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To the Presiding Member Eyre Peninsula Landscape Board

Opinion

I have audited the financial report of the Eyre Peninsula Landscape Board (the Board) for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member and the Acting General Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the General Manager and the Board for the financial report

The General Manager is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the General Manager is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 38(2) of the *Landscape South Australia Act 2019*, I have audited the financial report of the Board for the financial year ended 30 June 2023.

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

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

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

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

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

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



Daniel O'Donohue
Acting Deputy Auditor-General

28 November 2023

OFFICIAL

Eyre Peninsula Landscape Board

Financial Statements

For the year ended 30 June 2023

Eyre Peninsula Landscape Board
Certification of the Financial Statements
for the year ended 30 June 2023

We certify that the:

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

Peter Treloar
Presiding Member

27 November 2023



Susan Stovell
Acting General Manager
Eyre Peninsula Landscape Board

27 November 2023



Eyre Peninsula Landscape Board
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Landscape and water levies	2.1	3 561	3 455
Commonwealth-sourced grants and funding	2.2	1 405	1 364
Grant revenues	2.3	643	149
Interest revenues	6.1	78	-
Net gain from the disposal of non-current assets	2.4	12	-
Other income	2.5	115	64
Total income		5 814	5 032
Expenses			
Employee benefits expense	3.3	2 752	2 504
Supplies and services	4.1	2 324	1 855
Grants and subsidies	4.2	390	186
Depreciation	5.1	82	89
Borrowing Costs	7.2	2	2
Other expenses	4.3	45	44
Total expenses		5 595	4 680
Net result		219	352
Total comprehensive result		219	352

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

Eyre Peninsula Landscape Board
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	3 007	2 543
Receivables	6.2	821	674
Total current assets		3 828	3 217
Non-current assets			
Property plant and equipment	5.1	122	148
Total non-current assets		122	148
Total assets		3 950	3 365
Current liabilities			
Payables	7.1	527	324
Financial liabilities	7.2	53	64
Employee benefits	3.4	181	174
Provisions		6	5
Contract liabilities	2.3	365	167
Total current liabilities		1 132	734
Non-current liabilities			
Payables	7.1	33	32
Financial liabilities	7.2	22	54
Employee benefits	3.4	329	334
Provisions		17	13
Total non-current liabilities		401	433
Total liabilities		1 533	1 167
Net assets		2 417	2 198
Equity			
Retained earnings		2 417	2 198
Total equity		2 417	2 198

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

Eyre Peninsula Landscape Board
Statement of Changes in Equity
for the year ended 30 June 2023

	Note	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		1 910	1 910
Net result for 2021-22		352	352
Inventory adjustment		(64)	(64)
Total comprehensive result for 2021-22		288	288
Balance at 30 June 2022		2 198	2 198
Net result for 2022-23		219	219
Total comprehensive result for 2022-23		219	219
Balance at 30 June 2023		2 417	2 417

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

Eyre Peninsula Landscape Board
Statement of Cash Flows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Landscape and water levies		3 691	3 394
Commonwealth funding received		1 548	1 532
Grants		574	328
Interest received		69	-
Net GST recovered from DEW		116	38
Other receipts		115	74
Cash generated from operations		6 112	5 366
<i>Cash outflows</i>			
Payments for supplies and services		(2 346)	(2 001)
Employee benefits payments		(2 734)	(2 640)
Payments of grants and subsidies		(429)	(200)
Interest paid		(2)	(2)
Other payments		(50)	(51)
Cash used in operations		(5 561)	(4 894)
Net cash provided by operating activities		551	472
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from sale of PPE		12	-
Cash generated from investing activities		12	-
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(30)	-
Cash used in investing activities		(30)	-
Net cash used in investing activities		(18)	-
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of leases		(69)	(70)
Cash used in financing activities		(69)	(70)
Net cash provided by financing activities		(69)	(70)
Net increase in cash and cash equivalents		464	402
Cash at the beginning of the period		2 543	2 141
Cash at the end of the period	6.1	3 007	2 543

The accompanying notes form part of these financial statements.

Eyre Peninsula Landscape Board

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1. About the Eyre Peninsula Landscape Board

The Eyre Peninsula 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 Eyre Peninsula Landscape Plan 2021-26 was approved by the Minister for Climate, Environment and Water in October 2021. The Board operates under an annual Business Plan which aligns to the Landscape Plan. The Eyre Peninsula Business Plan 2022-23 identifies the Board's revenue and investment in priorities for management of landscapes in the region as detailed in note 1.2.

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

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

1.1. Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with:

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

The financial statements have been prepared based on a 12 month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

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

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

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

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.2. Objectives and programs

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 Eyre Peninsula Business Plan for 2022-23:

Water

- Effective water allocation planning in prescribed water area.
- Managing water affecting activities.

Sustainable Agriculture

- Reducing the risk of land degradation to protect the region's valuable soils.
- Facilitating regenerative land management to improve soil health.

Pest Plant and Animals

- Supporting landowners to control prioritised pest plants and animals.
- Collaborating to reduce threats from impact-causing native species.

Biodiversity

- Protecting and restoring prioritised coastal habitats.
- Maintain and enhance biodiversity in prioritised ecosystems.

Community

- Community at the centre and actively engaged in landscape management.
- Effective decision-making and local government engagement.

Administration

Delivery of the five priorities are underpinned through the provision of foundational 'Administration' services. The administration program includes the internal business support function, DEW Corporate Services and Shared Services costs, as well as levy collection costs for both within council areas and outside of council areas.

The table on the following page presents income and expenses 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 2022-23 business plan.

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.2. Objectives and programs (continued)

Income and expenses by program

	Sustainable Agriculture		Water		Pest Plant and Animals		Biodiversity		Community		Administration		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income														
Landscape and water levies	342	206	231	244	1 230	1 244	300	240	415	481	1 043	1 040	3 561	3 455
Commonwealth-sourced grants and funding	565	474	-	-	-	-	537	556	303	334	-	-	1 405	1 364
Grant revenues	7	2	141	46	57	45	332	56	99	-	7	-	643	149
Interest revenues	-	-	-	-	-	-	-	-	-	-	78	-	78	-
Net gain from disposal of non- current assets	-	-	-	-	12	-	-	-	-	-	-	-	12	-
Other income	7	6	1	-	91	55	-	1	1	1	15	1	115	64
Total income	921	688	373	290	1 390	1 344	1 169	853	818	816	1 143	1 041	5 814	5 032
Expenses														
Employee benefits expense	167	171	151	146	1 107	1 197	410	209	642	449	275	332	2 752	2 504
Supplies and services	607	510	238	141	489	292	473	356	273	270	244	286	2 324	1 855
Grants and subsidies	80	34	130	39	-	-	93	15	87	98	-	-	390	186
Depreciation and borrowings	-	-	-	-	82	89	-	-	-	-	-	-	82	89
Borrowing costs	-	-	-	-	2	2	-	-	-	-	-	-	2	2
Other expenses	-	-	-	-	-	-	-	-	-	-	45	44	45	44
Total expenses	854	715	519	326	1 680	1 580	976	580	1 002	817	564	662	5 595	4 680
Net result	67	(27)	(146)	(36)	(290)	(236)	193	273	(184)	(1)	579	379	219	352

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

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2. Income

2.1. Landscape and water levies

	2023	2022
	\$'000	\$'000
Landscape levy collected within council areas	3 046	2 972
Water levy collected through DEW	480	448
Landscape levy collected from out of council areas	35	35
Total landscape and water levies	3 561	3 455

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 by DEW.

Landscape levy collected from out of council areas

The Board declares a landscape levy by notice of gazette under Section 71 of the Landscape Act for persons who occupy land outside council areas, based on the size of area occupied. Levy collection is administered by DEW with invoices raised in September of each financial year, and revenue is recognised when funds are received by DEW.

2.2. Commonwealth-sourced grants and funding

	2023	2022
	\$'000	\$'000
Regional Land Partnerships Program	1 405	1 364
Total Commonwealth-sourced grants and funding	1 405	1 364

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.

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2.3. Grant revenues

	2023 \$'000	2022 \$'000
Income recognised under AASB 1058		
State Government Grants	478	133
Sundry grants	7	6
Total income recognised under AASB 1058	485	139
Income recognised under AASB 15		
State Government Grants	158	10
Total income recognised under AASB 15	158	10
Total grant revenues	643	149

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.

Contract Balances	2023 \$'000	2022 \$'000
Contract liabilities	365	167
Total contract liabilities	365	167

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

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2.4. Net gain from disposal of property, plant and equipment

	2023	2022
	\$'000	\$'000
Plant and equipment		
Proceeds from disposal	12	-
Net gain from disposal of plant and equipment	<u>12</u>	<u>-</u>

2.5. Other income

	2023	2022
	\$'000	\$'000
Sale of goods	102	62
Sponsorship	3	-
Other revenue	10	2
Total other income	<u>115</u>	<u>64</u>

3. Board, committees and employees

3.1. Key management personnel

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

The total compensation for the Board's key management personnel was \$591 000 (2022: \$594 000).

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 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 2022-23.

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.2. Board and committee members

Members during the 2022-2023 financial year were:

The Board

P Treloar (Presiding Member, appointed January 2023)
M Whitfield (former Presiding Member, retired January 2023)
M Dennis (appointed January 2023)
A Irvine (retired January 2023)
H Lamont (appointed January 2023)
K McShane (appointed January 2023)
J Major
D May
S Milner
A Tingay (appointed January 2023)
M Turner (retired January 2023)

Risk, Audit and Finance Committee

M Whitfield (Chair, appointed February 2023)
P Treloar (Presiding Member, appointed February 2023)
D Laube (former Chair, retired November 2022)
R Donaldson
J Major
S Milner
D Levey (appointed February 2023)

Board and committee remuneration

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

	2023	2022
\$0 - \$19 999	14	8
\$20 000 - \$39 999	-	1
Total number of members	14	9

The total remuneration received or receivable by members was \$49 000 (2022: \$39 000). Remuneration of members reflects all costs of performing Board, Group and Committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits, and any related FBT paid or payable in respect of those benefits.

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members. These expenses, in addition to payroll tax amount to \$20 000 (2022: \$16 000).

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.3. Employee benefits expense

	2023	2022
	\$'000	\$'000
Salaries and wages	1 956	1 944
Employment on-costs - superannuation	240	219
Annual leave	200	193
Employment on-costs - other	122	113
Board and committee fees	42	38
Skills and experience retention leave	11	9
Targeted Voluntary Separation Packages (refer below)	130	-
Workers compensation	4	5
Other employee related expenses	2	1
Long service leave	45	(18)
Total employee benefits expense	2 752	2 504

Employment expenses

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

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

Executive remuneration

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

	2023	2022
	No	No
\$160 001 – \$180 000	1	-
\$180 001 – \$200 000		1
Total	1	1

The total remuneration received by those employees for the year was \$179 000 (2022: \$182 000).

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

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who accepted a TVSP was 2 (2022: nil).

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	130	-
Leave paid to separated employees	9	-
Recovery from the Department of Treasury and Finance	(135)	-
Net cost to the Board	4	-

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Annual leave	125	129
Long service leave	44	39
Skills and experience retention leave	12	6
Total current employee benefits	181	174
<u>Non-current</u>		
Long service leave	329	334
Total non-current employee benefits	329	334
Total employee benefits liability	510	508

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 department's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the department. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2022 (3.5%) to 2023 (4.0%).

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

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.

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Fee for service	800	557
Fee for service - Agricultural Innovation	431	412
Fee for service - Corporate fee	333	277
Accommodation and property management	131	131
Fee for service - Shared Services SA	109	107
Minor works, maintenance and equipment	79	42
Motor vehicles	78	61
Travel and accommodation	60	32
Information technology and communication charges	53	44
Commissions and selling costs	43	42
Transport	40	36
General administration	33	30
Staff development	31	32
Consultants	7	39
Monitoring	-	10
Other supplies and services	96	3
Total supplies and services	2 324	1 855

4.2. Grants and subsidies

	2023	2022
	\$'000	\$'000
Recurrent grants - Profit and not-for-profit entities	253	162
Recurrent grants - Local Government	133	24
Recurrent grants - School Onpassing	4	-
Total grants and subsidies	390	186

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

4.3. Other expenses

Audit fees paid/payable to the Auditor-General's Department relate to work performed under the *Public Finance and Audit Act 1987* were \$44 800 (2022: \$43 800). No other services were provided by the Auditor-General's Department.

Eyre Peninsula Landscape Board
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Non-financial assets

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

5.1. Property, plant and equipment

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

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

Reconciliation of non-current assets 2022-23

	Plant and equipment \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	31	117	148
Acquisitions	30	26	56
Depreciation	(15)	(67)	(82)
Carrying amount at the end of the period	46	76	122
Gross carrying amount			
Gross carrying amount	172	254	426
Accumulated depreciation	(126)	(178)	(304)
Carrying amount at the end of the period	46	76	122

Review of accounting estimates

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

Eyre Peninsula Landscape Board
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5.1. Property, plant and equipment (continued)

Useful life

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

Class of asset	Useful Life (years)
Plant and Equipment	2-10
Right-of-use vehicles	3-5

Impairment

There were no indications of impairment for property, plant and equipment owned by the Board at 30 June 2023.

Property, plant and equipment leased by the Board

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

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

The Board has 13 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

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

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer	3 007	2 543
Total cash and cash equivalents	3 007	2 543

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

Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. There was no interest earned during 2022 due to Treasury advising public authorities in November 2020 that, given interest rates were approximately 0%, no interest would be paid on any interest bearing accounts held with the Treasurer. Interest recommenced being paid in September 2022 on cash balances from May 2022.

Eyre Peninsula Landscape Board
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6.2. Receivables

	2023	2022
	\$'000	\$'000
<u>Contractual receivables</u>		
Debtors	719	452
Accrued revenues	102	39
Prepayments	-	9
Total contractual receivables	<u>821</u>	<u>500</u>
<u>Statutory receivables</u>		
Accrued landscape levies	-	174
Total statutory receivables	<u>-</u>	<u>174</u>
Total current receivables	<u><u>821</u></u>	<u><u>674</u></u>

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 recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes.

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

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. The Board has assessed non-government debtors for impairment and determined that no impairment will be recognised as they comprise a small number of low balances which are current and collectable.

Eyre Peninsula Landscape Board
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7. Liabilities

7.1. Payables

	2023 \$'000	2022 \$'000
Current		
Contractual payables	356	204
Accrued expenses	71	56
Statutory payables		
GST payable to DEW	49	24
Employment on-costs	51	40
Total statutory payables	<u>100</u>	<u>64</u>
Total current payables	<u>527</u>	<u>324</u>
Non-current		
Employment on-costs	33	32
Total non-current payables	<u>33</u>	<u>32</u>
Total payables	<u>560</u>	<u>356</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.

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

Statutory payables do not arise from contracts.

Employment on-costs

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

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

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 \$53 000 (2022: \$64 000) and non-current portion is \$22 000 (\$54 000). The borrowing costs associated with these lease liabilities was \$2 000 (2022: \$2 000).

Total cash outflows for leases is \$71 000 (2022: \$72 000).

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8. Outlook

8.1. Unrecognised contractual commitments

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

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

Other contractual commitments

	2023	2022
	\$'000	\$'000
No later than one year	639	932
Later than one year but not later than five years	98	156
Total expenditure commitments	737	1 088

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 other contractual commitments are for:

- Non-cancellable procurement contracts (\$20 226)
- Non-cancellable Grant Contracts (\$649 991)
- Memoranda of Administrative Arrangements with DEW and State Herbarium of South Australia (\$9 300)
- Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation (\$26 831)
- Other lease agreements with local government and private sector entities (\$31 000)

8.2. Contingent assets and liabilities

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

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

8.3 Events after the reporting period

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

