



ForestrySA

# ANNUAL REPORT

ForestrySA 2023-24



Government  
of South Australia



Responsible  
Wood

RW/1-21-4



**SOUTH**  
AUSTRALIA





## ACKNOWLEDGEMENT

ForestrySA respectfully acknowledges the Traditional Owners of the land on which we live, work and learn. We pay respect to all Aboriginal and Torres Strait Islander people and their Elders, past, present and future. In particular, we are cognisant of the traditions of the Kurna, Nukunu, Peramangk, Boandik, Ngarrindjeri and Ramindjeri peoples and their direct connections to lands under our custodianship.

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# A MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

On behalf of the ForestrySA Board, and in accordance with the *Public Corporations Act 1993* and the *South Australian Forestry Corporation Act 2000*, we submit the 2023-24 Annual Report on ForestrySA's operations.

## BACKGROUND

ForestrySA has custodianship of approximately 32,310ha of land mainly comprised of standing pine plantation (*Pinus radiata*) and Native Forest Reserve in the Mount Lofty Ranges and the Green Triangle.

ForestrySA's key commercial function is the management of the 10,888ha pine plantation area in the Mount Lofty Ranges. All plantation area harvested during the year is subsequently replanted in the winter months on an annual cycle, with plans closely monitored for sustainability purposes under the organisation's environmental, social and governance commitments.

Proclaimed Native Forest Reserves of 16,065ha, and many smaller areas zoned as conservation, are managed in accordance with established forest management plans.

ForestrySA prioritises sustainability, both in terms of management practices and environmental outcomes.

Land management practices consider and incorporate public access for recreational purposes.

Both commercial plantation and native forest areas are certified by Responsible Wood to the Australian Standard for Sustainable Forest Management (AS4708:2013), which requires compliance with internationally accepted criteria.

## COMMERCIAL PLANTATION MANAGEMENT

ForestrySA's commercial performance from plantation management activities further improved during 2023-24.

Revenue from the sale of log products totalled \$17.2m, a 7.9% increase on the previous year. The total operating expenditure also increased, primarily as a result of the divestment of forest reserve land in the Mid North region and funding provided to the Bundaleer Forest Community Areas Association to improve the Bundaleer Picnic Ground totalling \$3.1m. The underlying trading profit before these one-off costs was an improvement on prior years. The comprehensive result decreased mainly due to the \$6.5m write-down in forest assets valuation from the previous year.

## NON-COMMERCIAL OPERATIONS

ForestrySA's non-commercial activities include community service obligations carried out on behalf of the South Australian Government. Total funding of \$4.0m was provided by the Government during the year for those obligations.

The services provided by ForestrySA in 2023-24 included community fire protection, native forest management and conservation, whilst ensuring the safe and accessible community use of, and recreation in, our forests.

## THE FUTURE

During the year, the Board and management, with strong leadership from the Chief Executive, Tim Ryan, focused on the finalisation of the next three-year Strategic Plan.

The Plan has been formulated based on the South Australian Economic Statement for a smart, sustainable and inclusive South Australian economy.

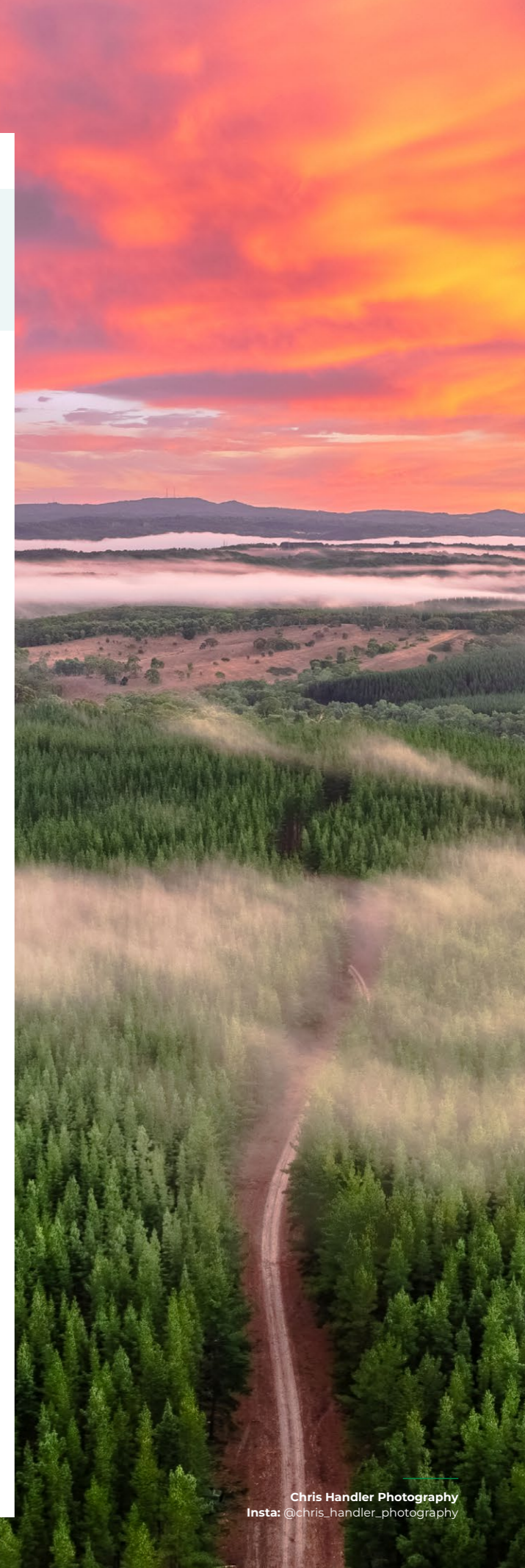
The Board's focus will be on capitalising on our carbon sequestration capabilities to drive economic growth with a regional focus. We will also ensure efficiency and innovation by investing in our people and strengthening our foundations for a future-focused workforce.

ForestrySA collaborates with many partners to deliver our services, manage fire risks and work to conserve the native forest reserves. We thank PIRSA, the Department for Environment and Water, the Country Fire Service, landscape boards and local councils.

The Board is appreciative of the support of the Minister for Primary Industries and Regions and the Minister for Forest Industries, the Hon. Clare Scriven MLC; our valued customers throughout South Australia; our contractors and suppliers; our extensive network of volunteers; and the continued and valued contribution of management and staff to ForestrySA's ongoing success.

JUNE ROACHE  
Board Chair

MICHAEL HANTON  
Acting Chief Executive



Chris Handler Photography  
Insta: @chris\_handler\_photography



# ABOUT FORESTRYSA

## OUR CORPORATION

The South Australian Forestry Corporation (ForestrySA) is a statutory corporation with the responsibility of managing public plantation forests for commercial production in line with best practice standards for forestry operations and environmental management to maximise value whilst ensuring the protection of Aboriginal, environmental and social values, and heritage. In addition, other functions are to:

- 1/ Undertake directly or with industry partners and, where appropriate, commercialise forestry-related research for the benefit of the Corporation and the State.
- 2/ Maximise the value of the Corporation whilst achieving other key requirements of Government.
- 3/ Deliver non-commercial operations with a specific focus on:
  - a/ Native forest management
  - b/ Community use of forests
  - c/ Community fire protection.

## OUR ECONOMIC DIRECTIONS

The Government's ambition for ongoing development of the South Australian economy is to be smart, sustainable and inclusive as identified in the South Australian Economic Statement. Through its operations, procurement process and sales, ForestrySA will deliver on the three missions to balance commercial outcomes and social responsibilities within the State. Our Strategic Plan outlines three Economic Directions:

### CAPITALISING ON THE GLOBAL GREEN TRANSITION

The Corporation will support sustainability through the management of natural assets and the supply of carbon positive building products and ecosystem services.

### BEING A PARTNER OF CHOICE IN AN INSECURE WORLD

The Corporation will facilitate regionally focused forest management, economic development initiatives and activities based on wood products and eco-tourism.

### BUILDING SOUTH AUSTRALIA'S TALENT

The Corporation will support cooperative research activities and facilitate industry development within the forest industry value chain, embrace technologies and drive innovation that will build a future focused skilled workforce.

## OUR GOVERNANCE



**JUNE ROACHE**  
**BOARD CHAIR AND DIRECTOR**  
*BAcc, GradCertMgt, FAICD, FCPA, FIML*

Ms June Roache was appointed as Chair and Board Director of ForestrySA on 1 January 2018 having previously served as a Board Director and Chair of the Audit and Risk Committee.

Ms Roache is an independent non-executive director with extensive business experience having held chief executive roles and several governance roles in South Australia, nationally and internationally. Her experience extends to commercial, regulatory and not-for-profit organisations in the gambling, health and well-being, sports and arts sectors.

Ms Roache is currently Presiding Member and a Board Member of the South Australian Superannuation Board and Presiding Member and a Board Member of the Southern Select Super Corporation.

Ms Roache has a Degree in Accounting from the University of South Australia, a Graduate Certificate in Management from Monash Mt Eliza Business School, and is a Fellow of the Australian Institute of Company Directors, CPA Australia and the Institute of Managers and Leaders.



**GRANT PELTON**  
**DIRECTOR**  
*Board member, Audit and Risk Committee member. BSc (Zoology Botany), GradDip (Ecology Management)*

Mr Grant Pelton was appointed as a Director of ForestrySA on 9 August 2019 and is a member of the Audit and Risk Committee.

Mr Pelton has worked in the Department for Environment and Water (DEW) since January 2004 and has two decades of experience in multiple roles including Fire & Emergency Management, Special Projects, Visitor Services, Asset Management, Compliance, Marine Parks, Crown Lands, Pastoral Land Management Protected Area Policy, and the coordination of DEW's Volunteer Support Programs.

Mr Pelton has been a member of the DEW's Executive and the DEW Agency Security Executive, and represented DEW on the State Emergency Management Committee, the State Bushfire Coordination Committee and the State Recovery Committee. Grant has also chaired the DEW's Work Health and Safety, Diversity & Inclusion and Capital Investment Committees.

Mr Pelton is currently the Director, Strategic Projects in the Office of the Chief Executive and is responsible for delivery of the 77 Election Commitments the State Government has allocated to DEW.

Mr Pelton has a Bachelor of Science, Zoology and Botany, and a Graduate Diploma, Ecology and Management, from the University of Adelaide.





**RIC SINCLAIR**  
**DIRECTOR**

*Board member, Audit and Risk Committee Chair.  
BSc (Forestry), MBA*

Mr Ric Sinclair was appointed as a Director of ForestrySA on 1 January 2023 and is the Chair of the Audit and Risk Committee.

Mr Sinclair worked in forest operations, but soon found his passion in communications, marketing and strategy. For more than 13 years, Mr Sinclair was managing director of Forest and Wood Products Australia Limited, the sector’s R&D and marketing organisation, where he delivered world leading initiatives such as WoodSolutions and The Ultimate Renewable™.

Mr Sinclair was previously director of the Gippsland Centre Against Sexual Assault, Louise Multicultural Centre and the Gottstein Education Trust. He is currently managing director of CarbonAbility Pty Ltd, which provides advice on the development and implementation of carbon offsetting strategies for large corporations.

Mr Sinclair has a Bachelor of Science, Forestry, from the Australian National University and a Master of Business Administration from the University of British Columbia.



**LIZ MCKINNON**  
**DIRECTOR**

*Board member, Audit and Risk Committee member.*

Ms Liz McKinnon was appointed as a Director of ForestrySA on 1 January 2023 and is a member of the Audit and Risk Committee.

Ms McKinnon has held senior management roles in government and the forestry sector and has significant experience in public relations and communications, working as a journalist, editor and media advisor.

Ms McKinnon was the inaugural manager of the Green Triangle Forest Industries Hub, delivering significant research projects to support government policy outcomes, with a focus on strengthening the sector. Prior to this, Ms McKinnon was the Economic Development Manager at Glenelg Shire Council and previously acted as a media advisor to former Victorian Premier Dr Denis Napthine MP in his role as Member for South West Coast.

Ms McKinnon has significant board experience, with former roles as Chair of the Casterton Memorial Hospital and member of Regional Development Australia Limestone Coast.

Ms McKinnon currently operates a consultancy business, EHM Advisory, focused on communications, stakeholder management and strategy for clients in the food and fibre sector.



**HAYLEY NEUMANN**  
**DIRECTOR**

*Board member, Audit and Risk Committee member.  
BCom, CPA*

Ms Hayley Neumann was appointed as a Director of ForestrySA on 1 January 2023 and is a member of the Audit and Risk Committee.

Ms Neumann has worked as an accountant since 2005 and joined Sinclair Wilson in 2017, becoming a Principal in 2022.

Ms Neumann is an active member of the business community, leading the Mount Gambier Chamber of Commerce as President for more than three years.

Ms Neumann is a Certified Practising Accountant (CPA), and has a Bachelor of Commerce from the University of South Australia.

**RESPONSIBILITIES OF THE BOARD**

The South Australian Forestry Corporation Board (Board) is the governing body of ForestrySA and sets our strategic direction and corporate policy. The Board has overall responsibility for the corporate governance, strategic direction and performance of ForestrySA. The Board provides leadership and support to the Chief Executive in the exercise of general management functions, and approves and monitors performance against budgets, key performance indicators and business strategies. The Board is committed to the principles of sound corporate governance, delegating responsibility to the Chief Executive for implementation of the Strategic Plan, day-to-day business management and ensuring all staff continue to work to high ethical standards.

**BUSINESS SUSTAINABILITY**

ForestrySA markets and trades in forest products and forest and land management services consistent with the South Australian Forestry Corporation Charter. The Board is committed to the long-term sustainability of ForestrySA’s business activities, operations, land stewardship and renewable forest resources, for the benefit of South Australia.

Maintaining ForestrySA’s quality, environmental and safety management systems and Responsible Wood® certification in the Mount Lofty Ranges are key priorities of the Board.

**BOARD MEETING ATTENDANCE**

July 2023 – June 2024	Meetings attended	Eligible for attendance
<b>June Roache Board Chair</b>	<b>10</b>	<b>10</b>
<b>Grant Pelton Board Member</b>	<b>9</b>	<b>10</b>
<b>Ric Sinclair Board Member</b>	<b>10</b>	<b>10</b>
<b>Liz McKinnon Board Member</b>	<b>9</b>	<b>10</b>
<b>Hayley Neumann Board Member</b>	<b>9</b>	<b>10</b>

Ten South Australian Forestry Corporation Board Meetings were held during the 2023-24 year.

During the year, no benefit was received by any member of the Board from any interest or involvement in ForestrySA’s operations or activities, apart from approved Board remuneration.



In accordance with the *Public Corporations Act 1993*, all ForestrySA directors are required to disclose full and accurate details of direct or indirect personal or pecuniary interests in any matter under consideration by the Board.

A conflict of interest declaration is called at each Board meeting and any issues are regularly reviewed to ensure full compliance with the Act. In 2023-24, the following declarations were made:

- Grant Pelton, substantive role as Director Strategic Projects, DEW, the Government agency responsible for managing the State's parks and reserves under the *National Parks and Wildlife Act 1972*, and the agency responsible for administering *Crown Lands Management Act 2009*, declared a potential conflict of interest in any decisions to transition lands to these Acts and was removed from considering or approving any decisions to transition lands to these Acts.
- Liz McKinnon declared a potential conflict of interest regarding forestry-related events including water research relating to South Australian matters and would be removed from considering or approving any related decisions.



### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (Committee) has been established to assist the Board in fulfilling its governance and oversight responsibilities in relation to financial planning and reporting, internal and external audit, internal control processes, risk management systems, compliance, fraud control and continuous improvement.

This Committee is maintained by the Board to provide sound corporate governance and to comply with the requirements of the *Public Corporations Act 1993*. The Committee operates under the Terms of Reference approved by the Board.

The Board engaged Bentleys to provide the 2023-24 internal audit program that assists the Committee and management in providing independent advice on ForestrySA's business processes, internal controls and risk management.

In addition, the Committee has the responsibility to review ForestrySA's annual financial statements to ensure that the statements represent a fair and true view of the affairs of ForestrySA, consistent with the requirements of accounting standards and statutory reporting requirements, and to provide the Board with assurance of the reliability of financial information and financial reports.

The Committee also liaises with Audit SA regarding the external audit program and the resolution of matters arising from annual and periodic audits.



### AUDIT AND RISK COMMITTEE MEETING ATTENDANCE

July 2023 – June 2024	Meetings attended	Eligible for attendance
<b>Simon Rodger</b> Chair until 31 December 2023	3	3
<b>Ric Sinclair</b> Member until 31 December 2023 Chair from 1 January – 30 June 2024	5	5
<b>Grant Pelton</b> Member	5	5
<b>Liz McKinnon</b> Member	4	5
<b>Hayley Neumann</b> Member from 1 January 2024	2	2

Five Audit and Risk Committee Meetings were held during the 2023-24 year.

Ric Sinclair was appointed as Chair effective 1 January 2024.

### SOUTH AUSTRALIAN FORESTRY CORPORATION CHARTER

The South Australian Forestry Corporation Charter is prepared by the Minister for Primary Industries and Regional Development and the Treasurer, following consultation with the South Australian Forestry Corporation, and in accordance with Section 12 of the *Public Corporations Act 1993*. The document sets out the government's priorities and requirements for ForestrySA. The Charter is available for download via our website, at: <https://www.forestrysa.com.au/about-us/corporate-overview-strategic-plan-charter/>





## OUR ORGANISATIONAL STRUCTURE

**Minister for Primary Industries  
and Regional Development  
Minister for Forest Industries**  
Hon. Clare Scriven MLC

**South Australian Forestry  
Corporation Board**

**Audit and Risk Committee**

**Chief Executive**  
Tim Ryan  
*B. Econ*

**Chief Finance Officer**  
Michael Hanton  
*Assoc.Dip.Acct, B.Com, MBA, GAICD, FCPA*

**General Manager Commercial  
Operations**  
Peter Merry  
*B.App.SCI (Forestry)*

**General Manager Community Services**  
Monique Blason  
*B.App.SCI (NRM)*

# YEAR IN REVIEW

Chris Handler Photography  
Insta: @chris\_handler\_photography



## AT A GLANCE

### WHAT WE MANAGE

	Standing Commercial Plantations		Natural Features Estate			Proclaimed Forest Reserve (HA)
	SA Water Land (HA)	FSA Land (HA)	Proclaimed Native Forest Reserve (HA)	Natural Features Areas (HA)	Other (HA) (Note 3)	
<b>Mount Lofty Ranges</b> (Note 1)	640	9,292	4,006	2,438	3,828	19,564
<b>Mid North</b> (Note 2)	0	0	0	0	72	72
<b>Green Triangle</b>	0	0	12,059	381	234	12,674
<b>Total</b>	<b>640</b>	<b>9,292</b>	<b>16,065</b>	<b>2,820</b>	<b>4,134</b>	<b>32,310</b>

**Note 1:** 874 hectares managed by ForestrySA as commercial forestry which is located upon SA Water land, of which 640 hectares is standing commercial plantation, this area is not included in the proclaimed forest reserve total.  
MLR commercial plantation includes

**Note 2:** 72 hectares under two long-term, Crown leases at Leighton and Whyte Yarcowie. The remainder of the Mid North land ceased to be a forest reserve on 2 May 2024 by proclamation of the Governor.  
Mid North Proclaimed Forest Reserve includes

**Note 3:** Includes all Proclaimed Forest Reserve that is not Standing Commercial Plantation or Natural Features Estate (For example, figure includes depots, fire breaks and clearfell plantation sites).

ADELAIDE ●

**MOUNT LOFTY RANGES**

### MOUNT LOFTY RANGES

**10,888HA**

Available *Pinus radiata* plantation area, including standing commercial plantations and current clearfell sites



**4,006HA**

Proclaimed Native Forest Reserve



**2,438HA**

Natural Features



**3,828HA**

Other Land

### GREEN TRIANGLE



**12,059HA**

Proclaimed Native Forest Reserve



**381HA**

Natural Features



**234HA**

Other Land

**GREEN TRIANGLE**



Jenkins Scrub, Native Forest Reserve, Mount Crawford

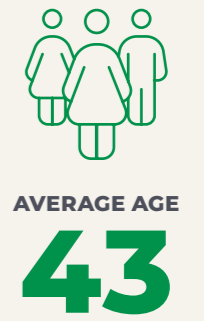


## PERFORMANCE TARGETS

	2023-24 Target	2023-24 Outcome
Forest Assets Revaluation Increment	\$1.0M	-\$6.476M
Notifiable incidents – EPA	0	0
Notifiable incidents – WHS	0	0
Lost Time Injuries (ForestrySA staff)	0	0
Maintain Responsible Wood certification for the MLR forest estate	Yes	Yes
Area of Gazetted Native Forest Reserve covered by a Management Plan	100%	100%
Community fire protection – callout response rate in Brigade zones	100%	100%



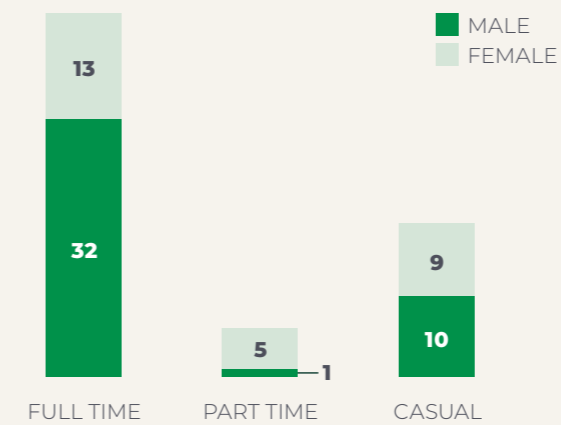
## EMPLOYEE DEMOGRAPHICS



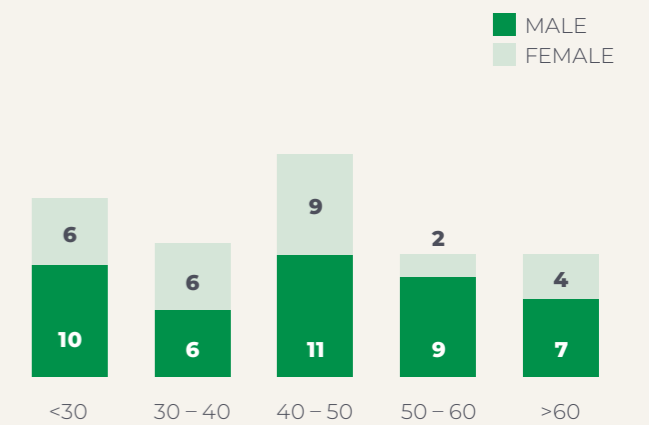
### GENDER SPLIT



### EMPLOYMENT TYPE GENDER SPLIT



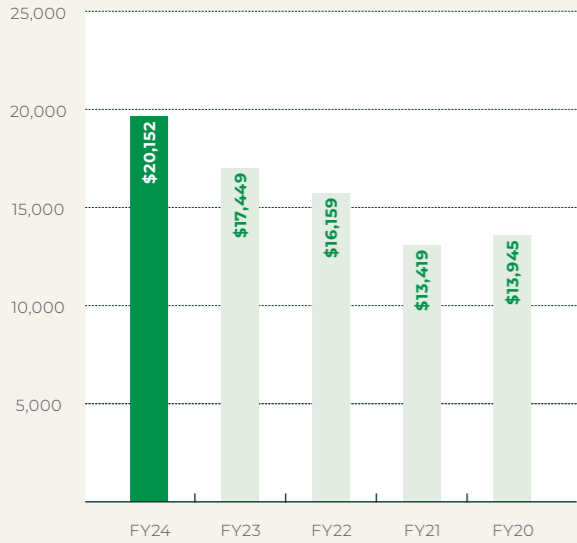
### AGE DISTRIBUTION



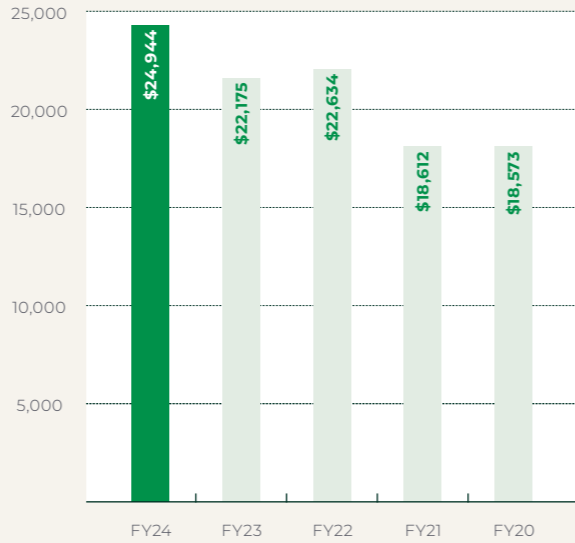


# FINANCIAL HIGHLIGHTS

COMMERCIAL REVENUE (\$000s)



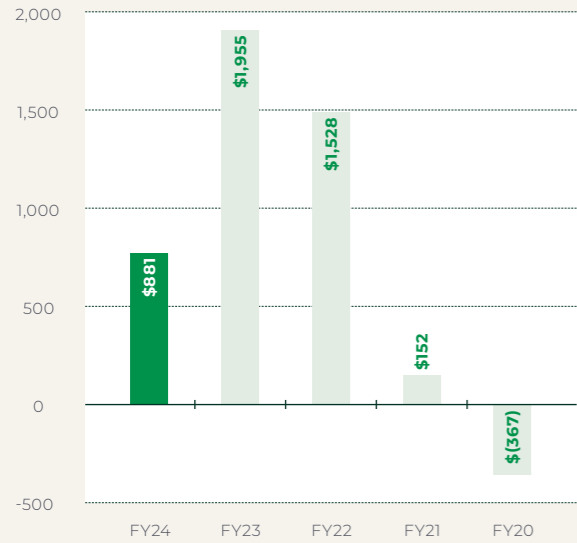
TOTAL REVENUE (\$000s)



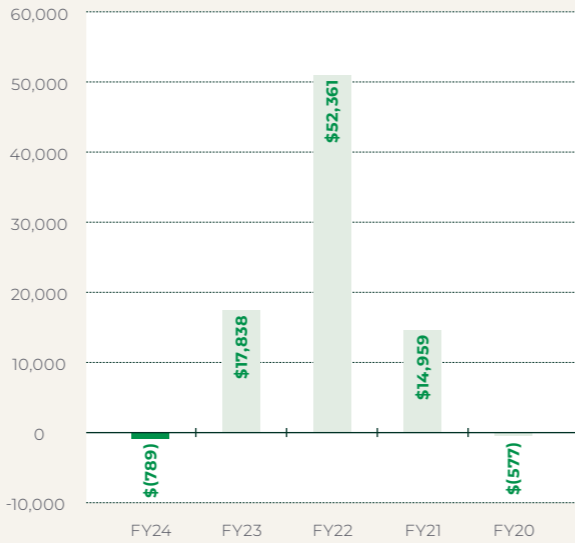
KEY FINANCIAL DATA (\$000s)

	FY24	FY23	FY22	FY21	FY20
<b>Revenue</b>	24,944	22,175	22,634	18,612	18,573
<b>Comprehensive Result</b>	(789)	17,838	52,361	14,959	(577)
<b>Capital Spending</b>	2,278	911	1,295	649	188
<b>Biological Assets</b>	117,143	123,619	108,536	56,512	54,748

COMMERCIAL OPERATING PROFIT (\$000s)



COMPREHENSIVE RESULT (\$000s)







# COMMERCIAL FORESTRY



**697,000**

*Pinus radiata* seedlings reestablished **OVER 498 HECTARES**



**86%**

**SEEDLING SURVIVAL RATE**  
(Mt Crawford 87%, Kuitpo 89% & Second Valley 82%)



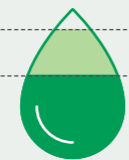
**282HA**

**PINUS RADIATA PLANTATIONS FERTILISED**



**155,000 M<sup>3</sup>**

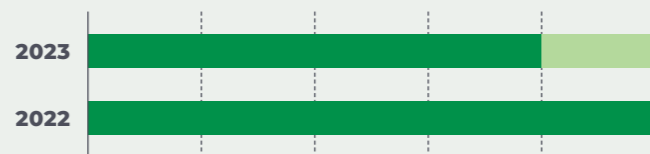
of log sold, through **260HA** of clearfell and **483HA** of plantation thinning



Rainfall was recorded at  
**15 – 45%**  
below average throughout  
**2023-2024**



**15**  
post-harvest residue burns in  
**EARLY WINTER 2024**



**20%**

**REDUCTION** in residue burn from **2022-2023**

## PLANTATION MANAGEMENT

ForestrySA manages 10,888 hectares of commercial *Pinus radiata* plantings across the Mount Lofty Ranges in three management zones; Mount Crawford, Kuitpo and Second Valley forest reserves. The commercial plantation management regime focused on optimising production of premium structural grade saw log, which was supplied to eight South Australian-based customers during 2023-24.

An ongoing focus on reducing fallow area and clearfell of underperforming mature plantations continued, with work established to set up a more sustainable long-term position in the next few years.

No plantation loss to fire occurred during the 2023-24 period, consistent with what proved to be a protracted mild, yet dry, fire season. The equivalent of 108ha of 2-3 year old plantation areas required localised remedial work following storm events.

General forest health has been affected by below average rainfall conditions in spring 2023 and autumn 2024. Plantation tree mortality level and general health regression has been prevalent irrespective of lifecycle status, particularly at Mt Crawford and Kuitpo forest reserves. Later than expected rainfall through December 2023 and January 2024 disrupted plantation management operations and a dry autumn affected the plantation establishment program.

ForestrySA's integrated weed control works program experienced some disruption in early summer to late autumn due to the prevailing seasonal conditions. No significant chemical trespass events occurred during the 2023-24 period. Ongoing priority works occurred on forest and SA Water reserves targeting woody weeds species including Cape broom, gorse, boneseed, blackberry and pine wildings.

Plantation growth plot monitoring results verify that growth performance is trending from average to above average in newly established plantations. This verifies new plantation productivity, on a comparative basis, is consistent or an improvement on the previous plantation productivity.

Some poorer results are associated with sub-optimal establishment linked to a combination of weed control, cultivation constraints and inherent poorer site conditions.

Refilling of understocked plantations has occurred in low lying areas, shallow sites checked by rainfall, and areas where either localised weed control or suspected increased kangaroo grazing pressure has introduced mortality.

A modest fertilisation program treating young age plantings (93HA) and post second thinning plantations (189HA) was completed in spring 2023. This followed the delayed spring 2022 program that was implemented in autumn 2023.

No concerning new trends have been identified during the past 12-month cycle managing Sirex Wood Wasp (*Sirex noctillo*).

Giant Pine Scale (*Marchalina hellenica*) has become a pest of concern for the plantation pine industry nationally. ForestrySA has and will continue to actively collaborate with stakeholders to manage the risks of this exotic pest in South Australia. To date, Giant Pine Scale has been surveyed and controlled in urban pine forests located in the Adelaide metropolitan area, principally in two north-east suburbs. Ongoing surveillance is critical to successfully manage this pest.

Contractor labour shortage pressures again provided a degree of disruption across all plantation management programs, however, was most pronounced in harvesting and log haulage operations. This negatively impacted plantation thinning operations and harvesting activity more broadly.

Plantation management input costs continued to increase during the 2023-24 period fueled by high inflationary pressures offset by reduced activity in the areas of thinning harvesting, shorter log haulage distances, weed control and delayed commencement of the 2024 planting program.





### PLANNING AND PRODUCTION

ForestrySA continues to transition our plantation yield modelling system across to an industry standard feature inventory-based approach capable of predicting volume per log grade. Features inventory supports 58% by planted area of the estate. Generic yield tables have been introduced in 2023-24 for plantations aged less than 10 years to expedite the transition process, leaving mostly mature plantations older than 50 years supported by bespoke RADGAYM (Radiata Growth and Yield Modeling) yield tables.

Wood flow scheduling has been challenged by constraints in harvesting and log transport capacity, customer log order instability, and specific customer requests based on their need to react to the softening timber market.

During the past 12 months, thinning harvest activity decreased and clearfell activity increased to unsustainable levels, partially caused by retiring legacy plantations as part of the non-conventional harvesting program.

Clearfell activity continues to be scheduled across the three forest reserves to break up the long-term age class distribution of the forest estate, correcting the imbalance introduced by the 1983 Ash Wednesday fires and further compounded by the 2015 Sampson Flat fire.

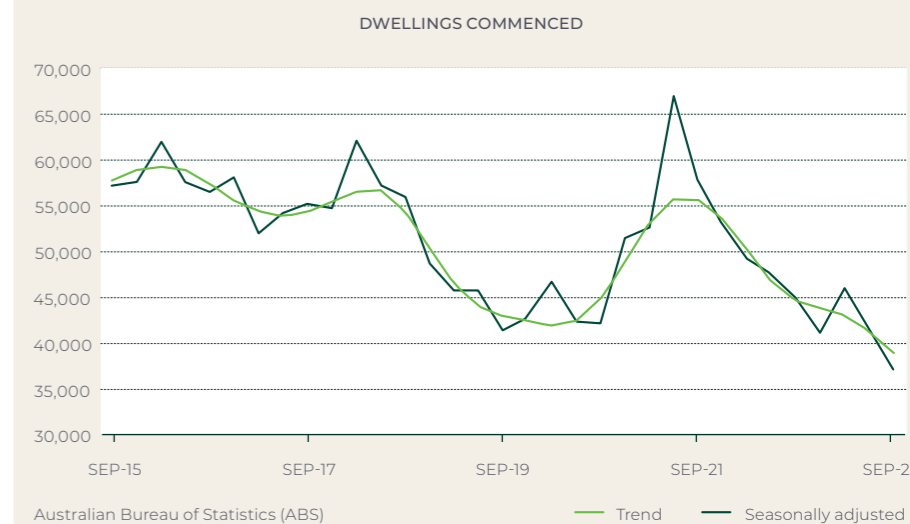
Ongoing continuous improvement is being directed towards the use of APT files (ie. cutting instruction files loaded into tree harvester computers) and reconciliation of harvester data, and working with contractors and customers to get the most out of every tree for mutual benefit and in response to limitation in the estate size and age profile.

### MARKET AND SALES OUTLOOK

Nationally, dwelling commencements have fallen to a 10-year low. South Australia's housing industry activity level has remained above the national average for much of the past 12 months but has also softened. Warehouse timber inventory is at very high levels nationally and will delay recovery when the dwelling commencement trend turns around.

Premium structural saw log sales reduced from November 2023 and orders have remained subdued, contracting -7% from 2022-23 volumes. Market feedback is indicating sales are forecast to remain slow through to early 2026, in line with housing industry activity.

#### BUILDING ACTIVITY AUSTRALIA – SEPTEMBER 2015 TO 2023



Industrial log sales increased

**+15%**

and pulpwood increased by

**+120%**

from 2022-23 volumes.

Sales activity for industrial grade log was higher than 2022-23, with customers seeking supply of lower grade log in response to the softness in the market. The KSI Sawmills Pty Ltd development at Monarto remains behind schedule, now forecast to be commissioned in 2025. The new sawmill will assist ForestrySA in future-proofing industrial grade log sales and will elevate domestic processing activity from 2026 onwards.

Mixed species stumpage log sales remained slow. This has been influenced by the diversion of harvesting capacity to assist ForestrySA's delivered log sales program with local processors.

There is optimism surrounding ForestrySA developing sustainable market opportunities for forest residue materials, and we continue to work with potential partners.



## TOTAL LOG SALES

Product	Domestic log sales		
	2023-24 (m3)	2022-23 (m3)	2021-22 (m3)
Saw log	87,899	94,471	101,399
Industrial	47,405	41,362	36,009
Total log	135,304	135,833	137,408
Pulpwood	17,952	3,710	19,427
Preservation	-	4,449	5,682
Total pulp	17,952	8,159	25,109
Other log <sup>1</sup>	1,483	1,869	53,741
<b>TOTAL</b>	<b>154,739</b>	<b>145,861</b>	<b>216,258</b>

<sup>1</sup>Includes mixed species and salvage grade log



Overall log sales grew in volume by

**+6%**

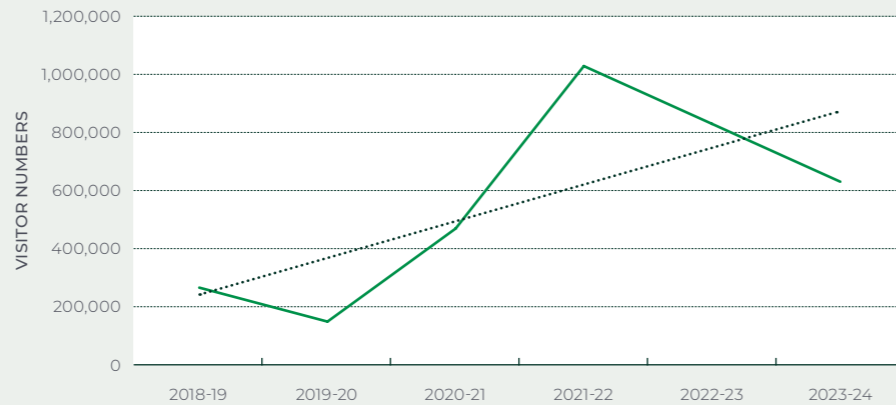
from 2022-23, aligned to the sustainable annual cut level of the estate.





# ENVIRONMENTAL, SOCIAL, GOVERNANCE

## FOREST VISITATION



**630,000**

visitations to forests



**52,548**

climbers at TREECLIMB KUITPO



**491**

community events engaging **10,099 PEOPLE**



**4,617**

students attending **74 CAMPS**



**8,843**

permits for camping, horse riding, fossicking and adventure caving



**3,970**

volunteer hours delivered under the community engagement program



**9,980** visitor enquiries

## COMMUNITY FORESTRY

Community use of forest reserves remained high during 2023-24, with progress made in community engagement, partnerships and programs such as Aboriginal cultural projects and Friends of the Forests.

Projects to understand, protect and restore culturally significant Aboriginal sites and heritage were undertaken in partnership with local Elders, Aboriginal community and schools. There was a focus on developing a practical forest access policy for communities engaging in cultural practices on Country.

During this period, cultural activities included shield, yuki (canoe) and coolamon cutting events with Kurna and Ngarrindjeri community, a gathering of Peramangk women at important cultural sites at Mount Crawford Forest and a Walk on Country and cultural site assessment with a Peramangk leader.

ForestrySA also coordinated a Cultural Burning workshop and hosted a Kurna Indigenous Plant workshop during the 2023 Nature Festival, facilitated heritage site visits and learning for schools with the Burrendies Aboriginal Corporation and hosted an artist as part of the Aboriginal Art project. The new Purrrumpa Trail in Mount Gawler Native Forest Reserve was named in consultation with Kurna people as part of National Reconciliation Week 2024.

As part of National Volunteer Week 2024, ForestrySA commended the Torrens Valley Community Centre, Aldinga Community Centre, Human Projectiles MTB Club Inc., and conservation volunteers, Clive and Claire Chesson, who have worked in our forests for more than 30 years and average 100 volunteer hours per month.

ForestrySA campground and accommodation facilities continued to be popular, with the booking system opened 12 months in advance. Upgrades were made to Chookarloo Campground, Old School House and Thomas Hill House, and new horse yards erected at Ponderosa, made with timber harvested from Mount Crawford Forest.

Projects to support and enhance visitor management included multiple trail re-routes and closures due to forest operations, work to reinstate the arboretum walk at Bennetts plantation, interchangeable sign designs for campgrounds, new signage for Lake Edward, revegetation and new picnic facilities. Along with a ranger stationed fortnightly at the Fleurieu Visitor Information Centre, the first ever visitor brochure for Second Valley Forest was developed.

Grant funded projects during 2023-24 were primarily focused on Fox Creek Bike Park. The Human Projectile MTB Club Inc., in partnership with ForestrySA, received a grant from the Office for Recreation, Sport and Racing for two new adaptive mountain bike trails, which facilitate three and four wheeled bikes; and grants from Bendigo Bank and the Adelaide Hills Council, combined with commercial sponsorship and volunteer hours, to enable safety and amenity upgrades at the Trail Hub.

Some significant events and activities during 2023-24 included hosting the South Australian Ranger Association (SARA) Annual Migration at Second Valley Forest, which included field trips and presentations by ForestrySA staff to highlight forest management, and the launch of the Accessible Outdoors Program at Chookarloo campground in collaboration with Bedford Group, DEW and SA Water, with activities such as fossicking, koala food collection, campfire fun and a wildflower walk.

ForestrySA continued to engage with the broader community through attending local fairs and events such as the WalkFest, Adelaide Hills Council 'Discover, Play, Bikeway!', Lobethal Christmas Pageant, Meadows Country Fair, Yankalilla 'Ag Fest', and through web page updates and social media posts.

Our forest reserves once again provided an important location for school outdoor education camps, and for emergency services, police and military training.



## FIRE MANAGEMENT

In the past year, ForestrySA has continued to work closely with the South Australian Country Fire Service (CFS), DEW, SA Water and local government to keep communities safe and protect plantation and native forest assets in and around the public forest reserve network in both the Mount Lofty Ranges and Green Triangle regions.

From the onset, it was predicted that the 2023-24 fire season would present hot and dry conditions with an elevated fire risk due to the presence of an El Niño event. The CFS-declared Fire Danger Season in the Mount Lofty Ranges was brought forward, however late spring rainfall was received. The persistence of relatively mild weather cycles helped to deliver a third consecutive relatively quiet fire season for the region. ForestrySA responded to 28 incidents in the Mount Lofty Ranges during the season, of which three incidents had elevated potential to impact ForestrySA's plantation interests. Bushfire exposure to ForestrySA's interests in the Mount Lofty Ranges and Green Triangle proved most pronounced late in the fire season.

The persistence of dry conditions late in autumn 2024 disrupted prescribed burning program plans in the Mount Lofty Ranges, with one burn delivered.

In addition to fire prevention, preparedness and bushfire response, specific achievements during the 2023-24 fire season included:

- Assistance with Bundaleer fireground assessment.
- Completion of the refurbishment project for four Fire King fire trucks.
- Attendance of Fire King at Meadows Country Fair and Yankalilla 'Ag Fest'.
- Facilitating a Cultural Burning workshop as part of Nature Festival 2023.
- ForestrySA representation at the State Bushfire Coordination Committee (SBCC), Bushfire Management Committee (BMC) and CFS group meetings.
- CFS assistance in international deployments to Canada and the US.

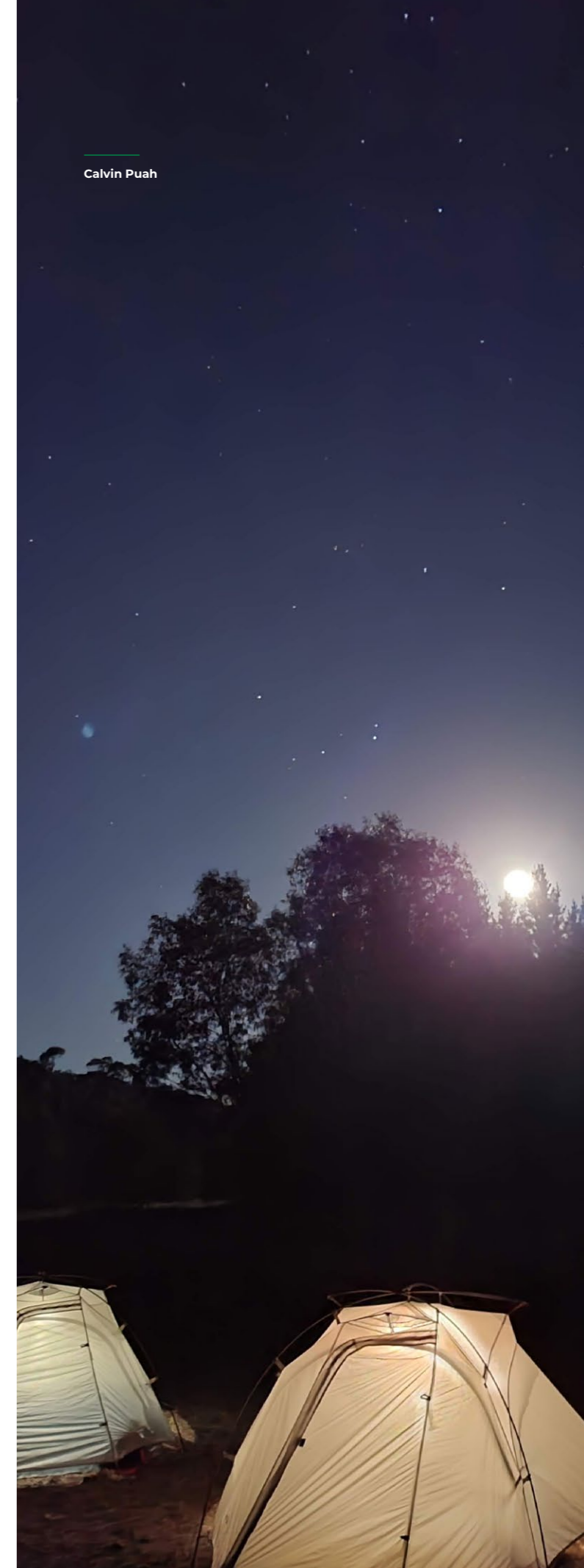
## FOREST RESEARCH

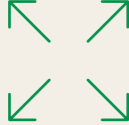
ForestrySA contributes to the advancement of the national forestry industry and local priority research projects through a combination of in-kind and financial sponsorship.

Projects supported during 2023-24 include:

- Participation in industry research programs coordinated by Forest and Wood Products Australia Limited.
- University of South Australia drone-based Lidar and ground validation project.
- International Tree Root Microbiome Program, sampling the full extent of *Pinus radiata* throughout Australia, and internationally, focusing on understanding the intricate relationship between tree-root microbiomes and tree health in a changing environment.
- Ongoing sponsorship of multiple genetic gain trials at Mount Crawford Forest to identify progeny best suited to drier areas, in partnership with Tree Breeding Australia.
- Giant Pine Scale – South Australian-based stakeholder working group advancing approaches to Giant Pine Scale operational management in Australia.


Calvin Puah



  
**1,609<sub>HA</sub>**  
firebreaks treated

  
**28**  
fire incidents attended

  
**29<sub>KM</sub>**  
of fire break pruning completed

  
**100%**  
attendance rate to fires in primary dispatch zones

  
**2**  
prescribed burns in native forest reserves

  
**8**  
prescribed burning events, assisting DEW



## CONSERVATION AND BIODIVERSITY

ForestrySA continued to be actively involved in threatened flora and fauna species conservation and biodiversity monitoring partnerships and recovery projects locally and across the landscape, focusing on threatened flora, orchids, Fleurieu Swamps, threatened woodland and shrubland birds, bandicoots, swamp wallaby, Ear Wormed Lizard, bats and Red-tailed Black Cockatoos.

In the Mount Lofty Ranges and Green Triangle, weed control prioritised areas of early infestations and emerging weeds, as well as high conservation value and plantation areas adjacent to remnant vegetation.

 **18,858<sub>HA</sub>**  
managed for conservation and biodiversity,  
including **16,617<sub>HA</sub>** of native forest reserves

During 2023-24, surveys of native vegetation in native forest reserves were ongoing, contributing to management planning across the Mount Lofty Ranges, combined with reviewing existing plans, historical scientific data, Responsible Wood accreditation and Program for Endorsement of Forest Certification requirements.

Volunteers continued to play an important role in community forestry efforts across the Mount Lofty Ranges and Green Triangle, working on projects such as the koala food program, weeding to protect threatened orchids, wild pine removal, planting native species, participating in fauna surveys, trail maintenance and assisting with feral animal control, which have all contributed outcomes to specific and landscape-scale biodiversity conservation and recreation programs.

Collaborative land management projects with South Australian Government agencies have continued to deliver landscape-level outcomes in relation to vertebrate pest control, bushfire prevention, illegal firewood collection and managing illegal access and use of public land.

## NATURE-BASED TOURISM DEVELOPMENT

Key tourist attraction TreeClimb Kuitpo Forest completed its first full year of operation during 2023-24, with 52,548 climbers plus additional observers. This period saw the opening of the long-awaited inclusive nets experience and additional offerings, such as party packages.

Nestled amongst the iconic *Pinus radiata* of Kuitpo Forest Reserve, unique accommodation provider CABN Life, hosted 912 clients in three cabins over the 12 months.

During 2023-24, in response to changing site conditions and forest operations, ForestrySA called for expressions of interest to identify alternative ways to deliver ghost mushroom experiences. As a result, Ghost Mushroom Lane transitioned to Ghost Mushroom Tours, which will ensure visitors get a holistic experience and creates new employment opportunities for local tour operators.

Smaller enterprises including Barossa Wellness, Wilderness Escape, EscapeGoat Adventures, The Fox Run, Dead Sailor's Society, Knarly MTB, Specialized Retail Australia, provided localised eco-tourism services such as yoga and wellbeing walks, outdoor education services, mountain bike tours, bike hire, shuttle services, Fox Creek Bike Park merchandise and E-bike demos and hire.

Fox Creek Bike Park continues to develop and evolve, enhancing multi-use forestry with flow on effects of a bike economy for the local community. A draft 3-year priority plan and a draft trail management plan were developed during 2023-24, and work commenced on developing a governance strategy to determine the future management of the Bike Park.

 **1,525<sub>HA</sub>**  
invasive weed control

## SUPPORTING OUR COMMUNITIES

ForestrySA maintains an annual sponsorship program, supporting projects, programs and events in alignment with promoting plantation forestry, recreation, conservation and sustainable forest management values and practices.

Through targeted sponsorships, we support organisations and events that enhance ForestrySA's brand awareness and increase community engagement, education and recreational participation within forest reserves, delivering positive environmental, economic and social outcomes for the people of South Australia.

### Highlights

- A two-day Kurna shield making exchange in Kuitpo Forest in collaboration with a collaborative project between Art Gallery of NSW, Djamu Youth Justice, Kurna Community Shield Project, James Tylor and Wesley Shaw.
- Sponsorship of logs and decorative trees for the Milang Horse Trials and the Adelaide Equestrian Festival.
- Industry sponsorships for the Forestry Australia Conference, South Australian Rangers Association Migration and the South Australian Biochar Forum and Roadmap.
- Festival and community event partnerships with the Meadows Country Fair, ROAR Barossa, Nature Play SA and RADL GRVL (Tour Down Under).
- Support of the History Trust of South Australia's Yuki Storytelling Vessel Project in collaboration with Uncle Moogy Sumner and the Maritime Museum.

## SUSTAINABLE FOREST CERTIFICATION

ForestrySA is strongly committed to the economic, environmental and social aspects of sustainable forest production. Our Forest Management System is certified by Responsible Wood's Australian Standard for Sustainable Forest Management (AS 4708:2013), which requires compliance with internationally accepted criteria. This ensures protection of Indigenous, heritage, social and environmental values during commercial harvest, plantation establishment and maintenance operations.

More information about our certification and policy for Sustainable Forest Management is available via our website, at [www.forestrysa.com.au/forest-management](http://www.forestrysa.com.au/forest-management).

 **\$42,801**  
of sponsorship delivered to  
**17 COMMUNITY PROGRAMS**





## RECONCILIATION ACTION PLAN

ForestrySA's vision for reconciliation is to be an organisation that has deep and meaningful relationships with Aboriginal and Torres Strait Islander stakeholders and importantly, each of the different Traditional Custodians of the lands that we manage and care for.

We want to be an organisation that uplifts Aboriginal and Torres Strait Islander members of our community, and which proudly plays our part in the journey of all of Australia to reconcile with the inequality and inequity of our past and present. We intend to work towards this goal with awareness and education, by fostering relationships and by increasing meaningful employment opportunities.

In 2022, ForestrySA implemented a Reflect Reconciliation Action Plan (RAP), which was successfully completed in 2023-24. Our Reflect RAP was endorsed by our Board, driven by a RAP Working Group, with all areas of the organisation responsible for implementing RAP initiatives.

## Reconciliation achievements

- Building a culturally aware workforce, 42% of our people trained in cultural awareness during face-to-face training.
- All new staff are encouraged to read and understand our Reconciliation Action Plan upon commencing employment with us.
- New and meaningful relationships built with Ngarrindjeri, Kurna and Peramangk community leaders.
- Guidelines and documents developed to guide and support our staff in best practice principles when working with Aboriginal people, cultural protocols and enabling forest access for cultural activities.
- Nature Festival 2023 events, hosting of Kurna Artist James Tylor in residence at Thomas Hill House, Nature Play SA Walk on Country with Kurna Elder Uncle Tamaru, and coordination of an interagency Cultural Burning workshop.
- Welcome to Country and launch of Accessible Outdoors Program in Kuitpo Forest.
- Support of the History Trust of South Australia's Yuki Storytelling Vessel Project in collaboration with Uncle Moogy Sumner and the Maritime Museum.
- Active involvement in the Ruwe (land) and Kiki (fire) Management Project and Kurna Firesticks Alliance activities.
- Walk on Country and cultural assessment in Mount Crawford Forest with Peramangk leaders.
- Meetings, training, events and strategic documents show respect and understanding by incorporating an Acknowledgement of Country.
- Sharing our commitment to reconciliation with the community through our website, community events and social media platforms.



ForestrySA Staff with Uncle Michael Kumatpa Marrutya O'Brien



## SUPPLEMENTARY REPORTING ITEMS

CABN  
Kuitpo Forest



## WORK HEALTH SAFETY AND RETURN TO WORK PROGRAMS

ForestrySA is committed to providing a safe and healthy working environment for all staff, contractors, customers, volunteers, community members and other visitors.

We endeavour to optimise the culture and climate of the organisation through continuous improvement and provide skilled personnel with the necessary competency to deliver our services safely and to high professional standards.

While management has a duty to provide and maintain a safe and healthy work environment, the responsibility and commitment to health and safety in the workplace is to be shared by all employees. In the past 12 months, ForestrySA's performance is reflective of the programs and systems that have been implemented.

The ForestrySA Management Team actively demonstrates its dedication to a safe work environment by monitoring, reviewing, challenging and reporting on safety including regular communication with key stakeholders. An active incident management system is supported and monitored by the Management Team, with incidents and reports regularly reviewed by the ForestrySA Board.

Program name	Performance
<b>ForestrySA Contractor Management System</b> The Contractor Management System has seen significant enhancements through the integration of the Rapid Global online management platform. This upgrade enables team members to efficiently oversee contractor activities, obtain compliance details and utilise a robust instrument for conducting quality and safety evaluations during field operations.	Contractors operating on ForestrySA land are achieving a higher compliance rate. Rapid Global serves as a tool for enabling the analysis of statistical data and pinpointing strategic planning areas. Its auditing feature offers robust inspection capabilities for quality, safety and environmental compliance, which are now integral to routine work procedures.
<b>ForestrySA log haulage requirements update</b> All log haulage trucks functioning within ForestrySA locations must adhere to the log haulage requirements. These requirements detail the essential criteria that must be met for operation.	Every truck engaged in log haulage operations is equipped with the necessary safety enhancements for log transportation. The adherence to safety protocols is consistently monitored through the Rapid Global online inspection platform and system auditing.
<b>ForestrySA employee wellbeing</b> ForestrySA recognises that staff members who frequently interact with the community are at an elevated risk. To mitigate this, the organisation has implemented proactive measures. The Employee Assistance Program (EAP) provider has been commissioned to perform wellbeing assessments for our staff.	The purpose of wellbeing assessments is to mitigate stress and proactively address emotional issues within the workforce, thereby ensuring timely attention to mental health. Training to handle operational conflicts has been implemented, along with a range of other health initiatives, including skin cancer screenings and influenza vaccinations.

Program name	Performance
<b>Work Health Safety Committee</b> The committee acts as a conduit between staff and management, providing a forum for safety issue discussion. The committee assists in the development and monitoring of Forestry SA's safety management system.	The committee continues to meet and address any concerns raised by employees. The committee is integral in implementing new safety initiatives to enhance the safety management system.
<b>ForestrySA Diversity and Inclusion Plan 2020-2023</b> The Diversity and Inclusion Plan 2020-2023 has been implemented and actioned to support and promote a diverse workforce with an inclusive culture.	Actions have been allocated to general and priority focus areas, with a continuous review of recruitment processes to ensure diversity and inclusion outcomes are encouraged.

## WORKPLACE INJURY CLAIMS

Workplace injury claims	2023-24	2022-23
<b>Total new workplace injury claims<sup>1</sup></b>	2	2
<b>Fatalities</b>	0	0
<b>Seriously Injured Workers<sup>2</sup></b>	1	1
<b>Serious injuries</b> <i>Where lost time exceeds a working week, expressed as per worker</i>	0	0

<sup>1</sup> Includes all new claims, regardless of acceptance, deferment or withdrawal.

<sup>2</sup> Number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the *Return to Work Act 2014* (Part 2 Division 5). Assessments from current period may include historic claims.

## WORK HEALTH AND SAFETY REGULATIONS

Work health and safety regulations	2023-24	2022-23	% Change
<b>Number of notifiable incidents</b> <i>WHS Act 2012, Part 3</i>	0	0	0
<b>Number of provisional improvement, improvement and prohibition notices</b> <i>WHS Act 2012, Sections 90, 191 and 195</i>	0	0	0



## RETURN TO WORK COSTS

Return to work costs <sup>1</sup>	2023-24	2022-23
<b>Income support payments – gross (\$)</b>	42,563	50,791
<b>Total gross workers compensation expenditure (\$)</b>	67,431	65,587

<sup>1</sup> Before third party recovery and based on SIMS system data at 30 June 2024.

## EMPLOYMENT OPPORTUNITIES

Twelve (12) new employees were recruited during the 2023-24 period including a new Chief Executive, eight (8) seasonal operational personnel, two (2) commercial operations roles and one (1) community services role.

During the period, two (2) new positions were created in the commercial operations section.

## PERFORMANCE MANAGEMENT AND DEVELOPMENT

Performance management and development system	Performance
<b>Bi-annual staff performance reviews</b>	A total of 40 staff (100%) completed reviews during 2023-24

## EXECUTIVE APPOINTMENT

Executive classification	Number
<b>Exec A</b>	3
<b>Exec B</b>	1

## CONSULTANCIES

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

	2024 No.	2023 No.	2024 \$'000	2023 \$'000
<b>Below \$10,000</b>	1	0	14	0
<b>\$10,000 or above</b>	5	4	16	16
<b>Total consultants</b>	<b>6</b>	<b>4</b>	<b>30</b>	<b>16</b>

## PUBLIC INTEREST DISCLOSURE

On no occasion during 2023-24 was public interest information disclosed to the ForestrySA responsible officer under the *Public Interest Disclosure Act 2018*.

## FRAUD

ForestrySA has zero tolerance to fraud and corruption and has implemented a number of strategies and controls to prevent fraud.

### Strategies and controls to prevent fraud

#### Financial controls

- Financial Management Compliance Program that addresses compliance of ForestrySA's controls for income, expenditure, assets and liabilities, and budgeting and reporting
- Investigation of all allegations of fraud
- Annual attestation overseen by the Chief Executive and Management Team in relation to adherence to the ForestrySA Compliance Register

#### Communications

- Adoption of the South Australia Public Sector Fraud and Corruption Control Policy
- Adoption of the Code of Ethics for the South Australian Public Sector
- Regular communication and encouragement for staff to report and act on any suspected fraud or corruption concerns
- Annual declarations (covering fraud, corruption and conflicts of interest) signed by all relevant staff
- Related party transaction declarations signed annually by key management personnel, including Board members
- Declarations by Management Team members at monthly meetings on whether any members have fraud concerns or suspicions

#### Audit and Risk Committee

- Assessment of the likelihood of fraud risk conducted at least quarterly
- Fraud and Corruption Report reviewed quarterly
- Review and evaluation of the effectiveness of internal controls, conducted annually
- Review of financial management governance and corporate policy documents conducted annually. ForestrySA responds to external (Auditor-General) audit process requests and subsequent report findings

#### Risk

- Maintenance of a Corporate Risk Register, reviewed regularly and reported to the Audit and Risk Committee at least quarterly
- Implementation of an ongoing risk treatment program
- Ongoing internal audit program, including periodic examination of the risks of fraud

During 2023-24 there were no suspected, alleged or actual instances of fraud to report.



**APPENDIX A:**  
AUDITED FINANCIAL  
STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
ABN 53 327 061 410  
enquiries@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Chair of the Board South Australian Forestry Corporation

### Opinion

I have audited the financial report of the South Australian Forestry Corporation (the Corporation) 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 Corporation 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.

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 Chair, Acting Chief Executive and the Acting Chief Finance Officer.

### 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 Corporation. 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 Acting Chief Executive and members of the Board for the financial report**

The Acting 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* and Australian Accounting Standards, 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 Acting Chief Executive is responsible for assessing the entity's ability to continue as a going concern. The Acting 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 members of the Board are 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 32(4) of the *Public Corporations Act 1993*, I have audited the financial report of the Corporation 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 Corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive
- conclude on the appropriateness of the Acting 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 Acting Chief Executive and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

30 September 2024



**South Australian Forestry Corporation**

**Financial Statements**

**for the year ended**

**30 June 2024**



**South Australian Forestry Corporation**

**Certification of the 2023-24 Financial Statements**

We certify that the:

- financial statements of the South Australian Forestry Corporation (ForestrySA):
  - are in accordance with the accounts and records of ForestrySA;
  - comply with the relevant Treasurer's Instructions;
  - comply with relevant Australian accounting standards; and
  - present a true and fair view of the financial position of ForestrySA at the end of the financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by ForestrySA for the financial year over its financial reporting and its preparation of financial statements have been effective.



Michael Hanton

**ACTING CHIEF EXECUTIVE**

**SOUTH AUSTRALIAN FORESTRY CORPORATION**



Sarah Warland

**ACTING CHIEF FINANCE OFFICER**

**SOUTH AUSTRALIAN FORESTRY CORPORATION**



June Roache

**CHAIR**

**SOUTH AUSTRALIAN FORESTRY CORPORATION**

Date            September 2024



# South Australian Forestry Corporation

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For the year ended 30 June 2024

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## Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Income</b>			
Sales - timber products	2.1	17,202	15,936
Revenues from SA Government	2.2	5,664	4,469
Interest	2.3	878	611
Other income	2.5	1,200	1,159
<b>Total income</b>		<b>24,944</b>	<b>22,175</b>
<b>Expenses</b>			
Employee related expenses	3.3	5,628	4,956
Contractors	4.1	11,076	9,835
Materials		446	523
Equipment and vehicle costs		512	883
Council rates		289	302
Depreciation and amortisation	4.3	1,169	990
Borrowing costs	4.4	7	8
Net loss from the disposal of property, plant and equipment	2.4	2,258	76
Community projects	4.6	860	2,346
Other expenses	4.5	2,677	2,646
<b>Total expenses</b>		<b>24,922</b>	<b>22,565</b>
<b>Trading profit/(loss) before revaluation of non-current assets</b>		<b>22</b>	<b>(390)</b>
Net change in value of forest assets	5.5	(6,476)	15,083
Net revaluation increment of other non-current assets	5.2	335	-
<b>Profit/(loss) before income tax equivalent</b>		<b>(6,119)</b>	<b>14,693</b>
Income tax equivalent expense		-	-
<b>Profit/(loss) after income tax equivalent</b>		<b>(6,119)</b>	<b>14,693</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Changes in land revaluation surplus	5.2	2,748	3,145
Changes in property, plant and equipment asset revaluation surplus	5.2	2,582	-
<b>Items that will be reclassified subsequently to net result when specific conditions are met</b>			
Gains or losses recognised directly in equity		-	-
<b>Total other comprehensive income</b>		<b>5,330</b>	<b>3,145</b>
<b>Total comprehensive result</b>		<b>(789)</b>	<b>17,838</b>

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



## Statement of Financial Position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	24,387	19,258
Receivables	6.2	2,565	2,264
Inventories	5.6	202	63
Forest assets	5.5	9,977	11,574
Assets classified as held for sale	5.7	-	2,299
<b>Total current assets</b>		<b>37,131</b>	<b>35,458</b>
<b>Non-current assets</b>			
Receivables	6.2	-	-
Forest assets	5.5	107,165	112,045
Property, plant and equipment	5.1	56,116	49,385
Intangible assets	5.4	-	4
<b>Total non-current assets</b>		<b>163,282</b>	<b>161,434</b>
<b>Total assets</b>		<b>200,412</b>	<b>196,892</b>
<b>Current liabilities</b>			
Payables	7.1	3,534	963
Financial liabilities	7.2	61	129
Employee related liabilities	3.4	524	381
Other provisions	7.3	113	315
Other liabilities	7.4	464	277
<b>Total current liabilities</b>		<b>4,696</b>	<b>2,064</b>
<b>Non-current liabilities</b>			
Financial liabilities	7.2	24	168
Employee related liabilities	3.4	764	694
Other provisions	7.3	1,386	1,033
Other liabilities	7.4	2,222	826
<b>Total non-current liabilities</b>		<b>4,396</b>	<b>2,720</b>
<b>Total liabilities</b>		<b>9,092</b>	<b>4,785</b>
<b>Net Assets</b>		<b>191,320</b>	<b>192,108</b>
<b>Equity</b>			
Retained earnings		26,015	25,349
Other reserves		165,305	166,760
<b>Total Equity</b>		<b>191,320</b>	<b>192,109</b>

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Asset revaluation surplus \$'000	Forest assets reserve \$'000	Retained earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2022</b>		<b>44,973</b>	<b>103,559</b>	<b>25,739</b>	<b>174,271</b>
<b>Net result for 2022-23</b>					
Gain/(loss) on revaluation of land	5.2	3,145	-	-	3,145
Profit/(loss) for the period		-	-	14,693	14,693
<b>Total comprehensive result for 2022-23</b>		<b>3,145</b>	<b>-</b>	<b>14,693</b>	<b>17,838</b>
Transfer between equity components		-	15,083	(15,083)	-
<b>Transactions with SA Government as owner</b>					
Equity contribution received		-	-	-	-
Equity contribution repaid		-	-	-	-
Dividends paid		-	-	-	-
<b>Balance at 30 June 2023</b>		<b>48,118</b>	<b>118,642</b>	<b>25,349</b>	<b>192,108</b>
<b>Net result for 2023-24</b>					
Gain/(loss) on revaluation of land	5.2	2,748	-	-	2,748
Gain/(loss) on revaluation of property, plant and equipment	5.2	2,582	-	-	2,582
Profit/(loss) after income tax equivalent		-	-	(6,119)	(6,119)
<b>Total comprehensive result for 2023-24</b>		<b>5,330</b>	<b>-</b>	<b>(6,119)</b>	<b>(789)</b>
Transfer between equity components		(309)	(6,476)	6,785	-
<b>Transactions with SA Government as owner</b>					
Equity contribution received		-	-	-	-
Equity contribution repaid		-	-	-	-
Dividends paid		-	-	-	-
<b>Balance at 30 June 2024</b>		<b>53,139</b>	<b>112,166</b>	<b>26,015</b>	<b>191,320</b>

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



**Statement of Cash Flows**  
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
<i>Cash inflows</i>			
Receipts from customers		22,139	19,859
Receipts from SA Government		5,146	2,508
Interest received		872	565
GST recovered from the ATO		597	(555)
<b>Cash generated from operations</b>		<b>28,753</b>	<b>22,377</b>
<i>Cash outflows</i>			
Employee related expense payments		(5,414)	(4,966)
Payments for supplies and services		(14,852)	(15,572)
Community Projects		(860)	(2,346)
Interest paid		(7)	(8)
<b>Cash used in operations</b>		<b>(21,134)</b>	<b>(22,892)</b>
<b>Net cash provided by/(used in) operating activities</b>	8.2	<b>7,619</b>	<b>(515)</b>
<b>Cash flows from investing activities</b>			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment		88	(84)
<b>Cash generated from investing activities</b>		<b>88</b>	<b>(84)</b>
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(2,278)	(911)
<b>Cash used in investing activities</b>		<b>(2,278)</b>	<b>(911)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,190)</b>	<b>(995)</b>
<b>Cash flows from financing activities</b>			
<i>Cash inflows</i>			
Proceeds from borrowings		21	78
<b>Cash generated from financing activities</b>		<b>21</b>	<b>78</b>
<i>Cash outflows</i>			
Repayment of leases		(320)	(144)
<b>Cash used in financing activities</b>		<b>(320)</b>	<b>(144)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>(300)</b>	<b>(66)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,130</b>	<b>(1,576)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>19,258</b>	<b>20,834</b>
<b>Cash and cash equivalents at the end of the period</b>	8.2	<b>24,387</b>	<b>19,258</b>

The accompanying notes form part of these financial statements.



## 1 About the South Australian Forestry Corporation

The South Australian Forestry Corporation (ForestrySA) was established under the *South Australian Forestry Corporation Act 2000* on 1 January 2001. ForestrySA is subject to the provisions of the *Public Corporations Act 1993*.

Key responsibilities of ForestrySA are to:

- Manage state-owned plantation forests for commercial production in line with best practice standards for forestry operations and environmental management;
- Maximise the value of the Corporation whilst achieving other key requirements of SA Government;
- Encourage and facilitate regionally based economic activities based on forestry and other industries;
- Support regional resource protection initiatives and programs;
- Support the concept of environmental sustainability which assists in the protection of natural assets and market accessibility; and
- Support cooperative research activities within the forestry industry.

### Green Triangle agency agreement

The SA Government retains obligations in the Green Triangle region as stipulated under the Operations Deed related to the South Australian Plantation Lease Agreement with OneFortyOne Plantations Pty Ltd (OFO). These include native forest management, community use of forests, community fire protection and forest industry support activities performed by ForestrySA on behalf of SA Government under a Memorandum of Administrative Arrangement (MoAA) for delivery of Community Service Obligations (CSO).

### Dividend payments

Pursuant to Section 30 of the Public Corporations Act 1993 (SA), ForestrySA must, before the end of each financial year, recommend by writing to the Treasurer, that ForestrySA pay a dividend (or not pay a dividend) for that financial year, as ForestrySA considers appropriate.

In the event ForestrySA makes an accounting profit after adjusting for changes in the value of the forest asset it is required to pay a dividend to SA Government.

### 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*;
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements, ForestrySA is a 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 specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (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 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 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 operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, ForestrySA has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

Tax Equivalent Payments are required to be paid by ForestrySA to the Treasurer, in accordance with Treasurer's Instruction 22, if an accounting profit after adjusting for changes in the value of the forest asset is achieved. When applicable, income tax equivalent is calculated as 30% of accounting profit before tax, adjusted for forest assets revaluation gains or losses and after deducting any approved forest operating costs which have been capitalised to the forest assets. Land revaluation increments included in Comprehensive Income are also excluded from tax calculations.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**1.2 Changes in accounting policy**

There have been no changes in accounting policies during 2023-2024 financial year.

**1.3 Segment reporting**

For management purposes ForestrySA is organised into two segments. The reportable segments are:

- Commercial: plantation operations, other commercial activities, establishment activities and all overheads.
- Non-commercial: community service obligations performed for the SA Government under ForestrySA's Charter.

**Statement of Comprehensive Income by Operating Segment**  
**For the year ended 30 June 2024**

	Commercial		Non-Commercial		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Income</b>						
Sales - timber products	17,202	15,936	-	-	17,202	15,936
Revenues from SA Government	872	76	4,791	4,393	5,664	4,469
Interest	878	611	-	-	878	611
Other income	1,200	826	-	333	1,200	1,159
<b>Total income</b>	<b>20,152</b>	<b>17,449</b>	<b>4,791</b>	<b>4,726</b>	<b>24,944</b>	<b>22,175</b>
<b>Expenses</b>						
Employee related expenses	4,111	3,551	1,517	1,405	5,628	4,956
Contractors	9,661	7,993	1,415	1,842	11,076	9,835
Depreciation and amortisation	893	794	276	196	1,169	990
Materials	423	464	23	59	446	523
Equipment and vehicle costs	367	762	145	121	512	883
Council rates	289	302	-	-	289	302
Community projects	-	-	860	2,346	860	2,346
Other expenses	1,262	1,619	1,416	1,027	2,677	2,646
Net loss from the disposal of property, plant and equipment	2,258	-	-	76	2,258	76
Borrowing costs	7	8	-	-	7	8
<b>Total expenses</b>	<b>19,271</b>	<b>15,494</b>	<b>5,651</b>	<b>7,072</b>	<b>24,922</b>	<b>22,566</b>
<b>Trading profit/(loss) before revaluation of non-current assets</b>	<b>881</b>	<b>1,955</b>	<b>(860)</b>	<b>(2,346)</b>	<b>21</b>	<b>(391)</b>
Net change in value of forest assets	(6,476)	15,083	-	-	(6,476)	15,083
Net revaluation decrement of other non-current assets	335	-	-	-	335	-
<b>Net result before income tax equivalent</b>	<b>(5,260)</b>	<b>17,038</b>	<b>(860)</b>	<b>(2,346)</b>	<b>(6,119)</b>	<b>14,692</b>
Income tax equivalent expense	-	-	-	-	-	-
<b>Net result after income tax equivalent</b>	<b>(5,260)</b>	<b>17,038</b>	<b>(860)</b>	<b>(2,346)</b>	<b>(6,119)</b>	<b>14,692</b>
<b>Other Comprehensive Income</b>						
<b>Items that will not be reclassified to net result</b>						
Changes in land revaluation surplus	2,748	3,145	-	-	2,748	3,145
Changes in property, plant and equipment asset revaluation surplus	2,582	-	-	-	2,582	-
<b>Items that will be reclassified subsequently to net result when specific conditions are met</b>						
Gains or losses recognised directly in equity	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>5,330</b>	<b>3,145</b>	<b>-</b>	<b>-</b>	<b>5,330</b>	<b>3,145</b>
<b>Total comprehensive result</b>	<b>70</b>	<b>20,183</b>	<b>(860)</b>	<b>(2,346)</b>	<b>(789)</b>	<b>17,838</b>



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

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**1.4 Significant transactions with SA Government related entities**

Significant transactions with the SA Government are identifiable throughout this financial report.

In addition:

- ForestrySA receives funding from the SA Government for the provision of certain non-commercial operations. These are the Community Service Obligations (CSOs):
  1. Native forest management,
  2. Community use of forests,
  3. Community fire protection.
- Lease payments relate to vehicles supplied by Fleet SA.
- Funding for use of the Government Radio Network (GRN).
- MoAA with Department for Environment and Water (DEW) for the sub-contracting of land and fire management requirements in the Green Triangle region.
- Provision of funding to the Department of Primary Industries and Regions (PIRSA) for the grant agreement with the Bundaleer Forest Communities Area Association (BFCAA) as part of the Mid North Forests Future Strategy process.

**2 Income**

**2.1 Revenues from sales - timber products**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from log sales	17,201	15,932
Revenue from other timber sales	1	4
<b>Total revenues from sales - timber products</b>	<b>17,202</b>	<b>15,936</b>

All revenue from timber product sales is revenue recognised from contracts with customers.

Income is recognised as performance obligations are met i.e. logs are delivered, or when ForestrySA realises its right to income for customers not achieving their required monthly log purchase.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**2.2 Revenues from SA Government**

	2024	2023
	\$'000	\$'000
<b>Revenues from SA Government</b>		
Community Service Obligation funding	4,042	3,931
Government Radio Network funding	474	462
Deferred revenues relating to CSO assets (1)	276	76
Giant Pine Scale reimbursement	872	-
<b>Net revenues from SA Government</b>	<b>5,664</b>	<b>4,469</b>

(1) CSO funding used for capital expenditure is recognised in revenue over the life of the asset.

Revenues from SA Government comprise funding from the Department of Primary Industries and Regions (PIRSA) for the operation of the Government Radio Network (GRN) and provision of Community Service Obligation (CSO) activities, including native forest management, community use of forests, and community fire protection. This funding is recognised on receipt. There are no unfulfilled conditions or other contingencies attached to this funding.

Remediation of Giant Pine Scale (GPS) infestations on Department for Environment and Water (DEW), SA Water and Department for Trade and Investment (DTI) lands was undertaken in consultation with the land managers during 2023-24 to mitigate the bio security risk to ForestrySA plantations. Those land managers fully reimbursed ForestrySA for expenses (\$872k).

**2.3 Interest revenue**

	2024	2023
	\$'000	\$'000
Interest received	878	611
<b>Total interest revenue</b>	<b>878</b>	<b>611</b>

**2.4 Net gain/(loss) from the disposal of property, plant and equipment**

	2024	2023
	\$'000	\$'000
<b>Land and buildings:</b>		
Proceeds from disposal	-	-
Less expenses on disposal	-	-
Less carrying amount of assets disposed	(2,218)	-
<b>Net gain/(loss) from disposal of land and buildings</b>	<b>(2,218)</b>	<b>-</b>
<b>Roads and land improvements</b>		
Proceeds from disposal	-	-
Less expenses on disposal	-	-
Less carrying amount of assets disposed	(30)	(77)
<b>Net gain/(loss) from disposal of roads and land improvements</b>	<b>(30)</b>	<b>(77)</b>
<b>Right of Use Assets</b>		
Proceeds from disposal	88	68
Less expenses on disposal	-	-
Less carrying amount of assets disposed	(98)	(68)
<b>Net gain/(loss) from disposal of Right of Use Assets</b>	<b>(10)</b>	<b>-</b>
<b>Total assets:</b>		
Total proceeds from disposal	88	68
Less expenses on disposal	-	-
Less total carrying amount of assets disposed	(2,346)	(145)
<b>Total net gain (loss) from disposal of assets</b>	<b>(2,258)</b>	<b>(76)</b>

Losses relate to the divestment of forest reserve in the Mid North region in accordance with the Mid North Forests Future Strategy - Land \$2,218k 2024 (2023: \$0) roads and land improvements \$30k 2024 (2023: \$77k).



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**2.5 Other income**

	2024	2023
	\$'000	\$'000
Leases and Licences	660	452
Other revenue from non SA Government entities	459	443
Grant funding	81	264
<b>Other income</b>	<b>1,200</b>	<b>1,159</b>

**Leases and Licences**

Income from licences for grazing or other activities on forest reserves, leases for commercial tenancies in the office building in Mt Gambier and recoupment of costs relating to the commercial lease of the office building .

**Other Revenue**

Other revenue includes income from recreational activities and other rechargeable commercial work.

**Grant Funding**

Grant funding includes income received from Bicycle SA (\$72k) as contribution to the Fox Creek Visitor Hub. The funding is initially recorded as a liability until project expenditure has occurred at which time an offsetting amount is recorded as revenue.

**3 Board, committees and employees**

**3.1 Key management personnel**

Key management personnel of ForestrySA include the Minister for Primary Industries and Regional Development and Minister for Forest Industries, the Board, committee members, the Chief Executive, Chief Finance Officer, General Manager Commercial Operations and General Manager Community Services.

Total compensation for key management personnel was \$880,000 in 2023-24 and \$921,000 in 2022-23.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Primary Industries and Regional Development and Minister for Forest Industries 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* .

	2024	2023
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee related expenses	793	775
Post-employment benefits	87	80
Termination Benefits	-	66
<b>Total</b>	<b>880</b>	<b>921</b>

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

ForestrySA did not enter into any transactions with key management personnel or their close families during the financial year.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**3.2 Board and committee members**

Members during the 2023-24 financial year were:

<b>Board</b>	<b>Audit and Risk Committee</b>
J. Roache (Chair)	S.Rodger (Chair) (to 31-12-2023)
G. Pelton*	G. Pelton*
R. Sinclair	R. Sinclair (Chair from 01-01-2024)
L. McKinnon*^	L. McKinnon*^
H. Neumann	H. Neumann (from 01-01-2024)

\*In accordance with the Department of Premier and Cabinet Circular No. 016, SA Government employees did not receive any remuneration for board/committee duties during the financial year.

\*^ L McKinnon was in a SA Government role until 22-12-2023 and in accordance with the Department of Premier and Cabinet Circular No. 016, as a SA Government employees did not receive any remuneration for board/committee duties up to this date. Following this she was remunerated in accordance with the Boards and Committees remuneration framework.

<b>Board and committee remuneration</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>The number of members whose remuneration received or receivable falls within the following bands:</b>		
\$0 - \$19,999	3	6
\$20,000 - \$39,999	1	-
\$40,000 - \$59,999	2	1
<b>Total number of members</b>	<b>6</b>	<b>7</b>

The total remuneration received and receivable by those governing members was \$153,000 (2023: \$101,000) which includes fringe benefits and superannuation contributions.

**3.3 Employee related expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	4,557	4,057
Long service leave	90	15
Skills and experience retention leave	15	15
Annual leave	258	255
Employment on-costs - superannuation	484	415
Employment on-costs - other	224	199
<b>Total employee related expenses</b>	<b>5,628</b>	<b>4,956</b>

**Employment on-costs – superannuation**

The superannuation employment on-cost charge represents ForestrySA’s contributions to superannuation plans in respect of current services of current employees.

**Executive remuneration**

	<b>2024</b>	<b>2023</b>
	<b>No</b>	<b>No</b>
<b>The number of employees whose remuneration received or receivable falls within the following bands:</b>		
\$166,001 to \$186,000	2	1
\$206,001 to \$226,000	1	-
\$326,001 to \$346,000	-	1
<b>Total number of employees</b>	<b>3</b>	<b>2</b>

The total remuneration received by those employees for the year was \$727,000 (2023: \$510,000).

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, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**3.4 Employee related liabilities**

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	11	55
Annual leave	296	205
Long service leave	120	60
Skills and experience retention leave	15	12
Employment on-costs	82	48
<b>Total current employee related liabilities</b>	<b>524</b>	<b>381</b>
<b>Non-current</b>		
Long service leave	707	648
Employment on-costs	57	46
<b>Total non-current employee related liabilities</b>	<b>764</b>	<b>694</b>
<b>Total employee benefits</b>	<b>1,288</b>	<b>1,075</b>

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Long-term employee related liabilities are measured at present value and short-term employee related liabilities are measured at nominal amounts.

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

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

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

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

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided at note 10.1.

**Employment on-costs**

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee related liabilities 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.

ForestrySA contributes to State Superannuation Scheme and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There are no liabilities 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 Superannuation funds.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave is 44% (2023: 43%). The factor for the calculation of employer superannuation on-costs is 11.5% (2023: 11.0%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial. The impact on future periods is impracticable to estimate.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**4 Expenses**

Employee related expenses are disclosed in note 3.3.

**4.1 Contractors**

	2024 \$'000	2023 \$'000
Log Harvesting	3,621	3,141
Log Transport	3,080	3,063
Inter Governmental	1,147	1,064
Project expenditure (1)	865	244
Other Contractors	2,363	2,323
<b>Total contractors</b>	<b>11,076</b>	<b>9,835</b>

(1) Remediation of Giant Pine Scale (2024) and Fox Creek Bike Park rebuild (2023).

Log harvesting and transport have been impacted by higher log sales volumes as well as operating cost increases such as diesel.

Inter Governmental contractors relate to the MoAA with Department for Environment & Water (DEW) for the sub-contracting of land & fire management requirements in the Green Triangle region as part of the organisations community fire protection program.

**4.2 Expenditure – SA Business and Non-SA Business**

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement. Arrangements between public authorities and arrangements with other Governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024 \$'000	Proportion SA and non-SA Businesses
Total expenditure with South Australian businesses	10,248	95%
Total expenditure with non-South Australian businesses	537	5%
<b>Total expenditure</b>	<b>10,785</b>	<b>100%</b>

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to ForestrySA, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**4.3 Depreciation and amortisation**

	2024	2023
	\$'000	\$'000
Buildings and structures	429	233
Plant and equipment	322	356
Right-of-use vehicles	137	142
Roads and land improvements	277	233
Intangible assets	4	26
<b>Total depreciation and amortisation</b>	<b>1,169</b>	<b>990</b>

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

**Useful life**

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings and structures	1-60
Plant and equipment	1-25
Right-of-use plant and equipment	Lease term
Road and land improvements	1-25
Intangibles	1-3

**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.

The span of useful lives of asset classes have been expanded to allow for the varying nature of assets held by the organisation within each class of asset.

**4.4 Borrowing costs**

	2024	2023
	\$'000	\$'000
Interest expense on lease liabilities	7	8
<b>Total borrowing costs</b>	<b>7</b>	<b>8</b>

ForestrySA does not capitalise borrowing costs.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**4.5 Other expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultants	30	16
Information and communications technology	553	602
Government Radio Network	474	462
Workers compensation	181	257
Legal and professional fees	189	322
Utilities	109	104
Building and facility maintenance	221	196
Insurance	137	129
Sponsorship and membership fees	109	83
Employee related expenses	116	160
External audit fees	80	73
Fox Creek Bike Park Rebuild	4	4
Bad & Doubtful Debts	-	(125)
Forest inventory, including tree measuring costs	89	95
GIS Services	75	69
Miscellaneous other costs	312	199
<b>Total other expenses</b>	<b>2,677</b>	<b>2,646</b>

**External audit fees**

Audit fees paid / payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$60,600 (2023: \$70,000). No other services were provided by the Audit Office of South Australia.

**4.6 Community projects**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Green Triangle community fire protection initiatives	-	2,346
Bundaleer Picnic Grounds grant	860	-
<b>Total</b>	<b>860</b>	<b>2,346</b>

As part of the implementation of the SA Government's Mid North Forests Future Strategy, at the end of the 2024 financial year ForestrySA provided funding of \$860k to PIRSA for the Bundaleer Forest Community Areas Association to fund water infrastructure, boundary fencing and amenity upgrades to the Bundaleer Picnic Grounds.

At the end of the 2023 financial year ForestrySA provided funding of \$2.346m for the upgrade of fire towers in the Green Triangle, and to transition ongoing operations and maintenance for the fire towers and fire detection program to OneFortyOne (OFO). The Project involves replacing fire towers with new technologies such as camera technology to provide a landscape level fire detection program whilst ensuring existing fire towers are serviceable during the transition period. The administration of the funds is being undertaken by the Department of Primary Industries and Regions.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**5 Non-financial assets**

**5.1 Property, plant and equipment by asset class**

Property, plant and equipment comprises owned and right-to-use (leased) tangible assets that do not meet the definition of investment property.

	2024	2023
	\$'000	\$'000
<b>Land and buildings</b>		
Land at fair value	42,375	39,627
Buildings at fair value	9,510	6,928
Accumulated depreciation at the end of the period	(1,063)	(2,407)
<b>Total land and buildings</b>	<b>50,822</b>	<b>44,148</b>
<b>Road and land improvements</b>		
Road and land improvements at fair value	4,523	4,082
Accumulated depreciation at the end of the period	(2,777)	(2,531)
<b>Total road and land improvements</b>	<b>1,746</b>	<b>1,551</b>
<b>Plant and equipment</b>		
Plant and equipment at fair value	5,872	4,500
Accumulated depreciation at the end of the period	(2,465)	(1,994)
<b>Total plant and equipment</b>	<b>3,407</b>	<b>2,506</b>
<b>Right-of-use plant and equipment</b>		
Right-of-use plant and equipment at cost	335	597
Accumulated depreciation at the end of the period	(269)	(317)
<b>Total right-of-use plant and equipment</b>	<b>66</b>	<b>280</b>
<b>Work in progress</b>		
Work in progress at cost	75	898
<b>Total work in progress</b>	<b>75</b>	<b>898</b>
<b>Total property, plant and equipment</b>	<b>56,116</b>	<b>49,385</b>



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**5.2 Property, Plant and equipment owned by Forestry SA**

Property, plant and equipment owned by ForestrySA with a value equal to or in excess of \$10,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by ForestrySA is recorded at fair value. Detail about ForestrySA's approach to fair value is set out in note 10.2.

**Impairment**

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.2. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

**Reconciliation 2023-24**

	Land \$'000	Buildings and structures \$'000	Roads and land improvements \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
<b>Carrying amount at 1 July 2023</b>	<b>39,627</b>	<b>4,521</b>	<b>1,551</b>	<b>2,507</b>	<b>898</b>	<b>49,104</b>
Additions	-	1,495	393	17	354	2,259
Disposals (net of depreciation)	-	-	(30)	-	-	(30)
Transfers between classes	-	279	109	789	(1,177)	-
Assets reclassified to/from assets held for sale	-	-	-	81	-	81
Revaluation increments	2,748	2,582	-	335	-	5,665
Revaluation decrements*	-	-	-	-	-	-
Depreciation charge for the year	-	(429)	(277)	(322)	-	(1,028)
Impairment	-	-	-	-	-	-
<b>Carrying amount at 30 June 2024</b>	<b>42,375</b>	<b>8,448</b>	<b>1,746</b>	<b>3,407</b>	<b>75</b>	<b>56,051</b>

**Reconciliation 2022-23**

	Land \$'000	Buildings and structures \$'000	Roads and land improvements \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
<b>Carrying amount at 1 July 2022</b>	<b>36,822</b>	<b>4,763</b>	<b>1,685</b>	<b>1,881</b>	<b>1,122</b>	<b>46,272</b>
Additions	-	-	-	-	927	927
Disposals	-	-	(77)	-	-	(77)
Transfers between classes	-	(10)	177	982	(1,150)	-
Revaluation increments*	2,805	-	-	-	-	2,805
Revaluation decrements	-	-	-	-	-	-
Depreciation charge for the year	-	(188)	(233)	(356)	-	(777)
Impairment	-	(45)	-	-	-	(45)
<b>Carrying amount at 30 June 2023</b>	<b>39,627</b>	<b>4,521</b>	<b>1,551</b>	<b>2,507</b>	<b>898</b>	<b>49,104</b>

**\*Reconciliation of changes in land revaluation surplus**

	2024 \$'000	2023 \$'000
Revaluation (decrement)/increment per Statement of Comprehensive Income	2,748	3,145
<i>Made up of:</i>		
Revaluation (decrement)/increment of land classified as property, plant and equipment	2,748	2,805
Revaluation increment of land classified as held for sale (note 5.7)	-	340
	<b>2,748</b>	<b>3,145</b>



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**5.3 Property, plant and equipment leased by ForestrySA**

Property, plant and equipment leased by ForestrySA is recorded at cost. Additions to leased property, plant and equipment during 2023-24 were \$21,000 (2022-23: \$78,000).

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 4.5.

ForestrySA has a limited number of leases:

- 18 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 2 years (40,000km) 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.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. ForestrySA's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.2.

**Impairment**

Property, plant and equipment leased by ForestrySA has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

**5.4 Intangible assets**

	2024 \$'000	2023 \$'000
<b>Computer software</b>		
Purchased computer software	2,722	2,722
Accumulated amortisation	(2,722)	(2,718)
<b>Total computer software</b>	-	4
<b>Total intangible assets</b>	-	4

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10,000.

**Reconciliation 2023-24**

	Total \$'000
<b>Carrying amount at 1 July 2023</b>	4
Additions	-
Amortisation charge for the year	(4)
<b>Carrying amount at 30 June 2024</b>	-

**Reconciliation 2022-23**

	Total \$'000
<b>Carrying amount at 1 July 2022</b>	30
Additions	-
Amortisation charge for the year	(26)
<b>Carrying amount at 30 June 2023</b>	4



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**5.5 Forest assets**

Forest assets are recorded at fair value. Detail about ForestrySA's approach to fair value is set out in note 10.2.

	2024 \$'000	2023 \$'000
<b>Current</b>		
Current portion of forest assets valuation	9,977	11,574
<b>Total current forest assets</b>	<b>9,977</b>	<b>11,574</b>
<b>Non-current</b>		
Non-current portion of forest assets valuation	107,165	112,045
<b>Total non-current forest assets</b>	<b>107,165</b>	<b>112,045</b>
<b>Reconciliation 2023-24</b>		
		<b>Total \$'000</b>
<b>Carrying amount at 1 July 2023</b>		<b>123,619</b>
Harvested timber transferred to inventory		(6,702)
Change in the discount rate		-
Change in fair value due to growth and pricing		226
<b>Carrying amount at 30 June 2024</b>		<b>117,143</b>
<b>Reconciliation 2022-23</b>		
		<b>Total \$'000</b>
<b>Carrying amount at 1 July 2022</b>		<b>108,536</b>
Harvested timber transferred to inventory		(6,204)
Change in the discount rate		(8,373)
Change in fair value due to growth and pricing		29,660
<b>Carrying amount at 30 June 2023</b>		<b>123,619</b>

ForestrySA recognises the multiple rotation forest valuation, being \$117.143m (2023: \$123.619m). More information is provided at Note 10.2.



Notes to the Financial Statements  
For the year ended 30 June 2024

5.6 Inventories

	2024 \$'000	2023 \$'000
<b>Current – held for distribution at no or nominal amount</b>		
Materials at cost	20	24
<b>Total current inventories held for distribution at no or nominal amount</b>	<b>20</b>	<b>24</b>
<b>Current – held for sale</b>		
Materials at cost	182	39
<b>Total current other inventories – other than those held for distribution at no or nominal amount</b>	<b>182</b>	<b>39</b>
<b>Total inventories</b>	<b>202</b>	<b>63</b>

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost for all other inventory is measured based on the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

5.7 Non-current assets classified as held for sale

Reconciliation 2023-24

	Land \$'000	Buildings and structures \$'000	Roads and land improvements \$'000	Plant and equipment \$'000	Total \$'000
<b>Carrying amount at 1 July 2023</b>	<b>2,067</b>	<b>151</b>	<b>-</b>	<b>81</b>	<b>2,299</b>
Disposals	(2,067)	(151)	-	-	(2,218)
Assets reclassified to/from assets held for sale	-	-	-	(81)	(81)
<b>Carrying amount at 30 June 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	2024 \$'000	2023 \$'000
Land	-	2,067
Buildings	-	151
Roads and land improvements	-	-
Property, plant and equipment	-	81
<b>Total non-current assets classified as held for sale</b>	<b>-</b>	<b>2,299</b>

Non-current assets are classified as held for sale and stated at the lower of their carrying amount or fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed one year from the date of classification, except for events or circumstances beyond the entity's control where it is still committed to sell the asset.

Land held for sale in 2023 relates to the divestment of forest reserve in the Mid North region in accordance with the Mid North Forests Future Strategy. This land has been divested from ForestrySA during the 2023-24 financial year.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**6 Financial assets**

**6.1 Cash and cash equivalents**

	2024	2023
	\$'000	\$'000
Deposits	6,886	2,485
Cash Management Fund	17,501	16,773
<b>Total cash and cash equivalents</b>	<b>24,387</b>	<b>19,258</b>

**Deposits and cash management fund**

Deposits include funds held with the commercial banks under the whole of SA Government banking agreement. For 2022-23 funds were held with Commonwealth Bank of Australia (CBA). All funds have now transitioned at the beginning of 2023-24 to the Australia New-Zealand Bank Group Limited (ANZ). These funds are used for operational purposes in accordance with the Treasurer approval. Cash Management Fund (CMF) deposits are lodged with SAFA and earn interest at the respective Cash Management Fund (CMF) rate.

**6.2 Receivables**

	2024	2023
	\$'000	\$'000
<b>Current</b>		
<b>Contractual receivables</b>		
Trade receivables - SA Gov	562	45
Trade receivables - Non SA Gov	1,815	1,961
Less impairment loss on receivables	(30)	(30)
Accrued revenue	63	57
Prepayments	156	134
<b>Total contractual receivables</b>	<b>2,565</b>	<b>2,167</b>
<b>Statutory receivables</b>		
GST receivable	-	97
<b>Total statutory receivables</b>	<b>-</b>	<b>97</b>
<b>Total current receivables</b>	<b>2,565</b>	<b>2,264</b>

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

Other than as recognised in the allowance for impairment loss on receivables, it is anticipated that counterparties will discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 10.3 for further information on risk management.

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.

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.

<b>Allowance for impairment loss on receivables</b>	2024	2023
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	30	155
Increase / (Decrease) in allowance recognised in profit or loss	-	(125)
<b>Carrying amount at the end of the period</b>	<b>30</b>	<b>30</b>

All the above impairment losses are from receivables arising from contracts with customers and licences with licensees.

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**7 Liabilities**

Employee related liabilities are disclosed in note 3.4.

**7.1 Payables**

	2024 \$'000	2023 \$'000
<b>Current</b>		
<b>Contractual payables</b>		
Trade payables	3,228	806
Accrued expenses	67	29
Other Payables	13	27
<b>Statutory payables</b>		
Accrued expenses	107	101
GST payable	119	-
<b>Total current payables</b>	<b>3,534</b>	<b>963</b>

Payables and accruals are raised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia. 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 recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount is disclosed in this Payables note.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**7.2 Financial liabilities**

	Note	2024 \$'000	2023 \$'000
<b>Current</b>			
Lease liabilities	5.3	61	129
<b>Total current financial liabilities</b>		<b>61</b>	<b>129</b>
<b>Non-current</b>			
Lease liabilities	5.3	24	168
<b>Total non-current financial liabilities</b>		<b>24</b>	<b>168</b>
<b>Total financial liabilities</b>		<b>85</b>	<b>297</b>

ForestrySA measures financial liabilities at amortised cost.

All lease liabilities relate to right-of-use vehicle assets.

**7.3 Other provisions**

	2024 \$'000	2023 \$'000
<b>Current</b>		
Provision for workers compensation	113	315
<b>Total current provisions</b>	<b>113</b>	<b>315</b>
<b>Non-current</b>		
Provision for workers compensation	1,386	1,033
<b>Total non-current provisions</b>	<b>1,386</b>	<b>1,033</b>
<b>Total provisions</b>	<b>1,499</b>	<b>1,348</b>
<b>Movement in provisions</b>		<b>2024 \$'000</b>
<b>Carrying amount at the beginning of the period</b>		<b>1,348</b>
Additional provisions recognised		151
<b>Carrying amount at the end of the period</b>		<b>1,499</b>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The movement in the provision has been recorded as an expense and is disclosed in Note 4.5.

ForestrySA is responsible for payment of workers compensation claims.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**7.4 Other liabilities**

	2024	2023
	\$'000	\$'000
<b>Current</b>		
Unearned revenue	464	277
<b>Total current other liabilities</b>	<b>464</b>	<b>277</b>
<b>Non-current</b>		
Unearned revenue	2,222	826
<b>Total non-current other liabilities</b>	<b>2,222</b>	<b>826</b>
<b>Total other liabilities</b>	<b>2,686</b>	<b>1,103</b>

ForestrySA has leases and licences for which payment has been received in advance

Projects funded via the CSO and later capitalised have a corresponding unearned revenue amount recognised in the accounts. This is recognised in income over the life of the asset in line with it's depreciation.

<i>Movement in deferred income</i>	2024	2023
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>1,103</b>	<b>1,308</b>
Received during the year	668	4,393
Grant funded assets recognised	1,904	-
Recognised as income in the Statement of Comprehensive Income	(989)	(4,598)
<b>Carrying amount at the end of the period</b>	<b>2,686</b>	<b>1,103</b>

**8 Other disclosures**

**8.1 Equity**

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

The forest assets reserve is used to record increments and decrements in the fair value of forest assets. A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**8.2 Cash flow**

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

Leases	2024	2023
	\$'000	\$'000
Plant and equipment - right-of-use vehicles	320	143
<b>Total cash outflow for leases</b>	<b>320</b>	<b>143</b>
Cash flow reconciliation	2024	2023
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	24,387	19,258
<b>Balance as per the Statement of Cash Flows</b>	<b>24,387</b>	<b>19,258</b>
<b>Reconciliation of net cash provided by operating activities to profit/loss after income tax equivalent</b>		
Net cash provided by/(used in) operating activities	7,619	(515)
<b>Add/less non-cash items</b>		
Depreciation and amortisation expense of non-current assets	(1,169)	(990)
Gain/(loss) on sale or disposal of non-current assets	(2,258)	(76)
Gain/(loss) on revaluation of forest assets	(6,476)	15,083
Gain/(loss) on revaluation of other non-current assets	335	-
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	301	550
Increase/(decrease) in inventories	139	(66)
Increase/(decrease) in other assets	(86)	-
(Increase)/decrease in payables	(2,576)	497
(Increase)/decrease in employee related liabilities	(214)	9
(Increase)/decrease in provisions	(152)	(6)
(Increase)/decrease in other liabilities	(1,583)	205
<b>Profit/loss after income tax equivalent</b>	<b>(6,119)</b>	<b>14,692</b>

**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**9 Outlook**

**9.1 Unrecognised commitments**

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

<b>Capital commitments</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	-	294
Later than one year but not longer than five years	-	-
<b>Total capital commitments</b>	<b>-</b>	<b>294</b>

ForestrySA's 2023 capital commitments were for the refurbishment of four fire trucks and property plant and equipment in line with the budgeted capital requirements of the organisation.

<b>Expenditure commitments</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	8,101	8,524
Later than one year but not longer than five years	18,040	36,458
<b>Total expenditure commitments</b>	<b>26,141</b>	<b>44,982</b>

ForestrySA's contracting commitment include agreements for the harvesting and transport of log and associated logistics.

ForestrySA has also entered into supply agreements to sell timber that is harvested. The terms and conditions of these agreements vary.

<b>Lease receivable commitments</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Commitments in relation to leases contracted for at the reporting date but not recognised as receivables are as follows:</b>		
Within one year	275	261
Later than one year but not longer than five years	190	56
<b>Total lease receivable commitments</b>	<b>465</b>	<b>317</b>

Lease receivable commitments relate to the office building located in Mt Gambier where space is leased from ForestrySA.

**9.2 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.

ForestrySA has contingent assets in the form of bank guarantees issued by various banks for ForestrySA customers.

ForestrySA and the SA Superannuation Board entered an arrangement at the time of incorporation of ForestrySA to allow officers and employees of ForestrySA who were immediately before incorporation of ForestrySA contributors to the State Superannuation Scheme, to remain contributors under the *Superannuation Act 1988*.

**9.3 Impact of standards not yet effective**

ForestrySA has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective and has assessed there will be no impact on ForestrySA.

**9.4 Events after the reporting period**

There were no events after the reporting period that required adjustments.



## 10 Measurement and risk

### 10.1 Long service leave liability - measurement

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.0%) to 2024 (4.25%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flow, reduces the increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$39k. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance set the salary inflation rate to 3.5% (2.5% 2023) for long service leave liability. As a result, there is no material financial effect resulting from changes in the salary inflation rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

## 10.2 Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

### Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

### Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Finance Officer and Audit and Risk Committee as required.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

A gain or loss arising from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

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 asset.

### Fair value hierarchy

ForestrySA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

ForestrySA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2024 and 2023, ForestrySA had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.



Notes to the Financial Statements  
For the year ended 30 June 2024

*Fair value classification – non-financial assets at 30 June 2024*

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Forest assets	5.5	-	117,143	117,143
Land	5.1	42,375	-	42,375
Buildings and structures	5.1	-	8,448	8,448
Roads and land improvements	5.1	-	1,746	1,746
Plant and equipment	5.1	-	3,407	3,407
<b>Total recurring fair value measurements</b>		<b>42,375</b>	<b>130,744</b>	<b>173,119</b>
<b>Non-recurring fair value measurements</b>				
Assets held for sale	5.7	-	-	-
<b>Total non-recurring fair value measurements</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>42,375</b>	<b>130,744</b>	<b>173,119</b>

*Fair value classification – non-financial assets at 30 June 2023*

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Forest assets	5.5	-	123,619	123,619
Land	5.1	39,627	-	39,627
Buildings and structures	5.1	-	4,521	4,521
Roads and land improvements	5.1	-	1,551	1,551
Plant and equipment	5.1	-	2,507	2,507
<b>Total recurring fair value measurements</b>		<b>39,627</b>	<b>132,198</b>	<b>171,825</b>
<b>Non-recurring fair value measurements</b>				
Assets held for sale	5.7	-	2,299	2,299
<b>Total non-recurring fair value measurements</b>		<b>-</b>	<b>2,299</b>	<b>2,299</b>
<b>Total</b>		<b>39,627</b>	<b>134,497</b>	<b>174,124</b>

**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**Forest assets**

ForestrySA engaged Indufor to establish the valuation for its plantation estate in the Mt Lofty Ranges as at 30 June 2024.

Indufor has adopted the market based valuation approach which involves a combination of the sales comparison method and income approach under a discounted cash flow framework. The discount rate applied by Indufor to the projected cash flows was 8.0% (2023:8.0%). The cash flows are those for multiple rotations extending across a 60-year period.

This value opinion is considered to be compliant with Australian Accounting Standards Board (AASB) 141 Agriculture and International Accounting Standards (IAS) 41 Agriculture, AASB 13 and International Financial Reporting Standards (IFRS) 13 Fair Value Measurement and Uniform Standards of Professional Appraisal Practice 2018-19 (USPAP) market value. This value assumes that the asset will have received full exposure to the market over a period of one year.

**Significant unobservable inputs**

- Growth and yield.
- Forest management, production, sales, general, and administration costs.
- Log and wood products markets and prices.
- Discount rate calculation - evidence based and theoretical costs of capital.
- Annual harvest volume (165,000 - 218,000 m3, weighted average 190,000 m3).

For forest valuation purposes land is excluded because it is not freehold land and cannot be traded in an open and competitive market. It is reserved by the state in perpetuity for production forestry or public reserve as Crown land, thereby negating any fair market value. No notional land rental has been applied.

The difference between the fair value of Forest Assets held at the reporting date and the fair value at the previous reporting date is recognised in the Statement of Comprehensive Income as the net change in the value of Forest Assets. All forest expenditure is recognised as an expense in the year it is incurred. The change in value is also disclosed in note 5.5.

The net change in the value of Forest Assets is accounted for in the Forest Assets reserve which is used to store the change in the value of the forest asset.

**Sensitivity analysis for forest assets**

The effects of modifying a range of input variables is demonstrated in this sensitivity analysis:

<b>Factor level*</b>	<b>90%</b>	<b>95%</b>	<b>100%</b>	<b>105%</b>	<b>110%</b>
	<b>AUD million</b>				
Revenue	91,724	104,433	117,143	129,852	142,562
Production Costs	123,330	120,236	117,143	114,049	110,956
Transport Costs	121,754	119,448	117,143	114,837	112,532
Operational Expenditure	118,289	117,716	117,143	116,570	115,997
SG&A Expenditure	118,904	118,023	117,143	116,262	115,382
	<b>7.50%</b>	<b>7.75%</b>	<b>8.00%</b>	<b>8.25%</b>	<b>8.50%</b>
Discount Rate	125,366	121,117	117,143	113,419	109,922



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**Land**

An independent valuation of land owned by ForestrySA was performed by a Certified Practising Valuer from the State Valuation Office, as at 30 June 2024.

Fair value of land has been determined using the market approach. Relevant general and economic factors were considered in arriving at a value opinion, including investigation of recent sales of comparable properties. Discounts by region were applied to reflect restrictions on potential highest and best use imposed by legislation on land operated by ForestrySA. The discount rates used this year are Mount Lofty Ranges 60% (2023: 60%) and Green Triangle 45% (2023: 45%).

**Buildings and structures**

At least every five years, an independent valuation appraisal of ForestrySA's buildings and structures will be performed. However, if at any time management considers that the carrying amount of an asset class materially differs from its fair value, then the asset class will be revalued regardless of when the last valuation took place. ForestrySA undertook an independent valuation appraisal of its buildings and structures in June 2024. Refer note 5.2.

Building & structure revaluation has been taken directly to the reserve against the class of assets.

Fire King revaluation has been taken directly to Statement of Comprehensive Income as this increment offsets a previous decrement taken to Statement of Comprehensive Income.

**Plant and equipment**

All items of plant and equipment owned by ForestrySA had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of the remaining items of plant and equipment are deemed to approximate fair value.

**Reconciliation of level 3 recurring fair value measurements as at 30 June 2024**

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Forest assets	Buildings and structures	Roads and land improvements	Plant and equipment
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	<b>123,619</b>	<b>4,521</b>	<b>1,551</b>	<b>2,507</b>
Acquisitions	-	1,495	393	17
Disposals	-	-	(30)	-
Assets reclassified to or out of assets held for sale	-	-	-	81
Transfers within asset classes	-	279	109	789
<b>Gains/(Losses) for the period recognised in net result:</b>				
Revaluation increment / (decrement)	(6,476)	-	-	335
Depreciation	-	(429)	(277)	(322)
<b>Total gains/(losses) recognised in net result</b>	<b>(6,476)</b>	<b>1,345</b>	<b>195</b>	<b>900</b>
<b>Carrying amount at the end of the period</b>	<b>117,143</b>	<b>5,866</b>	<b>1,746</b>	<b>3,407</b>
Revaluation increments/(decrements)	-	2,582	-	-
<b>Total gains/(losses) recognised in OCI</b>	<b>-</b>	<b>2,582</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at the end of the period</b>	<b>117,143</b>	<b>8,448</b>	<b>1,746</b>	<b>3,407</b>

**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**Reconciliation of level 3 recurring fair value measurements as at 30 June 2023**

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Forest assets	Buildings and structures	Roads and land improvements	Plant and equipment
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	<b>108,536</b>	<b>4,763</b>	<b>1,685</b>	<b>1,881</b>
Acquisitions	-	-	-	-
Disposals	-	-	(77)	-
Assets reclassified to or out of assets held for sale	-	-	-	-
Transfers within asset classes	-	(10)	177	982
<b>Gains/(Losses) for the period recognised in net result:</b>				
Revaluation increment / (decrement)	15,083	-	-	-
Depreciation & impairment	-	(233)	(233)	(356)
<b>Total gains/(losses) recognised in net result</b>	<b>15,083</b>	<b>(242)</b>	<b>(134)</b>	<b>626</b>
<b>Carrying amount at the end of the period</b>	<b>123,619</b>	<b>4,521</b>	<b>1,551</b>	<b>2,507</b>

ForestrySA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**10.3 Financial instruments**

**Financial risk management**

Risk management is managed by ForestrySA's corporate services section. ForestrySA's risk management policies are in accordance with the SA Government Risk Management Guide and the principles established in the Australian Standard Risk Management Principles and Guidelines.

Forestry SA's exposure to financial risk (liquidity risk, credit risk, and market risk) is low due to the nature of the financial instruments held.

**Liquidity risk**

ForestrySA maintains a strong working capital position so current liquidity risk is low.

**Credit risk**

ForestrySA has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Bank guarantees or cash deposits are obtained for specific customers.

**Impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime Expected Credit Loss (ECL) using the simplified approach in AASB 9. ForestrySA uses an allowance matrix to measure the expected credit loss of receivables from non-SA Government debtors which comprise a small number of large balances and a few small balances.

To measure the expected credit losses, receivables are grouped based on shared risk characteristics and the days past due. When estimating expected credit loss, ForestrySA considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis, based on ForestrySA's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which ForestrySA is exposed to credit risk.

The expected credit loss of SA Government debtors is nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

The following table provides information about the exposure to credit risk and ECL for non-SA Government debtors.



**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

	Debtor unsecured carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (non past due)	181	0.00%	-
1-30 days past due	579	4.65%	26
31-60 days past due	1	100.00%	1
61-90 days past due	0	100.00%	-
90+ days past due	3	100.00%	3
<b>Loss allowance</b>			<b>30</b>

Impairment losses are presented as net impairment losses within net result; subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery.

ForestrySA considers that its cash and cash equivalents have low credit risk due to financial security held for customers with material contracts.

The allowance is recognised when there is objective evidence that a receivable is impaired. The allowance for impairment is recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

**Market risk**

ForestrySA does not trade in foreign currency, nor enter transactions for speculative purposes, nor for hedging. ForestrySA does not undertake any hedging in relation to interest or foreign currency risk.

Exposure to interest rate risk related to interest bearing liabilities or borrowings is minimal and only related to right-of-use vehicle assets managed through the South Australian Government Financing Authority (SAFA).

Some forest product sales are made to customers with exposure to international market risks including foreign currencies, hence ForestrySA maintains a level of market risk related to its core business of forest product sales.

There have been no changes in risk exposure since the last reporting period.

**Categorisation of financial instruments**

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset note and financial liability note per below.

**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**Classification of financial instruments**

ForestrySA measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2024 Carrying amount / Fair value (\$'000)	Contractual maturities *		
			Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	6.1	24,387	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>					
Receivables **	6.2	2,409	2,409	-	-
<b>Total financial assets</b>		<b>26,796</b>	<b>2,409</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables **	7.1	3,328	3,328	-	-
Lease liabilities	7.2	85	61	24	-
<b>Total financial liabilities</b>		<b>3,413</b>	<b>3,389</b>	<b>24</b>	<b>-</b>

Category of financial asset and financial liability	Note	2023 Carrying amount / Fair value (\$'000)	2023 Contractual maturities *		
			Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	6.1	19,258	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>					
Receivables **	6.2	2,032	2,032	-	-
<b>Total financial assets</b>		<b>21,290</b>	<b>2,032</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables **	7.1	861	861	-	-
Lease liabilities	7.2	297	130	167	-
<b>Total financial liabilities</b>		<b>1,158</b>	<b>991</b>	<b>167</b>	<b>-</b>

\*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

\*\* Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

**Statutory receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department 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. In SA Government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.



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# ForestrySA ANNUAL REPORT 2023-24

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