment	Capital work in progress	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2023	32,399,000	1,091,992	587,761	-	34,078,753
Acquisitions			302,597	1,282,096	1,584,693
Disposals	-	(67,778)	(7,325)	-	(75,103)
Depreciation	-	(59,747)	(177,001)	-	(236,747)
Carrying amount at 30 June 2024	32,399,000	964,467	706,032	1,282,096	35,351,596

Lease arrangements - Buildings

The Trust enters into leases with Aboriginal Communities and other organisations. In most cases these are long term leases at peppercorn rates. As a result of these leases the Trust does not control the economic benefits from the buildings subject to the lease arrangements and the leases are classified as finance leases. In accordance with the requirements of AASB16 Leases, the leased buildings are not recognised as Trust buildings in the financial statements during the lease term. Should a lease be terminated or come to an end, the buildings would be re-recognised by the Trust. Based on the Trust's records, at the time of the last full valuation undertaken in 2014-15, buildings subject to finance leases were worth in the order of \$63 million.

6. Financial assets**6.1. Cash and cash equivalents**

	2024	2023
	\$	\$
Cash at Bank	1,904,768	1,650,514
Short-term deposits	2,310,551	3,953,165
Head of Bight whale watching centre	2,000	2,000
Funds managed on behalf of a third party	-	834,247
Total cash and cash equivalents	4,217,319	6,439,926

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 2024 the balance of funds held by the Trust on behalf of Umoona Community Council Incorporated is nil.

6.2. Receivables

	2024	2023
	\$	\$
Current		
Accrued receivable	4,799	-
GST receivable	12,689	-
Receivables	86,766	94,970
Total current receivables	104,254	94,970

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 related liabilities are disclosed in note 3.4.

7.1. Payables

	2024 \$	2023 \$
Current		
Creditors	328,012	109,524
Accrued expenses	87,719	64,900
Statutory Payables		
GST payable	-	45,309
Total statutory payables	-	45,309
Total current payables	415,731	219,733
Total payables	415,731	219,733

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.

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:

	2024 \$	2023 \$
Not later than one year	530,000	530,000
Later than one year but no later than five years	2,385,000	2,650,000
Later than five years	-	353,333
Total Operating lease commitments as lessor	2,915,000	3,533,333

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

A lessee owes the Trust a significant amount in debt under sec.45 of the Act. The lessee is currently subject to potential liquidation proceedings by parties unrelated to the Trust. As these proceedings are ongoing, due to uncertainty on the recovery of debt, no amounts were recognised in Receivables.

8.3. Events after the reporting period

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

OFFICIAL

ABORIGINAL LANDS TRUST

CERTIFICATION OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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.



Darrien Bromley
Presiding Member



Kerri Wilson-Reilly
Chief Executive



John Evans
Business Manager

Signed at Level 14/19 Grenfell Street, Adelaide, 4th February 2025