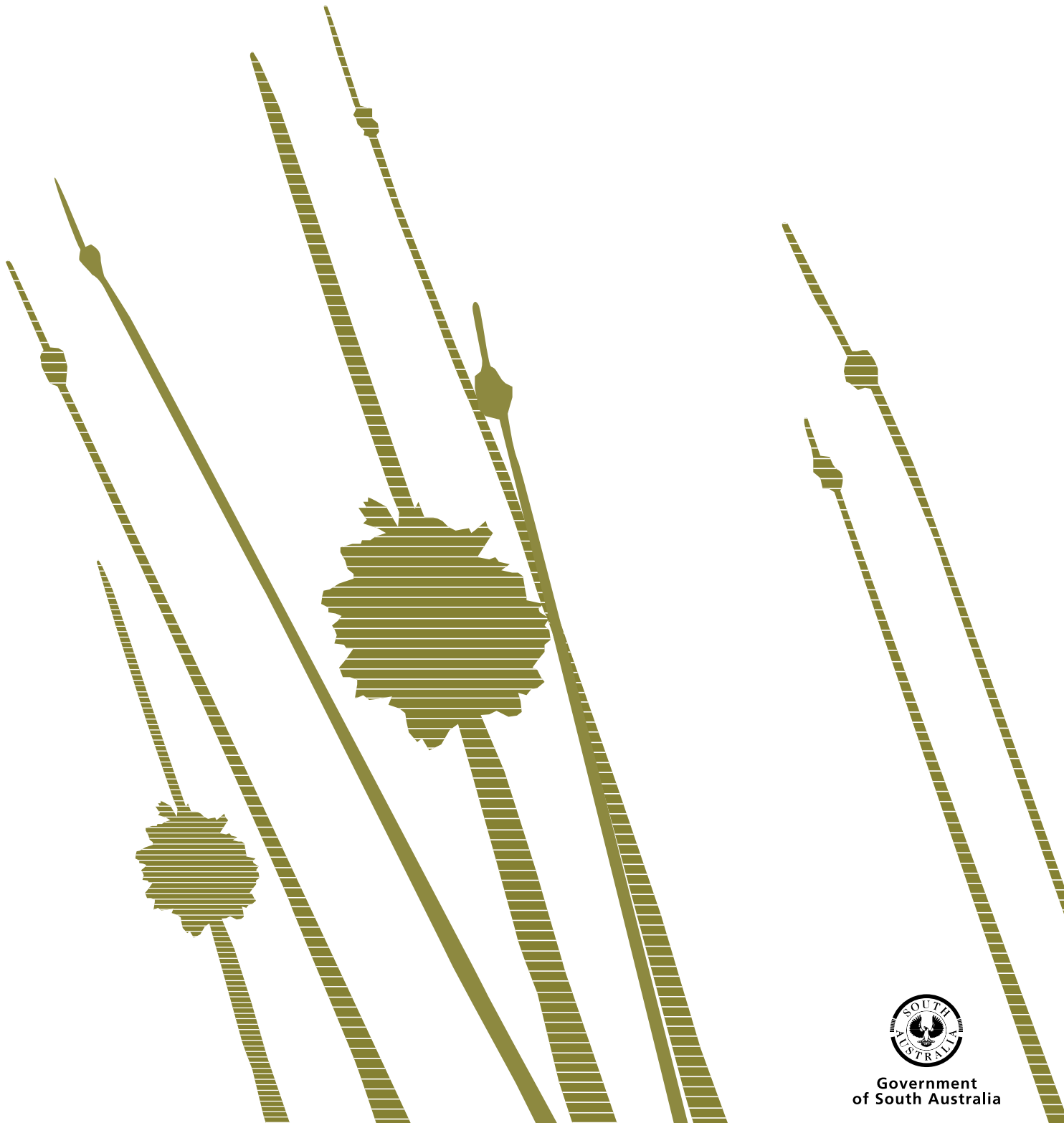


Department
for Environment
and Heritage

ANNUAL REPORT 2007-08

1 July 2007 to 30 June 2008



Government
of South Australia



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30 September 2008

Hon Jay Weatherill MP
Minister for Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

I am pleased to present the Department for Environment and Heritage Annual Report for the financial year 1 July 2007 — 30 June 2008.

Appended to the DEH Annual Report is the Annual Report of the Marine Parks Council. The Marine Parks Council is established pursuant to the recently proclaimed *Marine Parks Act 2007* and members of the Council were appointed on 22 May 2008. The Council met once in the 2007-08 year. For administrative efficiency the Council's report is included as part of the DEH Annual Report.

This report has been prepared in accordance with the requirements of the *Public Sector Management Act 1995*, the Act's accompanying regulations, the financial reporting requirements of the *Public Finance and Audit Act 1987*, and *DPC Circular DPC013 – Annual Reporting Requirements*.

Yours sincerely

A handwritten signature in black ink, appearing to be "Allan Holmes", with a stylized flourish at the end.

Allan Holmes
CHIEF EXECUTIVE



CHIEF EXECUTIVE'S STATEMENT

It's possible that the role of the Department for Environment and Heritage has never been as important as it is today. As I write this, South Australia looks to a future in which water supply and climate change will dramatically affect the future of the state, its people, and its natural environment. At the same time, almost daily we hear expressions of concern about how our built and natural heritage is being altered or destroyed as part of the 'necessary' road to progress.

The Department for Environment and Heritage is clearly linked to these two areas of interest and debate, through monitoring and protecting the state's heritage and environment and in ensuring that progress in these areas contributes to the South Australian Government's targets for sustainable economic development and prosperity.

DEH's environmental responsibilities require it to watch over the state's diverse natural environments, and to encourage sustainable development in our rapidly changing world. In its heritage role, the department can help the community appreciate, conserve and invest in its rich history. One of the ways we do this is by producing public communication materials and programs – sometimes involving the mass media – designed to educate South Australians so they consider the natural and cultural value of their surroundings before acting in ways that could compromise or seriously impair them for the future.

This year, resources were directed at additional methods of external communications. We redeveloped the parks website and created useful web-based mapping systems, while the Heritage Conservation Program established a single register for heritage places and developed virtual tours of state heritage areas on the DEH website.

DEH's Nature Conservation Program works toward achieving *South Australia's Strategic Plan* target to lose no native species as a result of human activity; this year the department finalised and released *No Species Loss: a Nature Conservation Strategy for South Australia 2007-2017* – our first state-wide nature conservation strategy.

Other achievements this year included the passing of the *Marine Parks Act 2007*, a major step towards meeting *South Australia's Strategic Plan* target of creating 19 marine parks by 2010; the proclaiming of three new conservation parks; and the development of partnerships to protect 215 000 hectares of ephemeral freshwater ecosystem, grassland and woodland habitat in the state's outback.

The state's domesticated animals will be better protected due to the Animal Welfare Program's work this year. The Prevention of Cruelty to Animals (Animal Welfare) Bill passed through both houses of parliament, and will be introduced as law in 2008-09. Other work effectively eliminated the rodeo event known as "calf roping" and introduced new regulations that establish minimum stocking conditions for layer hens.

As part of the Botanic Gardens 150 celebrations, the G150 Foundation capital fundraising campaign raised \$5.7 million for G150 capital works. Among the 150th anniversary celebration events was the long-awaited opening of the \$4.3 million Amazon Waterlily Pavilion by the Premier, the Hon. Mike Rann MP, in November 2007.

In many ways, the pavilion encapsulates the overall role of DEH in the 21st century. It enables visitors to learn about charismatic plants and their place in the natural world, shows how careful planning can create sustainable structures to support and nourish the natural world, and demonstrates how new structures can work with old to take us into a prosperous future.

Our achievements this year prove that DEH's own emphasis on sustainable economic development enables it to contribute toward the government's targets in this area. In doing so, it works hard and successfully for the people, the environment and the future of this state. This report is testament to the hard work and endeavours of an outstanding group of public servants, volunteers, associates and partners. I thank them all for their contributions.

I also thank my portfolio colleagues for their co-operation: Rob Freeman, Chief Executive of the Department of Water, Land and Biodiversity Conservation, Paul Vogel, the former Chief Executive of the EPA, and Vaughan Levitzke, Chief Executive of Zero Waste SA.

Finally, to Minister Gail Gago. I acknowledge the excellent working relationship that existed between her office and this department. I thank her for her efforts, wish her well in her new role, and welcome our new Minister, Jay Weatherill.



Allan Holmes
CHIEF EXECUTIVE

Chief Executive

Allan Holmes

Office of the Chief Executive

Conservation Policy & Programs

Executive
Director

Greg Leaman

- Aboriginal Partnerships
- Adelaide Living Beaches
- Biodiversity Conservation
- Coast and Marine Conservation
- Coastal Management
- Heritage
- Land Administration
- Land Management
- Perpetual Lease Accelerated Free-holding Project (PLAF)
- Statutory Planning and Assessment
- Visitor Management

Botanic Gardens

Executive
Director

Stephen Forbes

- Adelaide Botanic Garden
- Hills Botanic Garden
- Collections and Learning

Regional Conservation Delivery

Executive
Director

John Schutz

- Adelaide
- Kangaroo Island
- Murraylands
- Northern / Yorke
- Outback
- South East
- West
- Fire Management
- Investigation and Compliance
- Volunteer Support

Information, Science & Technology

A/Executive
Director

John O'Malley

- Biological Survey and Monitoring
- Image and Product Services
- Information Systems
- IT Services
- ICT Projects and Strategy
- Spatial Information Services
- State Herbarium

People & Strategy

Executive
Director

Kym Nicolson

- Corporate Communications
- Corporate Governance and Policy
- Corporate Planning and Development
- Environmental Education
- Human Resource Services

Business Services

Executive
Director

Rick Janssan

- Business Operations
- Financial Services

Department for Environment and Heritage - Organisational Structure (30 June 2008)

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2007-08 HIGHLIGHTS

Nature Conservation Program

- Released *No Species Loss: a Nature Conservation Strategy for South Australia 2007-2017*.
- Finalised the draft *East meets West NatureLinks Plan*.
- River Murray Forest project launched by the Premier, the Hon. Mike Rann MP, in August 2007.
- Gazetted revisions to the Threatened Species Schedules under the *National Parks and Wildlife Act 1972* in February 2008.
- Released the draft *South Australian Arid Lands Biodiversity Strategy 2008-2018* for public comment.

Public Land Visitor Management Program

- Completed major facility upgrades at Belair National Park and at West Cape, Innes National Park.
- Finalised the Trail Strategy for South Australia's National Parks.
- Completed strategic plans for the Seal Bay Conservation Park, and Lincoln and Coffin Bay national parks.
- Completed policies for cycling, rock-climbing and abseiling in DEH-managed reserves.
- Developed a Commercial Tour Operator Licensing Policy in consultation with industry.

Public Land Fire Management Program

- Developed draft fire management plans that cover approximately one-third of the protected areas managed by DEH.
- Completed a fire severity project after the December 2007 bushfires on Kangaroo Island.
- Supported the CFS in bushfire suppression operations and developed remote area fire fighting team (RAFT) capabilities in conjunction with the CFS.
- Appointed a senior DEH executive as an Assistant Chief Officer of the CFS.
- Joint agency arrangements continued with SA Water to increase DEH's fire suppression capabilities.

Public Land Stewardship Program

- Three new conservation parks totalling 214 ha were proclaimed and reserve management plans were adopted for four reserves, with public consultation completed for a further seven reserves.
- An Indigenous Land Use Agreement and Co-management Agreement was formalised over Witjira National Park.
- The Crown Land Management Bill 2008 was introduced to Parliament to replace the *Crown Lands Act 1929*.
- Completed 93 per cent of the Perpetual Leases Accelerated Freeholding Project.

Coast and Marine Conservation Program

- Proclaimed the *Marine Parks Act 2007* and established the Marine Parks Council.
- DEH staff consulted widely with community groups to support the development of marine parks. The *Design Principles* document was released detailing international best practice for designing and selecting marine parks.
- Completed a program of sandshifter trials as part of *Adelaide's Living Beaches Strategy: A Strategy for 2005–2025*.
- Finalised the *Adelaide Dolphin Sanctuary Management Plan*.
- Continued to work with the South Australian Research and Development Institute (SARDI) Aquatic Sciences division on a seagrass restoration project.

Botanic Gardens Management

- Opened the Amazon Waterlily Pavilion to the public.
- Attracted 1.726 million visitors in 2007-08.
- The Sustainable Landscapes project has achieved significant results in demonstrating and promoting appropriate park and garden design, species selection and sustainable horticultural practices relevant to the South Australian climate.
- A research partnership between Iluka Resources Ltd, the University of Adelaide and Botanic Gardens of Adelaide entered its second year, with the focus on field and laboratory-based experiments.
- Continued the focus on sustainable horticulture and community leadership by demonstrating and promoting responsible water usage.

Heritage Conservation

- Completed the third stage of the single heritage register for national, state and local heritage in South Australia.
- Developed virtual tours of heritage places on the DEH website.
- A total \$240 000 in Heritage Grants helped private owners of heritage buildings complete 47 conservation projects across the state.
- The marking of the grave of an unknown sailor from the *Fides*, a Finnish ship wrecked near Kangaroo Island in 1860 with the loss of 10 lives, was a highlight of the marine heritage program.
- Completed maintenance and conservation work upgrades of heritage places in several parks and reserves and on DEH-managed land.

Animal Welfare

- Introduced the Prevention of Cruelty to Animals (Animal Welfare) Bill 2008 to parliament to amend the *Prevention of Cruelty to Animals Act 1985*.
- Additional funding from the State Government was provided for the RSPCA for the enforcement of the amended Act.
- The Dog and Cat Management Board commissioned and received impact assessments outlining options for the management of cats and for microchipping of companion animals during the year.

Agency Support Services

- Redeveloped the parks website to extend community knowledge about access to DEH parks.
- Developed web-based mapping systems and training for DEH staff, and provided mapping support for emergency response at incident control centres.
- Introduced a range of improved policies and processes to serve customers by the automation of account-payment options.
- The first 'Leadership for Sustainability' program was provided for DEH staff.
- Conducted a customer satisfaction survey with the University of South Australia's Ehrenberg Bass School of Marketing, which led to the preparation of a draft customer service charter.
- Coordinated 'Stirring the Possum' community forums and a World Environment Day event in Rundle Mall.

CASE STUDY

Healthy Parks for Healthy People

In line with DEH's corporate goal of *South Australians Involved*, social inclusion research was conducted with multicultural groups and people with disabilities to identify the relevance and value to them of DEH-protected areas.

Other *Healthy Parks Healthy People* initiatives were designed to engage people and groups with little connection to or awareness of national parks, and community members most at risk of poor health.

New arrival communities were consulted and African and Afghani refugee groups taken to Morialta Conservation Park, where they could see how parks may be used for recreation and play, as venues for community and family gatherings, and for appreciating the Australian environment and wildlife.

Feedback from the visitors and the social-inclusion research data, together with information from other agencies involved with new arrival and multicultural communities, will contribute to the Visitor Management Branch's promotion of parks and policies for connecting targeted communities to the natural environment.

DEH and its *Healthy Parks Healthy People* program has been listed in the South Australian Health Department's *Public Health Bulletin* as a key example of the *Health in All Policies* approach and how across-government efforts can help reduce overweight and obesity in South Australia.

GOVERNANCE STATEMENT

The Department for Environment and Heritage (DEH) is responsible for environment policy, biodiversity conservation, heritage conservation and animal welfare, and is a custodian of information and knowledge about the state's environment. The department also manages the state's public land, both that held in the conservation reserve system and that held as Crown lands. DEH is part of the Environment and Conservation Portfolio and reports to the Minister for Environment and Conservation.

The Environment and Conservation Portfolio

The Environment and Conservation Portfolio includes DEH and three other agencies.

- The Department of Water, Land and Biodiversity Conservation (DWLBC) is responsible for the allocation and sustainable management of natural resources.
- The Environment Protection Authority (EPA) supports industry, community and governments in adopting more sustainable practices.
- Zero Waste SA (ZWSA) promotes waste-management practices that minimise waste, and advances resource recovery and recycling.

DEH Governance

DEH is an administrative unit established under the *Public Sector Management Act 1995* within the South Australian Public Service.

The Chief Executive and the DEH Executive (comprising the Executive Directors of the six directorates) implement, evaluate and improve DEH's governance structures and processes. Risk management and internal controls are important elements of DEH's governance framework. The internal audit function helps DEH monitor the implementation and effectiveness of its internal controls and risk management policies.

Consultation with DEH staff occurs through regular internal media, including the *CE Update*, the Chief Executive's quarterly consultative forum and directorate consultative committees, and through staff meetings and reference groups.

South Australia's Strategic Plan

South Australia's Strategic Plan is the state's plan for growth. DEH has been assigned responsibility for developing strategies to achieve three targets from the SASP's Goal 3, 'Attaining Sustainability', which are nominated as key objectives within the *DEH Corporate Plan 2007-2010*. The three SASP lead targets contribute directly to the Corporate Plan's 'Healthy environment' goal.

A biannual independent review assesses progress towards each SASP target. The SASP Audit Committee's assessments of DEH's three lead targets are included in this report.

T3.1 – Lose no species: Lose no known native species as a result of human impacts.

In July 2007 the Minister for Environment and Conservation released *No Species Loss*, a framework for conserving South Australia's natural environment. *No Species Loss* is now reflected in strategies within the *State Natural Resources Management Plan 2006* and *Tackling Climate Change: South Australia's Greenhouse Strategy 2006-2020*.

DEH data provided to the biannual review indicated that there were no extinctions recorded in South Australia between 2000 and 2008. However, there was an increase in the number of listed threatened species during this period, which can be attributed to:

- ongoing cataloguing and refinement of South Australia's species;
- taxonomic revisions;
- improved information about species population, distribution and habits; and
- declines in the numbers or range of some species.

SASP Audit Committee's assessment:

- Progress toward target – steady or no movement
- Target achievability – within reach

T3.2 – Land biodiversity: by 2010 have five well-established biodiversity corridors aimed at maximising ecological outcomes particularly in the face of climate change.

The NatureLinks program finalised and released the first draft corridor plan in 2007-08 – *East meets West NatureLinks Corridor Plan*. Planning for the Flinders Olary, Cape Borda to Barossa, and River Murray Coorong corridors commenced.

During 2007-08 marketing tools were developed to communicate the NatureLinks philosophy to communities and industries.

SASP Audit Committee's assessment:

- Progress toward target – positive movement
- Target achievability – within reach

T3.4 – Marine biodiversity: by 2010 create 19 marine parks aimed at maximising ecological outcomes.

The *Marine Parks Act 2007* was proclaimed, providing for the establishment of 19 marine parks. The marine parks program has also identified 19 sites as having high marine biodiversity conservation value as potential sites for the marine parks.

SASP Audit Committee's assessment:

- Progress toward target – positive movement
- Target achievability – on track

ALL-AGENCY SASP TARGETS

DEH also contributes to the achievement of other across-government SASP targets that have been incorporated into its planning and program and sub-program activities.

Achievement against each All-Agency Target is discussed in the relevant program or sub-program report later in this report.

- T1.7 – Performance in the public sector – customer and client satisfaction with government services (refer to Governance, Environment Policy and Public Affairs Sub-program report)
- T1.8 – Performance in the public sector – government decision making (refer to Governance, Environment Policy and Public Affairs Sub-program report)
- T3.13 – Energy efficiency – government buildings (refer to Energy Efficiency report)
- T5.1 – Boards and committees: increase the number of women on all State Government boards and committees to 50 per cent on average by 2008, and maintain thereafter by ensuring that 50 per cent of women are appointed, on average, each quarter (refer to Governance, Environment Policy and Public Affairs Sub-program report)
- T5.2 – Chairs of boards and committees: increase the number of women chairing state government boards and committees by 50 per cent by 2010 (refer to Governance, Environment Policy and Public Affairs Sub-program report)
- T6.1 – Aboriginal wellbeing (refer to the DEH Reconciliation Report)
- T6.22 – People with disabilities: double the number of people with disabilities employed by 2014 (refer to the Disability Action Plan report)
- T6.23 – Women: have women comprising half of the public sector employees in the executive levels (including Chief Executives) by 2014 (refer to the Human Resource Services Sub-program report)
- T6.24 – Aboriginal employees: increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2 per cent by 2010 and maintain or better those levels through to 2014 (refer to the Human Resource Services Sub-Program report).

DEH Corporate Plan

The *Department for Environment and Heritage Corporate Plan 2007-2010* was released in July 2007. DEH's four core values were bolstered with the addition of a new value:

- public service, responsibility and accountability;
- candour, diplomacy and cooperation;
- imagination, diversity and innovation;
- thinking, inquiry and discipline; and
- *safety, health and enjoyment.*

The department's priorities were refocused through five new goals that responded to changes in government priorities, including the SASP targets. The Corporate Plan goals are now:

- South Australians involved;
- A healthy environment;
- Sustainable growth;
- Better decisions and partnerships; and
- Getting results.

2007-08 was the first full year of delivering DEH's business based on the philosophy of the revised Corporate Plan. It identifies clearly DEH's strategic goals and objectives, enabling every person in the department to consider shared outcomes when developing programs and activities.

A targeted communications program led by the DEH Executive helped the department's staff and external partners understand the organisation's priorities and objectives and that the Corporate Plan is not separate from the department's planning and delivery structure.

Organisational Structure

In order to improve the effectiveness of DEH in achieving its Corporate Plan goals, the Chief Executive during the year implemented minor changes to the six directorates that comprise the organisation's structure. These changes aimed to:

- consolidate policy and program responsibilities in one directorate, Conservation Policy and Programs (CPP);
- maintain the Botanic Gardens as a directorate to reflect its importance as a scientific and cultural institution in South Australia;
- maintain a strong regional emphasis on conservation delivery, with a name change – to Regional Conservation Delivery (RCD) – that reflects this goal;
- bring science, knowledge, information and technology endeavours together in a new directorate called Information, Science and Technology (IST);
- establish another new directorate, People and Strategy (PSD), consisting of the former Office of the Chief Executive and the Human Resources Branch of Business Services; and
- maintain the Business Services Directorate (BSD), with its focus on supporting and improving business performance and effectiveness.

In addition, the title of Executive Director was introduced to align DEH with other departments in the public service.

Conservation Policy and Programs

The Conservation Policy and Programs Directorate provides policy leadership, program direction and support for the protection and management of natural and cultural heritage across the state. Specifically, the directorate:

- provides strategic policy advice, programs and support for protected area and public land management, coast and marine conservation, heritage protection, natural resources management, visitor management, biodiversity conservation, Aboriginal partnerships, volunteer support and animal welfare; and
- delivers programs such as conservation and management of state heritage, Crown lands and coast and marine environments, where there is a need for centralisation, scientific support, monitoring for biodiversity management and ensuring environmental objectives are addressed in development proposals.

The Executive Director, Conservation Policy and Programs, holds the statutory position of Director of National Parks and Wildlife under the *National Parks and Wildlife Act 1972*.

Botanic Gardens

The Botanic Gardens Directorate manages the Botanic Gardens and State Herbarium. The directorate promotes the Botanic Gardens and State Herbarium as a cultural and scientific institution focusing on plants, people and culture, promotes sustainable urban landscapes, and contributes to habitat restoration.

The Executive Director holds the statutory position of Director, Botanic Gardens and State Herbarium under the *Botanic Gardens and State Herbarium Act 1978*.

Regional Conservation Delivery

The Regional Conservation Delivery Directorate undertakes the majority of DEH on-ground programs and:

- delivers DEH conservation programs statewide;
- manages the state's public lands (national parks and wildlife reserves and Crown land), including maintenance of built assets and visitor facilities;
- delivers statewide programs addressing fire management and resource protection, including wildlife licensing; and
- supports Natural Resources Management (NRM) Boards.

Close working relationships with the Conservation Policy and Programs Directorate and other public, private and community organisations are maintained to ensure that policy and programming work can achieve desired outcomes.

Information, Science and Technology

The Information, Science and Technology Directorate has a multi-faceted role, servicing the diverse needs of DEH, the Environment and Conservation Portfolio, business and the wider community. Its responsibilities include:

- enabling efficient, effective access to a wide range of environmental data, information and products;
- providing aerial photography and satellite imagery services to DEH and other government programs;
- developing an environmental education framework;
- providing information communication technology (ICT) services and infrastructure to support DEH, the EPA and Zero Waste; and
- coordinating development and maintenance of the DEH Internet and Intranet websites.

Business Services

The Business Services Directorate provides leadership in corporate processes and offers strategic advice – in line with the requirements of the government, Minister and central agencies – to DEH directorates, the Environment Protection Authority, Zero Waste SA and various boards and committees in financial, asset management, procurement and general administrative services.

The directorate ensures that the department delivers sound, efficient and effective support services, processes, and advice to its customers.

People and Strategy

The People and Strategy Directorate provides high-level leadership to the department and a range of strategic and management services to support the Minister, the Chief Executive and Executive Directors. The directorate's key roles include:

- establishing and reviewing DEH's corporate governance arrangements, including monitoring internal control frameworks and independent assurance of departmental activities;
- managing the corporate planning cycle and providing leadership in the application and continuous improvement of the department's planning, budgeting and reporting structure;
- strategic coordination of internal and external communications, including electronic and print media production, public relations, marketing and event management;
- identifying, delivering and evaluating strategic projects to enhance the performance of the organisation;
- promoting agency-wide and cross-portfolio partnerships to ensure informed decision-making in the achievement of government objectives; and
- fostering intra-agency communication and liaison on behalf of the Chief Executive.

Program Structure

Adjustments to the DEH program structure were approved and implemented in 2006-07. As a result the department managed its business through nine programs and seven sub-programs in 2007-08.

This annual report provides a summary of each program's progress during 2007-08 and lists their 2008-09 targets.

Nature Conservation

The protection and restoration of ecosystems, habitats, species and populations by developing conservation policies and programs with industries, government and communities and by undertaking and supporting research, surveys and monitoring of South Australia's ecosystems, habitats, species and populations.

Public Land – Visitor Management

The promotion of public enjoyment and the conservation of the state's natural and cultural heritage by providing opportunities for environmentally sensitive, economically viable and socially responsible visitor experiences.

Public Land – Fire Management

The development and implementation of fire management policy, procedures and programs to reduce risk to life and property while conserving our natural and cultural heritage on lands managed by the department.

Public Land – Stewardship

To ensure that public lands are managed effectively and that ecologically sustainable principles are applied when acquiring, allocating and disposing of public lands.

Coast and Marine Conservation

The conservation, protection and associated management of the state's coast and marine environments.

Botanic Gardens Management

The management of the natural and cultural resources of the Botanic Gardens and State Herbarium to advance plant conservation and sustainable horticulture practices, and to enrich society.

Heritage Conservation

The identification, conservation, protection and celebration of the state's places and objects of non-Aboriginal heritage significance.

Animal Welfare

The promotion and regulation of the humane treatment of animals.

Agency Support Services

The provision of business support services to the various operational units within the Department for Environment and Heritage, the Environment Protection Authority, Zero Waste SA and other related boards and committees. Agency Support Services consists of seven sub-programs – Environmental Information; IT; Web and Records Management; Governance, Environmental Policy and Public Affairs; Human Resources; Asset Management; Financial Services and Administration.

A matrix of DEH's programs and directorates forms the basis of the department's planning, budgeting and reporting framework.

Program managers and sub-program managers work with branches and regions to determine priorities for the next three to five years and develop activities for implementation. These priorities and activities direct the allocation of the base, project and capital investing budgets.

The implementation of the priorities in each program plan occurs through the directorates, branches and regions. These are reviewed through local reporting and monitoring practices and performance management discussions. Each directorate's progress is recorded in the DEH Management Planning and Reporting Tool (MPRT) and reports are generated each quarter to help Executive Directors monitor progress.

CASE STUDY

Managing a mine site

Iluka Resources Limited has identified a major mineral sands province in the northwest corner of Yellabinna Regional Reserve. In May 2008 Iluka announced that its board had agreed to develop the mine, with approval given for \$420 million worth of capital expenditure.

Iluka has advised that the combined 'Jacinth' and 'Ambrosia' deposits total about 150 million tonnes, and that the mine life is about 10 years. The project will deliver significant benefits for the state and the region with approximately 250 people employed during construction and 120 when the mine is operational. The project includes two mining pits, a transferable mining unit, a wet concentrator, a clay disposal dam and associated infrastructure including power station, airstrip, village, bore field, water pipeline, borrow pits, and access roads.

Jacinth-Ambrosia is expected to be Australia's largest zircon operation and a major global supplier of high-quality zircon, used in the manufacture of ceramics. As the mine is located on a reserve, strict environmental guidelines are being established. DEH has worked closely with PIRSA and Iluka to develop appropriate conditions to address all environmental and park management issues.

The heavy mineral concentrate will be transported by road from the mine site to Port Thevenard at Ceduna, where it will be loaded onto ships and transported to Western Australia for processing for export at existing Iluka operations. The existing dirt Ooldea Road between Yellabinna and Nullarbor Regional Reserves will be upgraded to cater for transport of mineral concentrate.

The Ministers for Environment and Conservation and Mineral Resources Development have approved the mining lease, but Iluka is also required to develop a Mining and Rehabilitation Program (MARF) with DEH and PIRSA. The MARF will include environmental management provisions to cover the life of the mine, as well as rehabilitation requirements.

CASE STUDY

Cooperative Management of Witjira National Park

In August 2007 the Minister for Environment and Conservation signed an Indigenous Land Use Agreement (ILUA) and a Co-Management Agreement (CMA) with traditional owners over the Witjira National Park.

In recognition of the Lower Southern Arrernte (**urr-an-dah**) and Wangkangurru (**won-kon-guru**) people's traditional association with the land, the Park was proclaimed as the Witjira National Park in November 1985. The name 'Witjira' is derived from the Lower Southern Arrernte language and refers to a paperbark tree fringing many of the springs at Dalhousie.

Witjira National Park was the first National Park in South Australia to have joint management between the traditional owners and the then Minister for Environment and Natural Resources. Since 1995 the park has been managed according to the terms of a 99-year lease between the Irrwanyere (**err-wan-ya-re**) Aboriginal Corporation (IAC) representing the Lower Southern Arrernte and Wangkangurru peoples and the then Minister for Environment and Natural Resources, and the management plan for the park.

In 1995 the then Minister for Environment and Natural Resources established the Witjira National Park Board of Management, representing the traditional owners/native title claimants and DEH, to help ensure that the park was managed in a way that respects both contemporary and traditional culture, knowledge and skills.

In 2005 negotiations commenced between the State and the IAC for an Indigenous Land Use Agreement and a Co-management Agreement.

As part of the overall settlement of the native title claim including the National Park, the Federal Court will hand down a Consent Determination on 9 September 2008 at Dalhousie Springs in the Witjira National Park. This is the first time a Consent Determination is being handed down to native title claimants in conjunction with a negotiated ILUA and a CMA over a national park in South Australia.

DEH has enjoyed a long relationship with the traditional owners. The department recognises that the Aboriginal people wish to be involved in park management and that negotiation is preferable to court proceedings in settling native title claims.



DEH PROGRAM PERFORMANCE

Nature Conservation Program

Protecting, maintaining, improving and restoring ecosystems, habitats, species and populations by developing nature conservation policies and programs with industries, government and communities and by undertaking and supporting research and monitoring of South Australia's biodiversity.

Highlights

The Nature Conservation Program in 2007-08 finalised *No Species Loss: a Nature Conservation Strategy for South Australia 2007-2017*, a key milestone in *South Australia's Strategic Plan* target to lose no more native species as a result of human activity. Released by the Minister for Environment and Conservation, the Hon. Gail Gago MLC, on 10 July 2007, *No Species Loss* is the first statewide nature conservation strategy for South Australia. During 2007-08, considerable effort has been devoted to ensuring the strategy's goals are a focus of the department's conservation endeavours.

While work focused on ensuring the state loses no species, the program found two new populations of one of Australia's rare native orchids and identified four previously unrecorded species. The Hindmarsh Valley Greenhood, *Pterostylis bryophila*, is an orchid at risk of extinction and not found anywhere else in the world. The Biological Survey program recorded new four species – the pink-blotched gecko, the broad-banded sandswimmer, the western blue tongue lizard and Bolam's mouse – while surveying the proposed Caroon Creek Conservation Park.

The South Australian Government has determined that by 2010 there will be five well established biodiversity (NatureLinks) corridors aimed at maximising ecological outcomes. The program released for public comment the draft *East meets West NatureLinks Corridor Plan* during 2007-08; the final plan is planned for release in late 2008.

The Premier, the Hon. Mike Rann MP, formally launched the River Murray Forest project in August 2007. The project aims to establish an additional 2.5 million-tree native forest between Morgan and Renmark in the Riverland.

Revisions to the Threatened Species Schedules under the *National Parks and Wildlife Act 1972* were gazetted in February 2008, recognising 96 more threatened species and taking the total to 1137.

DEH assisted with the development of an ecological recovery strategy for Lake Alexandrina and Lake Albert, aiming to restore these areas to a functioning freshwater wetland ecosystem. DEH's support included modelling ecosystem responses to river flows and various water and land management options, and introducing a monitoring system to track changes in water chemistry.

In 2007-08, 19 new native vegetation Heritage Agreements were registered, adding 6205 hectares to more than 600 000 protected hectares.

In partnership with the South Australian Arid Lands Natural Resources Management (NRM) Board, the draft *South Australian Arid Lands Biodiversity Strategy* was completed and released for public comment.

The Nature Conservation Program introduced recovery plans for threatened species including the sandhill dunnart, black-flanked rock-wallaby (or warru), black-eared miner, mallee fowl and threatened plants including orchids in the Mount Lofty Ranges and Northern and Yorke region.

Regional status assessments have started for flora and fauna and Australia's Virtual Herbarium (AVH) web interface was upgraded, with data captured for more than 700 000 vascular plant collections.

Key Challenges and Targets for 2008-09

Challenges

Key challenges to the successful implementation of *No Species Loss* include:

- working with industry and communities to develop and implement actions;
- accessing knowledge crucial to achieving the desired outcomes, particularly given the added pressure of and uncertainty about climate change; and
- completing landscape restoration projects and threatened species management within current resource levels.

Targets

- Complete the development of the *No Species Loss* implementation plan and support other agencies in delivering targets
- Increase the awareness of landowners, industry, government and communities about how they can conserve and sustainably work with biodiversity
- Release the *East meets West Biodiversity Corridor Plan* and continue the development of, and undertake public consultation on, draft NatureLinks Corridor plans for Flinders Olary, River Murray Coorong, and Cape Borda to Barossa
- Continue establishing the River Murray Forest
- Finalise the environmental impact assessment of a proposed temporary weir near Pomanda Island
- Develop a recovery strategy to re-establish wetland vegetation and organic matter at Lake Alexandrina and Lake Albert
- Monitor the effectiveness of bio-accumulation in mitigating acid sulphate soils and re-establishing functioning wetland ecosystems
- Continue the landscape restoration project and the regional status assessments for flora and fauna
- Release and implement biodiversity strategies for South Australia's Arid Lands and the Adelaide and Mount Lofty Ranges NRM regions
- Monitor the effects of drought on the operation of the kangaroo industry



Public Land – Visitor Management Program

Promoting public enjoyment and the conservation of the state's natural and cultural heritage through the provision of sustainable opportunities for environmentally sensitive, economically viable and socially responsible visitor experiences.

Highlights

During 2007-08 major facility upgrades were completed at Belair National Park and at West Cape, Innes National Park. Car parks, shelters and barbecues have been built at Belair, and stage two of Belair National Park's Interpretation Plan has been completed to improve visitor orientation and connection with the park. Improvements at West Cape included sealing the entry road and building a car park, picnic shelter, toilets, lookout, clifftop walk and beach access.

The DEH Trails Strategy, *On Track – A Trail Strategy for South Australia's National Parks*, was finalised. This was supported by the development of the *DEH Interpretation Plan* and the *Heysen Trail Strategic Plan and Management Plan* for priority sections of the trail.

Other Achievements

Strategic plans for the Seal Bay Conservation Park and Lincoln and Coffin Bay national parks were completed with input from tourism industry representatives and other stakeholders. A range of potential visitor experiences has been identified for Seal Bay and will be investigated during 2008-09.

Policies for cycling, rock-climbing and abseiling in DEH-managed reserves were completed during 2007-08. The policies aim to balance the conservation of natural and cultural values with the provision of safe, sustainable and high-quality visitor experiences in parks and reserves. Similarly, the draft policy and procedure for the management in parks of motor vehicles, including four-wheel drives and trail bikes – which has been released for community consultation – seeks to provide opportunities for motor-vehicle access while minimising the impact of such access on the environment.

A Commercial Tour Operator Licensing Policy has been developed in consultation with industry to provide a framework for licensing tour operators accessing and using South Australia's reserves.

A comprehensive Interpretation Plan was completed for Flinders Ranges National Park. First-stage implementation focused on Indigenous cultural interpretation and advancement of reconciliation.

'Ikara - the meeting place' was designed as a public art space where Adnyamathanha people could share their culture and knowledge with park visitors. Ikara has received several prestigious awards since its launch in April 2007, including the 2007 ArtSA Ruby Award for best new work, SA Great's Regional SATC Tourism Award 2007 and the Interpretation Australia Association Award 2007 for excellence in heritage interpretation. During the year, cultural awareness workshops were hosted at Ikara for DEH staff and local tour operators.

Key Challenges and Targets for 2008-09

Challenges

The major challenge for the program will be to prepare a contemporary Visitor Management Strategy.

Targets

- Prepare a Visitor Management Strategy
- Use the *Healthy Parks, Healthy People* program to encourage visitors to parks
- Implement the *Statewide Trails Strategy* and the *Heysen Trail Strategic Plan*
- Improve existing commercial operations and develop additional sustainable opportunities
- Plan visitor management requirements for marine parks
- Complete the Commercial Marine Mammal Interaction policy and permit system to support the proposed Marine Mammal Regulations
- Implement the DEH risk assessment and management program to improve visitor safety in parks
- Undertake visitor site and infrastructure planning, upgrade and refurbishment projects guided by approved strategic master plans
- Implement the DEH Visitor Interpretation and Information plans

CASE STUDY

Scientific partnerships for marine parks

DEH marine scientists were joined by a team of robotics experts from the University of Sydney for a six-day research trip on board the SA Research and Development Institute (SARDI) marine research vessel *Ngerin*.

DEH was one of two South Australian groups to win access to the Integrated Marine Observing System's (IMOS) nation-wide pool of resources, giving our marine scientists the extraordinary opportunity to use the autonomous underwater vehicle (AUV).

The AUV was used to reach deeper and more remote parts of South Australia's marine environment and retrieved more than a quarter of a million images from the ocean floor off Eyre Peninsula. The images provide continual coverage of the ocean floor, and may answer a range of research questions.

The robotics engineers will collate the data obtained from the trip and use it to create sea-floor habitat maps that will contribute to the design of South Australia's proposed 19 marine parks.

The opportunity to use the AUV formed part of the larger \$6.4 million Southern Australia IMOS managed by SARDI and Flinders University.

Public Land – Fire Management Program

The development and implementation of fire management policy, procedures and programs to reduce risk to life and property while conserving our natural and cultural heritage on lands managed by the department.

Highlights

In 2007-08 DEH continued to develop comprehensive fire-management plans for South Australia's reserves. Plans for reserves in the following areas have passed through public consultation and await adoption: the Southern Foothills and Hills Face Zone in the Mount Lofty Ranges, South-western Fleurieu Peninsula, Southern Flinders Ranges, Southern Eyre Peninsula, Ngarkat and Billiatt Districts and Bookmark Mallee. Another two plans – the Cape Forbin Integrated Plan (Kangaroo Island) and Reserves of the South East – which are currently being prepared will be completed during 2008-09.

Recommended works in all draft plans are being integrated into annual works programs. When the current plans are completed, 119 reserves – or about 30 per cent of DEH reserves – will have approved Fire Management Plans.

All fire-management policies and procedures were reviewed for inclusion in a procedure manual to be adopted by the Chief Executive in 2008-09.

Project FuSE – the collaboration between the Bushfire Cooperative Research Council, DEH and CSIRO – completed its third burning phase in 2007-08. Experimental burning began in March 2008 on the western boundary of Kirra in Ngarkat Conservation Park. With the support of the Country Fire Service (CFS), the project has been expanded to include investigating the effectiveness of aerial suppression.

Other Achievements

Collaboration with an Australian Research Council Linkage Project continues, with two PhD students commencing in March 2008. The project is examining species and community shifts and fire histories in Eyre Peninsula mallee reserves. Fieldwork will commence in the 2008-09 financial year.

The Kangaroo Island bushfires – started by lightning strikes on 6 December 2007 – burned 73 000 hectares of DEH reserves, including 65 per cent of Flinders Chase National Park, 98 per cent of Ravine des Casoars Wilderness Protection Areas and other reserve land at Cape Gantheaume, Seal Bay and Western River. The fires were the most complex in South Australian history and suppression efforts were assisted by firefighters from four states.

A fire severity project was undertaken as a result of the Kangaroo Island fires. Fire severity is the ecological expression of fire intensity, affecting vegetation recovery, water quality, future ecological burning, planning and operations. Initial findings are to be presented at the FIRE2008 conference in Adelaide in September 2008.

DEH continued to support the CFS in suppression operations, with staff attending 67 bushfires that burned 443 727 hectares, of which 437 848 hectares were within DEH-managed reserves.

During the year, 39 prescribed burns, totalling about 4960 hectares, were conducted. Targeted training in specialist fire management operations continued, as did an arrangement with SA Water that has resulted in six new fire appliances and the recruitment of more seasonal firefighters, taking the firefighter tally to 64. The CFS is working with DEH to develop remote area firefighting capabilities for the fire season ahead.

Ecological fire management guidelines were developed for the Billiatt District, Bookmark Mallee, South East and Lower Eyre Peninsula. A new flora and fauna fire response database will assist fire managers prepare for prescribed burns.

Improved knowledge of the fire behaviours of various animal and plant species, including mallee and heath vegetation types, has provided valuable information for future management.

Two DEH staff members participated in a Fire Study Tour of Canada and the United States, and a senior DEH executive was appointed an Assistant Chief Officer of the CFS. DEH staff will help stage the International Fire and Research conference in Adelaide in September 2008.

Key Challenges and Targets for 2008-09

Challenges

As the state's largest land manager, DEH is confronting fire-management issues and problems such as climate change, urban sprawl, water availability, fewer volunteers, litigation, staff retention and soaring suppression costs.

Traditionally, a bigger bushfire threat is fought with more suppression resources. Despite advancements in suppression equipment and technology, the impact of bushfires is increasing. The global focus is now shifting to fuel and vegetation management, which significantly affects land managers such as DEH.

Targets

- With the CFS, develop remote-area firefighting capabilities
- Complete and implement 10 Fire Management Plans
- Continue collaborating with SA Water and develop other key partnerships
- Continue skilled and specialist training
- Increase DEH brigade membership
- Further integrate fire ecology, science and research into fire management practices
- Continue fuel reduction and ecological management operations across the state



Public Land – Stewardship Program

Ensuring that public lands and protected areas are managed effectively.

Highlights

Three new conservation parks totalling 214 hectares were proclaimed during 2007-08: Vivigani Ardune in the South East, and Minlacowie and Ramsay on Yorke Peninsula. DEH has also developed partnerships with private land-conservation organisations that have led to the purchase and protection of about 215 000 hectares of ephemeral freshwater ecosystem, grassland and woodland habitat in outback South Australia.

Management plans have been adopted by the Minister for Environment and Conservation for four reserves – the Mowantjie Willauwar and Poonthie Ruwi Conservation Parks, and O'Halloran Hill and Shepherds Hill Recreation Parks. Public consultation was completed on draft management plans for Ngaut Ngaut Conservation Park, Mainland Conservation Parks of Yorke Peninsula, Sturt Gorge Recreation Park, Mamungari Conservation Park, and Althorpe Islands, Goose Island and Troubridge Island Conservation Parks.

Negotiations for an Indigenous Land Use Agreement and Co-management Agreement over Witjira National Park formalised the former co-managed lease arrangement.

The Crown Land Management Bill was introduced into parliament to replace the *Crown Lands Act 1929*. The new legislation establishes ecologically sustainable development as the basis for land management decision-making and clearly defines offences relating to the misuse of Crown land.

The program completed 93 per cent of the Perpetual Lease Accelerated Freeholding Project, and contributed to the finalisation of an Environmental Assessment Bilateral under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*.

Other Achievements

The Perpetual Lease Accelerated Freeholding project continued with the issuing of a further 1 100 freehold titles and is now 93 per cent complete. Remaining applications will be processed in 2008-09.

The Crown Land Revenue Project (CLRP) continued to identify unallotted Crown land surplus to DEH requirements. Suitable land parcels were sold with part of the proceeds used for DEH's acquisition of high-priority conservation land for the parks system. The CLRP expects a stream of sales during the next four years that will provide more revenue for the purchase of high biodiversity value land.

A project to develop a 'Protected Areas on Private Land' framework began with Commonwealth funding through the National Reserve System Program. The framework aims to develop partnerships and create private land protected areas to complement the public reserve system and contribute to the National Reserve System.

DEH worked closely with other relevant agencies to finalise an Environmental Assessment Bilateral under the *Environment Protection and Biodiversity Conservation Act 1999* and to identify other ways to streamline environmental assessment and approvals processes in line with COAG's 2008 regulatory reforms and the government's red tape reduction targets.

There has been a significant focus on managing exploration and mining activities, including assessing Iluka Resources' proposed Jacinth-Ambrosia mineral sands mine in Yellabinna Regional Reserve.

Progress was made on implementing the *DEH Volunteer Strategy*, which includes establishing Volunteer Support Ranger positions to coordinate volunteer programs.

Key Challenges and Targets for 2008-09

Challenges

Resolution of native title claims, particularly those which involve co-management arrangements over parks, will continue to provide opportunities for greater engagement of Indigenous communities in managing the state's protected areas and to advance reconciliation.

Maximising economic and community benefits from Crown lands by extending the Crown Land Revenue Project and development of the public protected area system through the Australian Government's National Reserve System Program funding, under the *Caring for our Country* initiative, are other challenges.

The program also aims to:

- develop partnerships with private land-conservation organisations and Indigenous communities in establishing and managing protected areas, and to develop a legislative framework to facilitate this approach;
- investigate opportunities to help manage the environmental impacts of increased mineral and petroleum exploration in South Australia; and
- develop EPBC Act reforms to streamline state and Commonwealth processes.

Further streamlining of park management plans and processes will be investigated due to decreased resources from 2008-09.

Targets

- Complete the Perpetual Lease Accelerated Freeholding Project
- Develop regulations and commence implementation planning for the Crown Lands Management Bill
- Finalise the *Protected Areas Strategy*
- Introduce an Amendment Bill to parliament to modernise the reserve classification system
- Complete the 10-year review of Innamincka and Simpson Desert Regional Reserves for tabling in parliament
- Complete assessments of Iluka Resources' proposed Jacinth-Ambrosia mine in Yellabinna Regional Reserve

Coast And Marine Conservation Program

Ensuring the conservation, protection and ongoing sustainable productivity of South Australia's coastal, estuarine and marine environments.

Highlights

The key achievement in 2007-08 was the proclamation in May 2008 of the *Marine Parks Act 2007*, which establishes the legal framework for creating and managing marine parks in South Australia. The legislation is a major step towards meeting *South Australia's Strategic Plan* target of creating 19 marine parks by 2010.

The program also continued its marine-habitat mapping and sand-shifter trial programs, the latter as part of *Adelaide's Living Beaches Strategy: A Strategy for 2005-2025*.

Digital elevation modelling for high-risk coastal areas on Yorke Peninsula has been developed for the Coast Protection Board (CPB) to address the impact of rising sea levels due to climate change. Assistance was given to the CPB in preparing a submission to the Environment Resources and Development Committee's inquiry into coastal development.

Funding was provided for critical cliff-stabilisation works in the City of Onkaparinga, again in conjunction with the CPB.

Other Achievements

In addition to formalising a system for creating parks, the *Marine Parks Act 2007* establishes the Marine Parks Council of South Australia, which will provide advice to the Minister for Environment and Conservation and which held its first meeting in June 2008.

To support the development of marine parks, DEH staff consulted widely with community groups, speaking face to face with more than 4500 people during the first six months of 2008.

DEH's innovative scientific work continued to ensure that planning and policies related to the state's marine parks are supported by the best available information. Among the information is the *Design Principles* document released by the Minister for Environment and Conservation that details international best practice for designing and selecting marine parks. The principles include scientific considerations as well as social and economic factors.

The *Adelaide Dolphin Sanctuary Management Plan* was finalised after public consultation, and consultation on the National Parks and Wildlife (Protected Animals – Marine Mammals) Regulations was completed.

The Coast and Marine Conservation Program supported the CPB in introducing policies to manage the effect of coastal hazards such as flooding, erosion and sea-level rise as a result of climate change. To ensure future coastal development is not at risk from these and other hazards, DEH:

- assessed 215 coastal development applications under delegation from the CPB;
- contributed to 20 Development Plan amendments and 12 Statements of Intent on coastal hazard matters; and
- helped establish a Sea Level Rise Advisory Committee to review the CPB's sea-level rise policies and related measures.

DEH continued to work with the South Australian Research and Development Institute (SARDI) Aquatic Sciences division on a seagrass restoration project. Results of the project were monitored through a program developed between Flinders University and SARDI. A joint Australian Research Council (ARC) Linkage application was lodged to develop a \$35 000 research collaboration grant from Flinders University.

Key Challenges and Targets for 2008-09

Challenges

The assessment and prioritisation of coastal vulnerability mitigation works for coastal settlements is an important responsibility of the Coast Protection Board. Quantifying the vulnerability of the South Australian coast will require broad-scale digital elevation modelling of the coast. Elevation modelling will be developed upon finalisation and implementation of the Australian Government's National Elevation Data Framework.

Targets

- Proclaim boundaries for 19 marine parks
- Establish regional consultative forums to support the development of marine-park management plans
- Develop regulations under the *Marine Parks Act 2007*
- The Sea Level Rise Advisory Committee to the CPB to review scientific evidence on sea-level rise and advise the Board on policies
- Continue the identification of coastal land vulnerable to flooding, erosion and the effects of climate change-induced sea-level rise
- Continue to work with the Australian Government on the National Elevation Data Framework and coastal vulnerability assessment programs



Botanic Gardens Management Program

Managing the natural and cultural resources of the Botanic Gardens and State Herbarium to advance plant conservation and sustainable horticulture practices, and to enrich society.

Highlights

As part of the Botanic Gardens' 150th birthday celebrations, the G150 Foundation raised \$5.7 million for capital works. Overwhelming support from the corporate sector and wider community has provided the gardens with facilities where visitors learn the vital roles plants play in our daily life, environmental reconciliation and conservation.

Among the anniversary celebrations was the opening of the \$4.3 million Amazon Waterlily Pavilion – an energy-efficient glass house containing the Gardens' iconic giant Amazon waterlily and a world-class terrestrial bromeliad collection – and *Victoria amazonia* exhibition by the Premier, the Hon Mike Rann MP, in November 2007. More than 120 rare books, artworks and ethno-botanical objects from Guyana, archival documents, photographs, plans, drawings and plant specimens were displayed in the exhibition.

Sustainable design principles have been incorporated into the pavilion and the neighbouring SA Water Mediterranean Garden, which displays more than 130 plant species suitable to South Australia's climatic conditions. The Sustainable Landscapes project has also helped demonstrate 'water-wise' garden design, species selection and sustainable horticultural practices suitable for the South Australian climate.

With state and local-government partners, the Gardens has started planning the redevelopment of the Adelaide Zoo Frome Road entrance and its impact on the Adelaide Botanic Park.

Other Achievements

A research partnership between Iluka Resources Ltd, the University of Adelaide and the Botanic Gardens of Adelaide continues to investigate soil seedbank dynamics, seed dormancy and germination biology for plant species indigenous to the Western Myall (*Acacia papyrocarpa*) open woodland within Yellabinna Regional Reserve, northwest of Ceduna.

Other research included the Adelaide garden's collaboration with Alcoa World Alumina Ltd to provide topsoil seed reserves and examine the role of fire related germination cues in restoring Victoria's Anglesea coalmine site.

A quality assurance program has been introduced for volunteers helping in the Schomburgk Pavilion's Visitor Information Centre.

Events and cultural programs staged at the Botanic Gardens included Moonlight Cinema, Adelaide Symphony Orchestra Alfresco, ParkLife, the tercentenary commemoration of the work of Swedish botanist Carl Linnaeus, and the 10th staging of WOMAdelaide at Botanic Park.

An expedition to Guyana led by Botanic Gardens of Adelaide director Stephen Forbes retraced the 1800s journey of the second director, Richard Schomburgk, and collected seed of the giant Amazon waterlily, *Victoria amazonica*.

Schools programs including the World Environment Day SA Water quiz trails, Branch-Out education extension programs, and Frog Census Night for students from the SA School for Vision Impaired attracted 22 724 students.

Research findings were published in scientific and conservation journals and presented at national and international conferences.

The Botanic Gardens attracted 1.726 million visitors in 2007-08 and staged eight major cultural events.

In 2007-08, more than 20 per cent of the Adelaide Botanic Garden lawn areas again were allowed to dry out and water schedules were adjusted. The replacement of irrigation systems has improved irrigation efficiency across the gardens, and investigation continues into the potential for wetland and aquifer storage and a redraw (ASR) facility using excess flows from First Creek.

The Cascade Fountain now uses wastewater from the reverse osmosis desalination system in the Bicentennial Conservatory, a change projected to save 400 000 litres of mains water a year.

Mount Lofty Botanic Garden liaised with the Department of Water, Land and Biodiversity Conservation to secure enough water from the now prescribed Piccadilly aquifer to ensure Botanic Garden of Adelaide business delivery, effective management of aquifer water and Mount Lofty Botanic Garden collection development.

Despite these initiatives, the continued drought prevented significant additional water savings this year.

Key Challenges and Targets for 2008-09

Challenges

The gardens will continue to demonstrate responsible water usage. Irrigation Master Plan recommendations will continue to be implemented and negotiations with SA Water will lead to the use of recycled water from the Glenelg–Adelaide pipeline from 2010.

Targets

- Develop a new western entry to the Adelaide Botanic Garden
- Continue the development of a new Garden of Health
- Upgrade water infrastructure to demonstrate effective, efficient and appropriate water use
- Refurbish the Museum of Economic Botany
- In partnership with the Millennium Seed Bank, continue collecting and researching seed of South Australian plant species
- Stage seven major cultural events in the gardens
- Extend the Sustainable Landscapes project

Heritage Conservation Program

Ensuring that the state's built and maritime heritage and heritage objects are identified, protected, conserved, maintained and celebrated.

Highlights

During 2007-08 the Heritage Conservation Program achieved a major target established in *Heritage Directions* – the creation of a single register for local, state and national heritage places. As part of this project, DEH completed the mapping of state heritage places and released the data to Planning SA's new South Australian Heritage Places Database website. This provides a single access point for data on, and hyperlinks to, world, national, state and local heritage places in the state. Virtual tours of heritage areas have been added to the DEH website.

The Heritage Advisory Service was expanded so that 80 per cent of all state heritage places now have access to heritage advisors, and a review will lead to red-tape reduction in development applications.

Other Achievements

South Australian Heritage Fund grants of \$240 000 helped private owners complete 47 conservation projects, including major church restorations in Adelaide and Gawler, re-roofing at Poltalloch Station, stone conservation at Campbell Park in the South East and ongoing metal and stone conservation at Marines Terrace in Grange.

A partnership with the Channel 9 *Postcards* television show prompted 'Heritage Postcards', which highlighted local places and encouraged students to explore their local heritage. Thirty new website fact sheets detailed heritage places and shipwrecks and celebrated significant anniversaries in 2008. In addition, new interactive maps mean a wider audience can now better appreciate 17 state heritage areas without leaving home.

History Week prompted a record number of visitors to pass through the 'Open Doors' of 69 heritage-listed buildings while celebrating the 30th anniversary of the state's built heritage legislation.

A series of seminars enabled the South Australian Heritage Council and Register Committee to identify issues and provide information for the Council's Planning Review submission.

Reviews of three grants will lead to a more targeted allocation of resources, while a series of workshops has helped heritage advisers respond to heritage-related development applications.

A highlight of the marine heritage program was the strengthening of the bond between Kangaroo Island and the Finnish town of Kristinestad, through the marking of the grave of an unknown sailor from the *Fides*, a Finnish ship wrecked near Kangaroo Island in 1860 with the loss of 10 lives.

Projects funded through 'Heritage on Parks' included stonework conservation on built structures in the Adelaide Hills, on Yorke Peninsula and at Parachilna, and a *Conservation Management Plan* was prepared for the Lady Alice Gold Mine near Williamstown.

In its 21st year, the Heritage Advisory Service has been expanded, bringing the

number of participating councils to 33. As a part of the 21st anniversary, a new brochure was released telling people about their local heritage services.

The second stage of the 20th-century heritage survey program was completed during the year, with nominations to be considered during 2008-09.

The store of in-depth knowledge about our built heritage continues to grow with the research findings of the second DEH South Australian Built Heritage Fellow, Dr Adam Dutkiewicz, on the works of South Australian architect Brian Claridge.

Nineteen councils received a total \$120 000 to support 24 local heritage projects that assist local government's capacity to manage and conserve local heritage. The provision of Heritage Advisory Service expertise to councils was supported through \$317 000 in funding.

Key Challenges and Targets for 2008-09

Challenges

Updating *Heritage Directions*, introducing red-tape reduction measures and helping government agencies and non-government organisations identify, conserve, and manage South Australia's heritage places are major challenges for the year ahead.

Ongoing challenges include responding to community expectations regarding heritage (particularly at the local level) and emergency nominations for state listing, and the increasing number and complexity of heritage development applications referred to DEH for comment.

Targets

- Undertake a mid-term review of *Heritage Directions*
- Identify and implement heritage red-tape reduction strategies
- Improve the information in the *South Australian Register* (especially pre-1993 listings) so that it meets the needs of community and government
- Establish a strategic policy framework for the conservation and management of State Government-owned built heritage assets, to be implemented in 2009-10
- Improve internal processes to increase heritage-related development application referral response rates, further contributing to the government's target to reduce red tape
- Review and provide direction for maritime heritage



Animal Welfare Program

Ensuring that animals are treated humanely and that companion animals are managed appropriately.

Highlights

The Prevention of Cruelty to Animals (Animal Welfare) Bill passed through both Houses of Parliament, and will be introduced as law in South Australia in 2008-09.

The Bill was strongly supported by the Royal Society for the Prevention of Cruelty to Animals (RSPCA).

The new legislation aims to improve the welfare of animals throughout South Australia. It increases penalties for ill-treatment of animals – including organised animal fights such as cock-fighting – and enables inspectors to enter property to rescue animals or investigate suspected cases of animal cruelty or neglect.

The inclusion of the words “Animal Welfare” in its title reflects the emphasis of the legislation, which now is more clearly seen to promote positive treatment of animals.

The State Government has provided additional funding for the RSPCA for the enforcement of the amended Act. A Memorandum of Understanding that establishes each organisation’s roles and responsibilities in relation to investigation and enforcement of the amended Act was signed by DEH; the Department of Water, Land and Biodiversity Conservation; the Department of Primary Industries and Resources; and the RSPCA.

Other highlights included banning the use of calves that weigh less than 200 kilograms in rodeo events, which effectively eliminates the event known as “calf roping”, and the introduction of hen-housing regulations that increase the welfare of layer hens.

The Dog and Cat Management Board commissioned and received impact assessments outlining options for the management of cats. The Board will examine the reports and, after consultation with local councils and the community, consider recommendations to the Minister during 2008-09.

Other Achievements

The Department has provided input into the development of national standards and guidelines for various animals – in particular for the housing of pigs – to ensure national consistency and enforceable minimum requirements. The pig standards are expected to be finalised and regulations prepared during 2008-09. Other national standards relating to issues as diverse as the transport of livestock and the management of feral animal populations are being developed and will be regulated in due course.

Key Challenges and Targets for 2008-09

Challenges

The imminent implementation of the amended Animal Welfare Act will require the regulations under the new Act to be updated, the introduction of training programs for animal welfare inspectors appointed under the legislation, and public information strategies.

Animal welfare is an issue with increasing national focus and, as a result, there is greater cooperation between jurisdictions, all of which are keen to formulate consistent and cohesive policies across the country. This requires significant consultation and negotiation, which will continue in 2008-09.

An increase in the number of people hospitalised as a result of dog attacks has required investigation into the underlying causes of the attacks and a re-evaluation of the Dog and Cat Management Board's programs. The report commissioned into the increase will be important in the Board's determination of its programs and priorities in the new financial year.

Targets

Animal Welfare

- Participate in the development and implementation of national agreements and standards
- Develop a resource kit, training protocols and courses for inspectors
- Regulate pig housing and livestock transport standards

Dog and Cat Management

- Finalise recommendations on the *Dog and Cat Management Act 1995* amendments and ensure that the legislation is enforced effectively
- Develop and introduce inspector training and upgrade the 'Good Dog' campaign
- Investigate the possibility of adopting Victoria's 'Don't feed the problem' stray-cat campaign in South Australia
- Complete and introduce a database for recording and analysing dog attacks
- Recommend to the Minister cat-management strategies that have council and stakeholder support

Agency Support Services Program

*The Agency Support Services Program comprises seven sub-programs.
A report on the performance of each sub-program follows.*

ASSET MANAGEMENT SERVICES SUB-PROGRAM

Contributing to the achievement of the agency's program goals by the provision of strategic and operational asset management services.

Highlights

In 2007-08, DEH's Asset Management Services Sub-program focused on achieving its key purpose – providing robust, accurate and timely analytical information to support strategic decision-making and day-to-day operations within DEH.

Highlights of the year included delivering the State Procurement Board action plan and placing regional asset services officers and introducing asset management plans in each regional office.

The refurbishment of levels 8 and 9 of Chesser House means the department now has office accommodation that is safe and healthy and meets its current and future needs. Green strategies and activities have been integrated as much as possible into the new offices.

The *Regional Accommodation Strategy* has been instigated at key sites across the state, to ensure the DEH corporate image is promoted in regional offices and that regional staff operate in safe and healthy workplaces. Operations were established at Noonamena and the Clare office was upgraded.

Of the sub-program's projects, 97 per cent were delivered within quality, cost and time benchmarks.

Key Challenges and Targets for 2008-09

Challenges

The challenge is to continue to deliver required services efficiently and sustainably with rationalised resources.

Targets

- Complete design and cost estimates for renovating Black Hill's fire-management staff accommodation and depot facilities
- Complete stage 2 of the Kangaroo Island bushfire-recovery program
- Complete Adelaide Gaol work, public access road upgrades and the Botanic Gardens 150 infrastructure upgrade
- Introduce integrated asset/risk management plans in regional conservation sites
- Complete stages 2 and 3 design and documentation of the Innes National Park facilities upgrade, and stage 6 of Belair National Park's upgrade
- Introduce a life-cycle management program for on-park housing
- Complete stage 3 of the disability access plan
- Complete stage 3 of the structures audit and stage 2 of the energy audit

BUSINESS SUPPORT SERVICES SUB-PROGRAM

Contributing to the achievement of the agency's program goals by providing a business support function to Adelaide-based directorates and supporting regional operations.

Highlights

The Business Support Sub-program provided efficient and effective business administration services to DEH directorates, enabling those entities to effectively deliver their services. The Business Support and Asset Management Services sub-programs were merged to form the Business Operations Sub-program.

In 2007-08 the sub-program accomplished four key targets. The review of security at the Keswick Precinct was completed, resulting in the development of concept design plans for the upgrade of the reception area. Work will commence in August 2008. The department's motor vehicles registration processes were reviewed and changed, resulting in a more efficient processing of annual renewals. An electronic cab-charge ticketing process was introduced in the Information, Science and Technology Directorate as a trial for wider departmental use.

Key Challenges and Targets for 2008-09

Challenges

The key challenge for 2008-09 is to ensure the new Business Operations Sub-program efficiently and effectively performs its functions for the maximum benefit of the entire department. An element of this will involve capitalising on available technology to assist in streamlining business processes.

Targets

- Upgrade security at Keswick reception
- Upgrade public counter presentation and security at key DEH sites
- Continue to provide responsive and high-quality business support services to metropolitan-based business units



ENVIRONMENTAL INFORMATION SUB-PROGRAM

The provision, analysis and management of information and knowledge to support DEH's strategic decision-making.

Highlights

The development of information to help community knowledge of and access to DEH parks – including the redevelopment of the parks website – was a focus in 2007-08. The sub-program also developed web-based mapping systems and training to improve the use of and access to data for DEH staff, and provided mapping support for emergency response at incident control centres.

Information and analysis was provided for DEH's coastal conservation assessments, the proposed Wellington Weir and native vegetation assessments, and improved regional support for spatial analysis and data management was made available.

Other Achievements

DEH developed maps, images and data now sold through the Mapland outlet and associated resellers, and a promotional catalogue is being developed. Soon customers will be able to buy these products online, and the Mapland foyer will be redesigned to create a more interactive and efficient customer service area.

The Biological Data Project began with the establishment of a board and management team, the latter visiting three states to investigate existing system improvement processes.

The sub-program assisted the Asset Management Sub-program to introduce the Asset Recording and Management Information System (ARAMIS) Change Requests system in late 2007, and the Records Management System Replacement Project began to replace the Recfind system.

Key Challenges and Targets for 2008-09

Challenges

The increasing use of mobile and on-line tools for collaboration and knowledge-sharing in DEH will create challenges for the sub-program over the next 12 months, as will increasing community expectations that DEH products and information are available online.

Targets

- Develop client-centred online information and tools
- Use wikis, blogs and other ICT tools to share DEH information and support decision-making
- Develop spatial information products for planning and decision-making
- Create a long-term investment strategy to upgrade, replace and/or develop DEH business applications
- Create partnerships and tools to develop and share key data sets such as biological data, elevation models, water, and vegetation extent and condition

FINANCIAL SERVICES SUB-PROGRAM

Support the achievement of the agency's program goals and external reporting requirements by providing pro-active, efficient and professional financial services.

Highlights

A range of policies and processes – including the automation of account payment options, new Financial Management Framework procedures, better analysis and advice, and improved reporting and executive support – improved the Financial Services Sub-program's operations and customer service in 2007-08.

Other Achievements

Progress continued on developing a system to help DEH customers pay accounts or receive invoices electronically. Full implementation should be achieved by October 2008, giving customers access to BPAY, telephone and electronic fund transfer options and online invoicing.

An extensive review of departmental financial policies and procedures has continued in line with the new whole-of-government Financial Management Framework. The most significant development is a budget policy and handbook that improves planning, budgeting and reporting systems. By June 2008, 17 procedures – relating to cash management, accounts receivable and payable, fixed-assets management and other policies – had been finalised or were nearly complete.

The sub-program supported an analysis of commercial activities at DEH parks on Kangaroo Island and in the Mount Lofty Ranges, and provided business and economic advice to many of the department's investment activities.

The sub-program achieved its best outcome in many years in meeting its account payment targets.

Key Challenges and Targets for 2008-09

Challenges

The biggest challenge facing Financial Services is recruiting and retaining skilled staff in a job market in which there is a high demand and low supply of financial expertise.

During 2008-09 whole-of-government Shared Services will introduce a new model for the delivery of 'accounts receivable and payable' services.

Targets

- Develop a high-level analytical and interpretative support service for program managers
- Develop a policy framework to improve links between budget setting and performance measures within commercial sites
- Review monthly directorate and corporate reports
- Review the accounting requirements for Unallotted Crown Lands information in the department's financial statements
- Ensure appropriate negotiation and transfer of accounts operations functions to Shared Services

GOVERNANCE, ENVIRONMENT POLICY AND PUBLIC AFFAIRS SUB-PROGRAM

Building a strong organisation through sound corporate governance and clear strategic direction.

Highlights

A review of DEH Executive Committee functions, the adoption of terms of reference and a code of conduct, and the delivery of the internal audit plan were highlights of 2007-08.

In addition, the sub-program launched a new publication, *Landscapes*, introduced new corporate branding and published *Environment Highlights 2007*. Internal communication methods now include an electronic newsletter, *OCHRE*, and a 'Connecting Women' site on the Intranet.

Other Achievements

The *Women in DEH Action Plan* has added to the measures that assist in the development of women leaders and contribute to DEH's role in achieving *South Australia's Strategic Plan* target relating to women in leadership (T6.23)

A customer satisfaction survey conducted with the University of South Australia's Ehrenberg Bass Marketing Institute led to the preparation of a draft customer service charter – the first step in focusing the department's customer service effort to work towards the customer satisfaction target outlined in *South Australia's Strategic Plan*.

'Stirring the Possum' community forums involved a cross-section of the community, and a World Environment Day event in Rundle Mall was staged to increase public awareness of many DEH issues.

At 30 June 2007 the composition of DEH boards and committees was 54 per cent male and 45 per cent female. A year later the balance had shifted to 51 per cent male and 49 per cent female – although the proportion fluctuates during the year – with women chairing five DEH boards and committees.

Since January 2007 DEH has introduced initiatives such as streamlining planning and development processes, and improving licensing processes to reduce red-tape costs to business. Total cost-savings to June 2008 have reached almost \$1 million.

Key Challenges and Targets for 2008-09

Challenges

From 2008-09 the new Corporate Development and Strategy Sub-program will have as its core responsibility helping the Chief Executive build an effective, responsive and sustainable organisation.

Targets

Develop and promote an organisation that:

- is effective and outcome focused, while pro-actively preparing for challenges and opportunities;
- can persuade decision-makers that environmental management and economic growth are complementary in the development of a sustainable, prosperous state; and
- builds and maintains strong internal and external partnerships.

HUMAN RESOURCE SERVICES SUB-PROGRAM

Significantly contribute to the achievement of the department's goals by building human resource and safety management capacity and capability that include the provision of associated operational and strategic programs, advice and support, information, transaction processing and business systems.

Highlights

The second DEH Climate Survey achieved an 83 per cent response rate and showed that the DEH workplace climate had improved in most categories since 2006. A third survey is being conducted in September 2008.

The Performance Review and Development (PRD) program was revised, with participation increasing from 60 per cent to 90 per cent. The program for 2008-09 commenced in May 2008.

Other Achievements

The Human Resources Sub-program introduced initiatives to meet WorkCover performance standards for self-insurers and *Premier's Safety in the Workplace Strategy 2007-10* targets, and participated in a WorkCover evaluation of DEH's OHS and injury management systems.

A review of executive job design and flexible working arrangements ensured that no prohibitive clauses would stop women competing for executive positions.

Staff development initiatives included the introduction of high-performing employee and staff exchange programs.

Work began on social inclusion projects including reviews of Aboriginal employment and disability action planning, and the promotion of carers' legislation and services. A revised *Disability Action Plan* was introduced.

DEH's first draft Workplace Flexibility Agreement for bushfire-fighting employees was prepared.

Key Challenges and Targets for 2008-09

Challenges

DEH must attract and retain quality staff – both generally and to meet *South Australia's Strategic Plan* targets relating to the employment of Aboriginal people and people with disabilities, and placing women in executive positions. Crucial to this goal is a safe and attractive working environment, in which conditions such as voluntary flexible working arrangements are seen as beneficial to everyone.

Other challenges are the successful introduction of conditions of employment for firefighting staff, transferring payroll and HR services to a shared services environment, and examining the effects of the proposed Public Sector Bill.

Targets

- Increase the number of Aboriginal people and people with a disability employed in DEH
- Attract and retain more quality candidates
- Provide staff with more access to development opportunities



INFORMATION TECHNOLOGY SUB-PROGRAM

The provision and management of information and communications technology systems and infrastructure to support DEH business operations.

Highlights

During 2007-08 the Information Technology (IT) Sub-program upgraded DEH's notebook and PC fleet with a Windows XP and Office 2003-based standard operating environment.

Several information and communications technology (ICT) support and procurement contracts were transferred to a new suite of across-government sourcing contracts.

The IT team also introduced a storage area network to meet current and predicted business demands.

Other Achievements

A number of regional DEH offices were upgraded to higher bandwidth services. The Telstra Next G wireless network was tested for the first time at the new Noonameena office. It is anticipated that several geographically remote sites will be provided with Next G links during 2008-09.

The geographically dispersed nature of DEH has led to increased demand for shared communication and collaboration tools. In 2007-08, the viability of tools such as wikis was investigated, leading to the development of web portals based on the Microsoft SharePoint application and their testing for DEH requirements.

DEH's *ICT Service Continuity and Disaster Recovery Plan* was updated during 2007-08 to outline service-recovery procedures after major interruptions and emergencies.

Key Challenges and Targets for 2008-09

Challenges

The push for across-government collaboration and centralised IT services poses technical and workforce challenges to the delivery of IT services to DEH business units.

In line with whole-of-government directions, resources and budgets are expected to diminish further in 2008-09. This presents a challenge to the implementation of the IT Sub-program's work, as services will be expected despite reduced resources.

Targets

- Regional DEH staff to have access to adequate ICT services
- DEH business units to be supported by ICT infrastructure that enables the use of tools such as wikis
- The PC and electronic office equipment replacement program to support departmental business operations
- IT to help DEH manage changes related to Shared Services transfer
- When recruiting, to consider applicants' skills in managing contracts and in relating long-term with external partners and suppliers

CASE STUDY

SACRED Seeds

SACRED Seeds is a six-year international conservation partnership between the Royal Botanic Gardens (Kew UK), Millennium Seed Bank (MSB) and the Botanic Gardens of Adelaide. Its complete title – South Australian Collection of Rare and Endangered Seeds – points to its chief goal: to conserve threatened and priority plant species indigenous to South Australia using seedbanking methods.

During the past 12 months, collections have been expanded through field trips involving staff from across DEH, specialist conservation contractors and other government departments.

As a result of these field trips, 824 seed lots representing more than 700 native plant species were collected. Most importantly, collections included 182 threatened species, and seeds were discovered for four species not previously recorded in South Australia. All seed lots have been processed, undergone routine germination testing and are being prepared for long-term storage in low temperatures.

Of the collected seed lots, 252 were sent to the MSB for duplicate storage. The total number of species new to the collections of the MSB and sent by the Botanic Gardens of Adelaide since the project started has now reached 880 – 55 species more than the agreed milestone for the end of the project's fifth year – and the South Australian program is set to become the first in Australia to meet its overall conservation target. To date, 42 per cent of South Australia's threatened plant species have been collected and stored as a result of the partnership.

This is DEH's only project conducting off-site conservation of threatened plant species. It is aligned with the *No Species Loss* program and targets, and appears set to achieve by 2009 the target requiring that "60 per cent of SA endangered and vulnerable threatened vascular plant species (be) conserved *ex situ* by 2010".

The SACRED Seeds project also advances flora knowledge and knowledge of seed biology, supports other government-agency restoration and revegetation programs, and works in partnership with university programs and research.

ABORIGINAL RECONCILIATION STATEMENT

DEH recognises the profound spiritual and cultural connection of Aboriginal people to sea and country, and that Aboriginal involvement in planning and caring for sea and country can both reinforce cultural understanding and improve environmental outcomes.

This is reflected in the *DEH Corporate Plan 2007-10*, which requires that the department "work with Aboriginal people to manage biodiversity cooperatively and contribute to the reconciliation of past actions".

Agenda

DEH recognises that cooperation between the department and Aboriginal people should lead to advances in health and well being, employment and economic opportunities, and increased public awareness of the value of Aboriginal culture and heritage.

DEH's Reconciliation Committee is responsible for efforts to further these advances, through:

- supporting the development and implementation of initiatives that help DEH achieve the government's reconciliation objectives;
- driving DEH's reconciliation activities; and
- monitoring the implementation of the *DEH Reconciliation Action Plan*.

DEH has four areas of reconciliation activities: Land, Sea and Biodiversity; Heritage and Native Title; Communications and Awareness; and Employment and Training.

Land, Sea and Biodiversity

DEH supports land and sea management programs on Aboriginal lands in partnership with Aboriginal land managers and communities.

One of the successful partnerships is the Kuka Kanyini pilot project at Watarru in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. With support from the Department of the Premier and Cabinet, the Indigenous Land Corporation and APY Land Management, the Kuka Kanyini project ensures that the country, biodiversity, culture, health and socio-economic concerns of APY peoples are monitored. Since it began in January 2004 the project has won the 2005 SA Great Environment Award, and in 2006 was a finalist in the Prime Minister's Environmentalist of the Year and Land and Biodiversity categories of the Banksia Awards.

In another partnership, DEH is represented on the Alinytjara Wilurara Natural Resources Management Board, helping determine how the state's natural resources are managed in the Alinytjara Wilurara region, about 107 000 square kilometres in northwest South Australia. DEH also works with Aboriginal communities in the area to form links between marine planning and natural resources management.

Other alliances include DEH's regional ecologists working closely with Aboriginal people and other partners on programs that require both scientific and traditional knowledge, such as the black flanked rock wallaby (Waru) recovery project.

Heritage and Native Title

Four Cooperative Management Agreements (CMAs) have been created with local Aboriginal groups, relating to the Vulkathunha Gammon Ranges National Park, Mamungari Conservation Park, Ngaut Ngaut Conservation Park and Witjira National Park. Under these arrangements, traditional knowledge and contemporary park management skills contribute to park management and reconciliation.

South Australia is subject to 21 native title claims. DEH is involved in a number of native title negotiations with the Attorney-General's Department, which is the lead negotiator on behalf of the South Australian Government.

The *Aboriginal Heritage Strategy* fosters cooperation between Aboriginal communities and DEH field staff in protecting Aboriginal cultural heritage on parks and Crown land, and ensures field staff are trained in native title and Aboriginal heritage issues.

Communications

The DEH Aboriginal Partnerships Unit (APU) provides policy advice and develops strategic initiatives and programs for cooperative management of natural and cultural heritage. The APU liaises with Aboriginal communities on DEH publications and signs.

As part of the South Australian Government's recognition of the interests of Aboriginal people, it acknowledges the profound connection to land by Aboriginal people and communities across the state. This has taken the form of the 'Welcome to Country Protocol', a written or spoken expression of acknowledgment of Aboriginal peoples' connection with the land.

Ikara, a public art installation, was launched in April 2007 and acknowledges the Indigenous pastoral heritage of the Flinders Ranges. The installation marks the first public acknowledgement and symbolic interpretation of the Adnyamathanha people in developing the region's pastoral industry.

Employment and Training

At 30 June 2008 Aboriginal people represented 2.2 per cent of DEH's workforce, exceeding *South Australia's Strategic Plan* target of two per cent.

The Kuka Kanyini project provides training and development opportunities in land management for members of the Watarru community in the APY Lands. Co-management initiatives also provide for Aboriginal employment in park management. As part of the DEH Reconciliation Program, the APU has cultural-awareness products and training available for managers and staff. Where possible, activities are undertaken in partnership with local Aboriginal communities.

FINANCIAL COMMENTARY

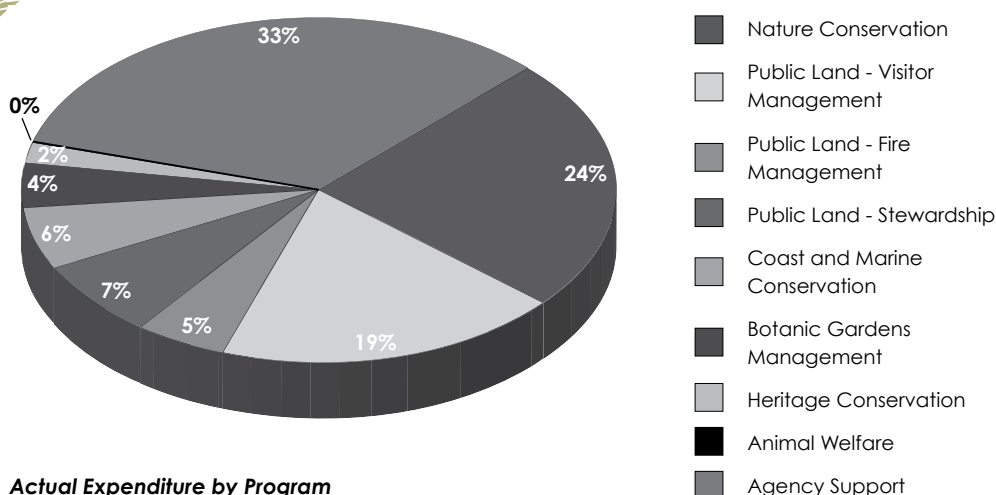
Financial Overview

The Department for Environment and Heritage financial statements include assets, liabilities, revenue and expenses, changes in equity and cashflows controlled or incurred by the department in its own right, including the General Reserves Trust, the Wildlife Conservation Fund and the State Heritage Fund.

The actual figures in the abridged Income Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement have been extracted from the DEH audited financial statements, which are available at the DEH Internet website at www.environment.sa.gov.au

The budget figures used in this document relate to the 2007-08 budget papers that were tabled in Parliament in May 2007 and therefore do not reflect budget changes. The following variance analysis will identify these material changes.

Program Expenditure



Actual Expenditure by Program

The three major programs in terms of actual expenditure are Agency Support (33 per cent), Nature Conservation (24 per cent) and Public Land Management – Visitor Management (19 per cent).

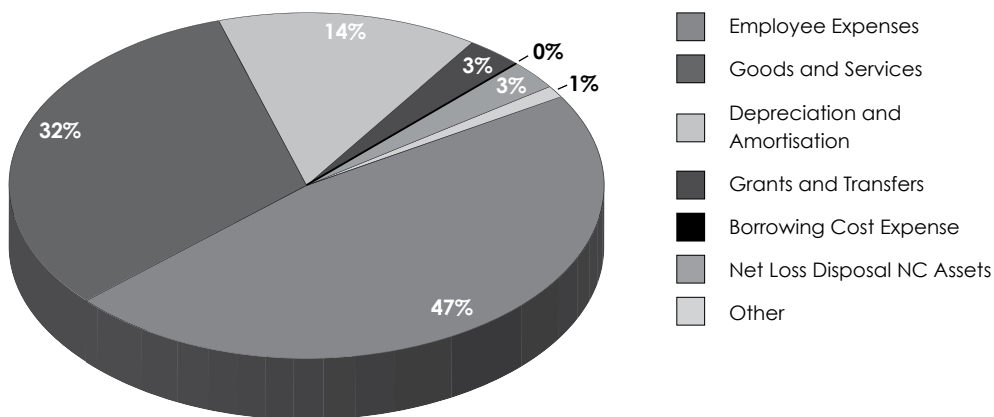
Income Statement

SUMMARY INCOME STATEMENT FOR THE YEAR ENDING 30 JUNE 2008

	Budget 2007-08 (\$'000)	Actual 2007-08 (\$'000)
Operating expenses	181 720	166 719
Operating revenues	27 758	38 354
Net cost of providing services	153 962	128 365
Revenues from Government	134 717	104 605
Net Result before restructuring	(19 245)	(23 760)
Net revenue (expense) from restructuring	-	-
Net Result after restructuring	(19 245)	(23 760)

The department's budgeted operating result showed a net deficit after restructuring of \$19.245 million. The actual result was a net deficit after restructuring of \$23.760 million.

Operating Expenditure



Actual Operating Expenditure by Program

Operating expenses were approximately \$15 million lower than expected, largely as a result of:

- a one-time repayment from the DEH Accrual Appropriation Excess Funds Account to Consolidated Account (\$18.8 million) budgeted as 'Other' expense. However, the payment was recorded as payments to SA Government. This transaction is budget neutral.
- a decrease in expenditure related to *Adelaide's Living Beaches Strategy*. Budget deferred to a future year (\$5 million) in accordance with the revised project plan.
- a decrease in expenditure primarily relating to Commonwealth funded projects for which carryovers are being requested in 2008-09 (\$5 million).

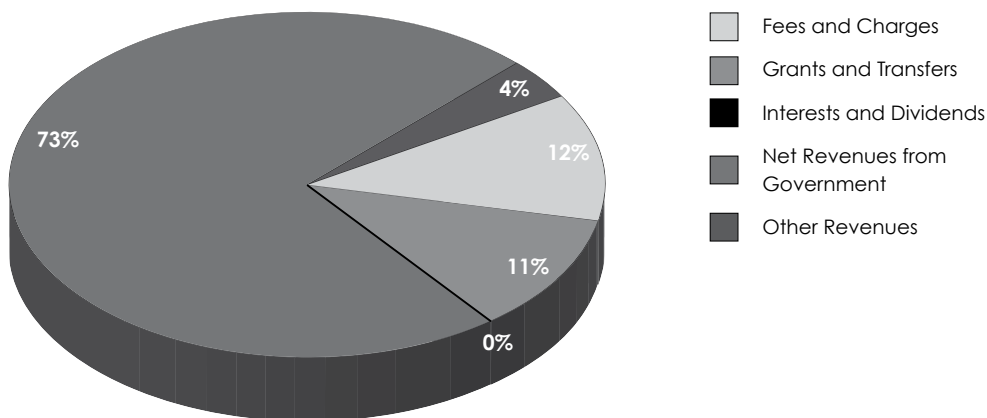
- a decrease in depreciation and amortisation expense due to a change in accounting policy where the definition of a network asset was changed to only include roads and fences; and on park road assets that had reached the end of their useful life (\$2.9 million).
- a decrease in expenditure related to the River Murray Forest project budget deferred to 2008-09 due to drought conditions (\$1.3 million).
- a reduction in annual grants due to the Adelaide City Council (\$1.2 million) being re-categorised from controlled to administered expenditure.

This is offset by:

- unbudgeted expenditure resulting from an accounting treatment associated with the transfer of the Amazon Waterlily Pavilion project managed by DEH, under the Capital Work Program, on behalf the Board of the Botanic Gardens and State Herbarium (\$4.3 million).
- once-off additional expenditure primarily funded by revenues from Commonwealth and other external bodies (\$4.2 million).
- an accounting policy change that increased the department's asset capitalisation threshold from \$2000 to \$5000, resulting in a once-off accounting reclassification of expenditure in 2007-08 (\$3.1 million).
- unbudgeted operating expenditure as a result of an accounting reclassification of budgeted capital works expensed in line with the department's capitalisation policies (\$1.7 million).
- unbudgeted expenditure relating to water security/drought activities in the River Murray (\$1.1 million). Funding was provided post original budget formulation.
- additional expenditure of \$1.1 million relating to SAICORP insurance recoveries for flood damage and bushfires.
- an unbudgeted expenditure of \$0.816 million associated with the recruitment of an additional 26 seasonal fire fighters for a three-month period due to the fire danger resulting from the extreme weather conditions in January 2008.
- unbudgeted net loss on disposal of \$0.810 million.



Operating Revenues



Actual Operating Revenues

Operating revenue was approximately \$10.596 million higher than budgeted, primarily as a result of:

- once-off income relating to SAICORP insurance recoveries for fire and flood damage (\$5.0 million).
- higher than anticipated revenue primarily received from Commonwealth and other external bodies (\$4.2 million).

Net revenue from Government was approximately \$30.1 million lower than budget as a result of:

- an increase in revenue related to the sale of Crown lands under Premier and Cabinet Circular 114 (\$2.9 million).
- a supplementation to fund the Water Security agenda (\$1.085 million) and additional fire-fighting resources during the 2007-08 fire season (\$0.826 million).

Offset by:

- a one-time repayment from the DEH Accrual Appropriation Excess Funds Account (\$18.8 million) budgeted as other expense with the payment recorded as payments to the South Australian Government. This transaction is budget neutral.
- a reduction in appropriation relating to various major initiatives that were approved to be carried over or re-profiled from 2007-08 into future years (\$7.7 million).
- an above-budget payment to the Consolidated Account under the Cash Alignment Policy (\$6.1 million).
- a reduction in appropriation relating to the Adelaide City Council grant being transferred from controlled to administered expenditure (\$1.2 million).

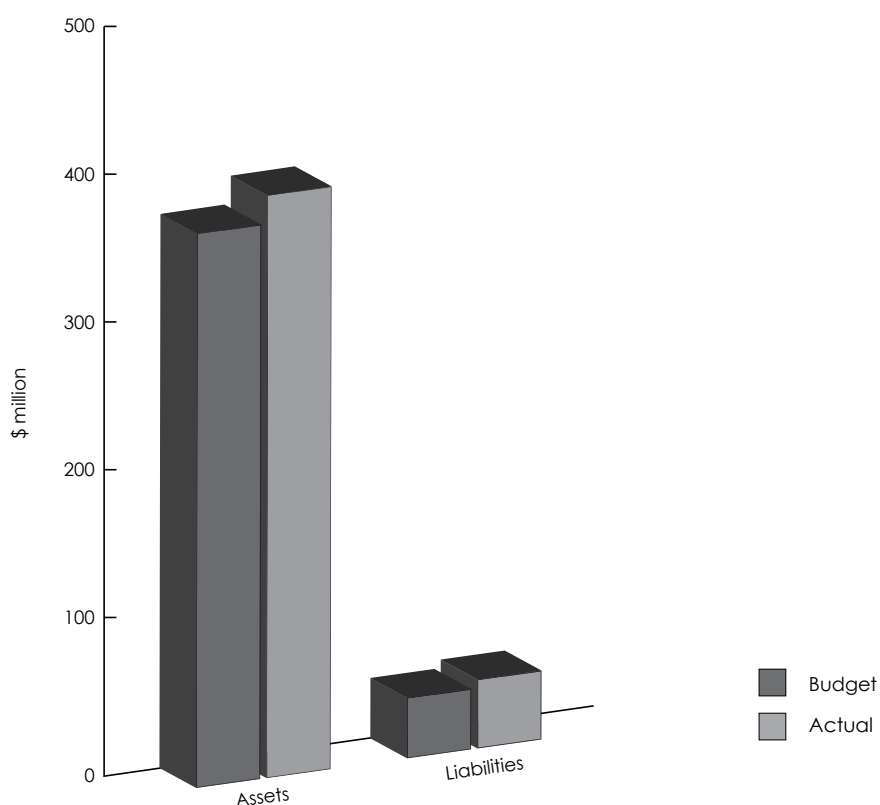
**SUMMARY BALANCE SHEET
AND STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2008**

	Budget 2007-08 (\$'000)	Actual 2007-08 (\$'000)
Current assets	100 981	108 703
Non-current assets	296 795	302 584
Total assets	397 776	411 287
Current liabilities	15 910	23 578
Non-current liabilities	19 335	18 950
Total liabilities	35 245	42 528
Net assets	362 531	368 759
Equity	362 531	368 759
Equity at 30 June 2007		\$384 393
Surplus for the year		(\$23 760)
Net Increment for Asset Valuation adjustments		\$4 821
Net Increment for Asset First time recognition		\$2 859
Other adjustments		\$446
Equity	362 531	\$368 759

Net Assets and Equity is approximately \$6.2 million higher than expected.

Budget details for 2007-08 were established prior to the finalisation of the *Auditor-General's Report* for the 2006-07 financial year. Consequently, the opening balances of the budgeted Balance Sheet do not reflect the 2006-07 audited financial result, with the budget opening equity position being understated by \$6.2 million.

Assets and Liabilities



Assets and Liabilities

Current Assets for the department are approximately \$7.7 million higher than budgeted. The main reason for this variance was that the cash opening balance for 2007-08 was understated in the budget by \$11.7 million when compared to the 2006-07 audited financial statements. This is offset by lower than anticipated receivables and higher than anticipated payables balances. As a result, the department's cash balance was \$10.8 million higher than budget during 2007-08.

Non Current Assets are approximately \$5.781 million higher than budgeted, primarily as a result of understating the opening balance of budgeted Non Current Assets for 2007-08 in the budget when compared to the 2007-08 audited financial statements.

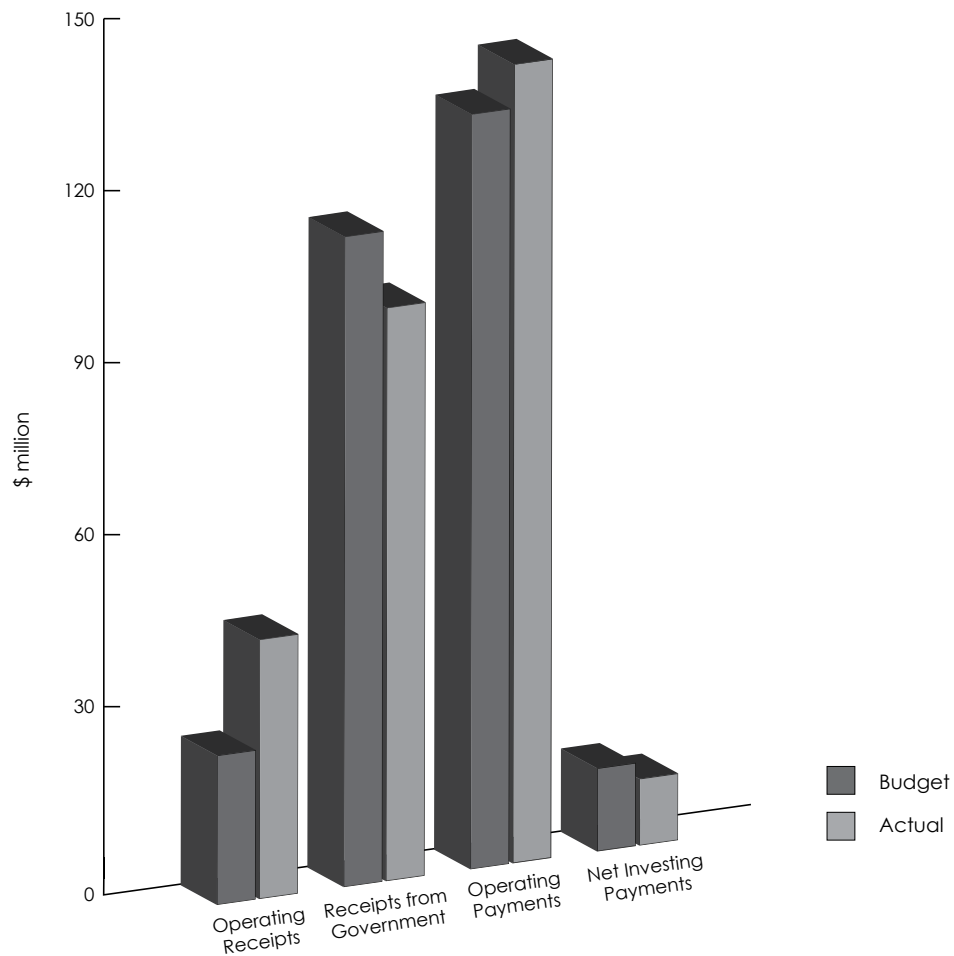
Liabilities are approximately \$7.2 million higher than expected due to the Current Liabilities opening balance being understated for 2007-08 when compared to the 2007-08 audited financial statements.

Cash Flow Statement

SUMMARY CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Budget 2007-08 (\$'000)	Actual 2007-08 (\$'000)
Cash flows from operating activities:		
Payments	135 784	146 127
Receipts	27 758	46 911
Cash flows from Government	115 917	104 605
NET CASH PROVIDED BY OPERATING ACTIVITIES	7 891	5 389
Cash flows from investing activities:		
Payments	13 804	12 265
Receipts	-	152
NET CASH USED IN INVESTING ACTIVITIES	(13 804)	(12 113)
Cash flows from financing activities:		
Payments	38 054	38,054
Receipts	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	(38 054)	(38 054)
Net increase (decrease) in cash held	(43 967)	(44 778)
Cash at 1 July 2007	133 640	145 343
Cash at 30 June 2008	89 673	100 565

The department's budget provided for a net decrease in cash of approximately \$43.9 million. The actual result was a decrease of \$44.7 million.



Cash Receipts and Payments

The operating cash variations are explained, in general, by the same influences that impacted on the Income Statement.

Investing payments were \$1.5 million lower than budgeted primarily due to:

- a reduction in expenditure related to carryover of unspent funds for Major Investing projects into 2007-08 of \$0.858 million.
- a reduction in expenditure related to carryover of unspent funds for Commonwealth Funded Investing projects into 2007-08 of \$0.260 million.

APPENDICES

A1 MANAGEMENT OF HUMAN RESOURCES

Details of human resources management within the Department for Environment and Heritage for the year 2007-08 are outlined in the following tables.

EMPLOYEE NUMBERS, GENDER AND STATUS

Total Number of Employees		
Persons	1133	
FTEs	1055.9	(FTEs shown to 1 decimal place)

Gender	% Persons	% FTEs
Male	54.28	56.92
Female	45.72	43.08

Number of Persons During the 07-08 Financial Year	
Separated from the agency	222
Recruited to the agency	227

Number of Persons at 30 June 2008	
On Leave without Pay	33

NUMBER OF EMPLOYEES BY SALARY BRACKET

Salary Bracket	Male	Female	Total
\$0 - \$46,399	187	185	372
\$46,400 - \$58,999	137	165	302
\$59,000 - \$75,499	193	120	313
\$75,500 - \$94,999	83	43	126
\$95,000+	15	5	20
TOTAL	615	518	1 133

Note: Salary details relate to pre-tax income excluding super and FBT. Non-executive employees on salary sacrifice arrangements are shown as pre-sacrifice values. Executive employees are shown as the value of the financial benefits component of their Total Remuneration Package Value excluding super. Non-financial benefits and allowances are excluded for all employees. The salary brackets have been constructed as an approximation for the level of responsibility, and are based on the current remuneration structures of the PSM Act Administrative Services Stream.

STATUS OF EMPLOYEES IN CURRENT POSITION

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	402.78	107.07	83.93	7.28	601.06
Female	265.24	131.29	39.13	19.19	454.85
TOTAL	668.02	238.36	123.06	26.47	1 055.91

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	406	110	86	13	615
Female	297	141	43	37	518
TOTAL	703	251	129	50	1 133

EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

Classification	Ongoing		Contract Tenured		Contract Untenured		Other (Casual)		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
EXEC0A	0	0	0	0	1	1	0	0	1	1
EXEC0B	0	0	0	0	0	1	0	0	0	1
EXEC0C	0	0	0	0	1	0	0	0	1	0
EXEC0E	0	0	0	0	1	0	0	0	0	0
SAES1	0	0	0	0	12	2	0	0	12	2
Total	0	0	0	0	15	4	0	0	15	4

AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type	2004-05	2005-06	2006-07	2007-08
Sick Leave	6.33	6.27	6.4	6.87
Family Carer's Leave	0.55	0.66	0.68	0.95
Miscellaneous Special Leave	0.52	0.55	0.42	0.58

Note: 2007-08 figures were calculated using an average FTE of 1026.47

ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYEES

Salary Bracket	Aboriginal staff	Total staff	Percentage Aboriginal	Target* (%)
\$0 - \$46,399	15	372	4.03	2
\$46,400 - \$58,999	6	302	1.99	2
\$59,000 - \$75,499	3	313	0.96	2
\$75,500 - \$94,999	0	126	0.00	2
\$95,000+	1	20	5.00	2

* Target from SASP

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER

Age Bracket	Male	Female	Total	% of Total	2008 Workforce Benchmark* (%)
15-19	3	2	5	0.44	6.7
20-24	22	24	46	4.06	10.7
25-29	36	91	127	11.21	9.8
30-34	62	76	138	12.18	9.8
35-39	80	76	156	13.77	11.1
40-44	80	71	151	13.33	11.9
45-49	85	65	150	13.24	12.3
50-54	136	59	195	17.21	10.6
55-59	77	35	112	9.89	9.1
60-64	26	11	37	3.27	5.3
65+	8	8	16	1.41	2.7
TOTAL	615	518	1 133	100.00	100.0

*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001
Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78
Supertable, South Australia at June 2008.

CULTURAL AND LINGUISTIC DIVERSITY

	Male	Female	Total	% Agency	% SA Community*
Number of employees born overseas	91	79	170	15.0	20.3
Number of employees who speak language(s) other than English at home	13	24	37	3.27	16.6

* Benchmarks from ABS *Publication Basic Community Profile (SA) Cat No. 2001.0*, 2006 census.

DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Employees with ...	% Total Workforce
A review within the past 12 months	87
A review older than 12 months	—
No review	13

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$3 416 640.39	6.05
Total leadership and management development expenditure	\$1 028 207.65	1.82

NUMBER OF EMPLOYEES WITH DISABILITIES REQUIRING WORKPLACE ADAPTATION

Male	Female	Total	% of Agency
9	6	15	1.3

A2 DISABILITY ACTION PLAN REPORT

Outcome 1 – Ensure access to facilities and services

The *DEH Disability Policy Statement* outlines the responsibility of DEH managers and employees in ensuring that planning and decision-making is inclusive of people with disabilities; ensuring staff are aware, skilled and equipped to respond sensitively and fairly to colleagues and customers with a disability; and identifying and eliminating discriminatory practices within the workplace.

The *DEH Promoting Independence for People with Disabilities Procedure* was developed in 2007-08 to ensure key stakeholders are aware of their responsibilities in implementing the *DEH Disability Action Plan*.

A program of assessment and associated works and management strategies has been established for the high-visitation sites in national parks. This is a staged and planned program designed to be ongoing.

DEH strives to provide integrated access where possible. Internationally recognised symbol signage is utilised in national parks and botanic gardens to assist with access for people with disabilities. The Companion Card Program has recently been approved for implementation in selected DEH parks and reserves where fees are charged on a per person basis, as well as within the Adelaide Botanic Garden (Bicentenary Conservatory) to provide free entry to Companion Card holders.

Outcome 2 – Information and Communication

The *DEH Access and Equity Guidelines for Communication*, developed in 2007-08, covers communication, publications and information requirements to be addressed by DEH. It also provides a summary of the information access requirements for people with disabilities. Relevant areas within DEH will now develop strategies for the provision of appropriate and readily available information to address the requirements outlined in the guidelines. It should be noted that some strategies are already in place.

All documents on the DEH website are tagged for accessibility. When alternative format requests are made for information and/or publications that are not available on the DEH website, the department will take action to provide in the appropriate format. No requests were received in 2007-08.

Outcome 3 – Disability Awareness Training

A pilot training program was developed from the *Disability Awareness and Discrimination Training Framework* and implemented in 2007-08 with the first workshop held for staff in Human Resource Services. DEH aims to train 20 per cent of staff in 2008-09 and continue until all staff have been provided with disability awareness training.

The review of DEH training programs for inclusion of DDA obligations and awareness has commenced and will be completed in 2008-09.

Information is available on the DEH Intranet site to assist staff in understanding the issues affecting people with disabilities. The site also provides easy access to websites that may raise staff awareness of, or provide information for, people with disabilities.

Outcome 4 – Consultation and Complaints Process

All DEH managers are expected to take the *DEH Disability Policy Statement* into account when undertaking community consultation. Where consultation is required an assessment of appropriate consultation mechanisms and audience is made prior to undertaking the consultation. DEH managers liaise with Human Resources for input when required.

Visitor Management Services undertook a consultation process during 2006-07 to gain a baseline of data on community awareness levels, motivations, expectations and satisfaction. During 2007-08 further consultation occurred for feedback from particular user groups within the wider community (that is, multicultural and disability groups). The feedback provided was very positive and the individuals involved appreciated the opportunity to comment.

A general complaints policy has been developed and will be reviewed prior to implementation to ensure that issues for people with disabilities are covered.

Outcome 5 – Compliance with DDA and EOA

The *DEH Disability Action Plan 2007-08* was endorsed by Executive in December 2007. An update is due and will be undertaken with key stakeholders to review action items and timeframes.

DEH promotes a culture that reflects the value of diversity in the workplace and in the general population. While the *DEH Corporate Plan 2007-2010* does not have a specific objective addressing inclusion of people with disabilities or their access requirements, diversity has been included as one of the core values. This notion of diversity is not limited to specific clusters of employees, but embraces the diversity of all staff.

Outcome 6 – Increased Employment Rates

Portfolios report on how they are increasing the number of people with a disability in order to meet *South Australia's Strategic Plan* Target 6.22 – “to double the number of people with disabilities employed in the public sector by 2014”.

A comprehensive review of DEH recruitment and selection processes was undertaken in 2007-08 and included 15 recommendations. Some actions from the review have commenced with the remainder to be incorporated into the next DEH Disability Action Plan.

A3 OCCUPATIONAL, HEALTH, SAFETY AND INJURY MANAGEMENT REPORT

The following tables report the department's OHS&W performance for the year 2007-08.

Table 1: OHS Notices and Corrective Action taken

Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	0
Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	2
Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)	0

DEH had two Notifiable Injuries which were investigated by SafeWork SA. SafeWork SA was satisfied with DEH's response to the incidents and no further action was taken.

Table 2: Agency gross workerscompensation expenditure for 2007-08 compared with 2006-07

EXPENDITURE	2007-08 (\$m)	2006-07 (\$m)	Variation (\$m) + (-)	% Change + (-)
Income Maintenance	\$114 519	\$135 430	-\$20 911	-15.5
Lump Sum Settlements Redemptions - Sect.42	\$60 000	\$65 000	-\$5 000	-7.8
Lump Sum Settlements Permanent Disability – Sect. 43	\$17 694	0	+\$17 694	
Medical/Hospital Costs combined	\$113 018	\$123 284	-\$10 266	-8.3
Other	\$41 287	\$13 100	+\$28 187	
Total Claims Expenditure	\$346 518	\$336 814	+\$9 704	+2.8

In 2007-08 there was a reduction in income maintenance, Section 42 payments and medical and hospital combined costs as a result of a decrease in lost-time injuries. Fewer claims resulted in a reduction in medical and hospital costs combined. However, there was a Section 43 payment in 2007-08 that increased costs and also an increase in legal expenses classified under 'Other'. These costs were associated with claims that occurred prior to 2007-08.

Table 3 Meeting Safety Performance Targets					
	Base: 2005-06	Performance: 12 months to end of June 2008 *			Final Target
	Numbers or %	Actual	National Quarterly Target**	Variation	Numbers or %
1. Workplace Fatalities	0	0	0	0	0
2. New Workplace Injury Claims	62	39	57	-18	50
3. New Workplace Injury Claims Frequency Rate	35.8	28.6	33.5	-4.9	28.6
4. Lost Time Injury Frequency Rate ***	9.2	7.3	8.4	-1.1	7.4
5. New Psychological Injury Claims	2	3	2	+1	2
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	19.67%	59%	80%	-21%	80% or more
6b. Early Intervention within 5 days	100%	100%	80%	+20%	80% or more
6c. RTW within 5 business days	92.3%	76.9%	75%	+1.9%	75% or more
7. Claim Determination:					
7a. Claims determined in 10 business days	71%	75%	75%	0%	75% or more
7b. Claims still to be determined after 3 months	4.8%	4.5%	3%	+1.5%	3% or less
8. Income Maintenance Payments for Recent Injuries:					
2006-07 Injuries (at 24 months development)	-	\$63 000	\$58 000	+\$5 000	Below previous
2 years average					
2007-08 Injuries (at 12 months development)	-	\$33 000	\$30 000	+\$3 000	Below previous 2 years average
* Except for Target 8, which is YTD. For Targets 5, 6c, 7a and 7b, performance is measured up to the previous quarter to allow reporting lag.					
** Based on cumulative reduction from base at a constant quarterly figure.					
*** Lost Time Injury Frequency Rate Injury frequency rate for new lost-time injury/disease for each one million hours worked. This frequency rate is calculated for benchmarking and is used by the WorkCover Corporation.					
Lost Time Injury frequency rate (new claims): $\frac{\text{Number of new cases of lost-time injury/disease for year} \times 1\,000\,000}{\text{Number of hours worked in the year}}$					

There has been a significant reduction in the number of new claims in DEH. The Notional Quarterly Target for new claims is 57 and DEH had 39, which is also below the 2010 target.

The New Workplace Injury Claims Frequency Rate and the Lost Time Injury Frequency Rate also decreased.

Action is being taken to address the increase in income maintenance costs based on the average of the previous two years.

A4 FREEDOM OF INFORMATION STATEMENT

DEH has published each year a *Freedom of Information Statement* in the Annual Report.

This year the Department has published the FoI Statement on its internet site. Please visit www.environment.sa.gov.au to view the statement.

A5 CONTRACTUAL ARRANGEMENTS

The Department for Environment and Heritage did not enter into any contractual arrangements in the year 2007-08 where the total value of the contract exceeded \$4 million and the contract extended beyond one year.

A6 CONSULTANTS

The following table details the extent to which external consultants were engaged by DEH in 2007-08, including the nature of work undertaken and the total cost to the department.

Consultant	Details Of Consultancy	Amount
Less than \$10 000	8 Minor Consultancies	\$54 701
\$10 000 - \$50 000		
Westphalen Consulting	Review of Northern & Yorke Peninsula NRM Region	\$10 376
Parsons Brinckerhoff Aust. Pty Ltd	Conditional Assessment and Risk Management Report	\$10 747
R Fletcher	Market Research	\$10 933
Department of Primary Industries and Resources	Public Consultation on Draft SA Arid Lands Biodiversity Strategy	\$13 498
University of South Australia	Market research undertaken by the Ehrenberg-Bass Institute to establish baseline data to enable reporting against SASP Target 1.7 – Customer Satisfaction.	\$14 000
GHD Pty Ltd	Waste Strategy Audit report for Adelaide Region and Innes	\$20 165
Votar Partners Pty Ltd	EDM Business Case	\$30 349
Purvis Consulting	Shared Services Management & Risk Assessments, Change Management	\$30 690
Above \$50 000		
Nil		
Total as per Financial Statement		\$195 459

A7 FRAUD

There were no proven incidents of fraud in the 2007-08 financial year.

DEH has in place defined business procedures and internal controls to lower the risk of fraud occurring in the agency. Any anomalies identified are investigated internally and appropriate action taken.

A8 ACCOUNTS PAYABLE REPORT

DEH's accounts payable performance for the year 2007-08 is summarised in the table below.

ACCOUNT PAYMENT PERFORMANCE

Particulars	Number of accounts paid	Percentage of accounts paid (by number)	Value in \$A of accounts paid	Percentage of accounts paid (by value)
Paid by due date*	46 968	83.60	\$72 543 216	75.88
Paid late, within 30 days of due date	7 206	12.83	\$16 742 321	17.51
Paid more than 30 days from due date	2 005	3.57	\$6 317 287	6.61

*Note: The due date is defined under section 11.7 of Treasurer's Instruction 11 Payment of Creditors' Accounts. Generally, unless there is a discount or a written agreement between the public authority and the creditor, payment should be within 30 days of the date of the invoice or claim. Some agencies receive invoices significantly later than the invoice date, due to supplier invoicing processes. Agencies may choose to report against the date the invoice is first received rather than the date of invoice.

A9 OVERSEAS TRAVEL

Number of Employees	Destination/s	Reasons for Travel	Total Cost to Agency
1	Denmark	Team member of Rotary Foundation's Group Study Exchange (GSE) to build leadership skills, team skills, professional networks and appreciation of cultural diversity	\$3 300
2	USA and Canada	To participate in a Forest Fire Management Group fire study tour of USA and Canada	\$33 961
5	Guyana and USA	To take part in the Gardens 150 Celebrations – Schomburgk Guyana Expedition 2007 and visit a number of botanic gardens in USA	\$52 088
1	British Columbia, Canada	To investigate the approaches used by the British Columbian and Canadian Governments regarding co-management of parks and other lands with indigenous peoples	\$13 887
1	England	To attend the European Botanical & Horticultural Libraries conference at Oxford and visit Kew Gardens Library, Archive, Art & Economic Botany collection	\$8 347
1	Netherlands & Poland	To attend and present research papers at 2nd World Botanic Gardens Science Congress in Delft, Netherlands and at the 9th International Society for Seed Science Conference in Olsztyn, Poland	\$11 429
1	USA, Ireland UK & China	To attend an international conference on Rhododendrons in the United Kingdom in conjunction with travel to the USA and China as part of the Gwen Thomas Scholarship	\$957
1	USA	To attend the treeBOL2008 conference at the New York Botanical Gardens (NYBG). Note: (1) Travel Grant of \$4,600 US dollars awarded by NYBG to cover the costs of attending the conference. (2) The employee works for both the University of Adelaide and DEH and has used university time for this trip, so there is no cost to DEH	Nil
1	China	To attend the joint congress of International Rangelands Society and International Grasslands Society Congress in Hohhot, Inner Mongolia, China and undertake a supplementary visit to Shandong Province in China	\$11 297
1	Brussels	To present a category youth award at the international Energy Globe TV Gala Award event in the European Parliament in Brussels and give a presentation on the Kuka Kanyini at Watarru project on behalf of the South Australian Government	\$2 469
1	USA	To attend a professional development program at the International Summer Institute at Bentley College in Waltham, Massachusetts, USA	\$1 559
1	Germany	To attend the Conference of Parties to the Convention on Biological Diversity	\$11 061
1	Canada	To join the Australian delegation and attend the 32nd Session of the World Heritage Committee Conference Note: The figure provided is the best estimated amount for total cost at this stage. The trip commenced on 28 June 08, two days before the end of the financial period and final expenditure is still being collated	
Total Expenditure for 2007-08			\$167 010

A10 GREENING OF GOVERNMENT OPERATIONS REPORT

ENERGY EFFICIENCY REPORT

Total Energy Usage

Table 1 below shows the total energy used by DEH in the delivery of its programs and services, listed in the end-use categories required for reporting to government. DEH has determined its energy usage from primary source data in line with the 2005 decision by the Energy Efficiency Reference Group.

Table 1 - Total DEH Annual Energy Usage (Giga Joules - GJ)						
	Office Light & Power	Other Buildings	Other Transport	Other Uses	Passenger Vehicles	TOTAL GJ
2000-01	15 849	16 596	3 016	8 158	17 955	61 574
2001-02	4 998	15 866	2 910	8 158	17 955	49 887
2002-03	4 576	16 717	2 805	8 158	17 955	50 211
2003-04	4 810	15 875	1 606	8 158	23 697	54 146
2004-05	6 963	14 790	1 787	6 993	23 813	54 346
2005-06	6 724	8 060	646	10 225	21 415	47 070
2006-07	3 836	15 590	2 059	12 335	22 721	56 541
2007-08	3 897	12 657	3 265	8 891	20 900	49 611

Buildings Energy Use

South Australia's Strategic Plan (SASP) has a target to improve energy efficiency in government agency buildings by 25 per cent by 2014 (Target 3.13). In addition to the office premises leased by DEH, the department owns and operates a buildings asset folio of 1400 structures. The range of buildings includes the Bicentennial Conservatory within the Adelaide Botanic Garden that is a very high consumer of natural gas, and many structures in regional areas that source their electricity from diesel-powered generators. Identifying actual energy usage associated with the full folio of assets has made it necessary to report energy usage across the 'Other Buildings' and 'Other Uses' categories in Table 1 above. As a result, DEH's total buildings energy usage cannot be accurately calculated by simply adding 'Office Light & Power' and 'Other Buildings'. This affects DEH's ability to accurately report against SASP Target 3.13.

The 'Office Light & Power' data, which is exclusively electricity-based, shows a 1.5 per cent increase in energy use from 2006-07. DEH has undertaken energy audits on the top six energy usage sites in 2007-08 and these audits have been used to inform DEH's future program of energy efficiency projects to further reduce energy usage. On the other hand, energy consumption in DEH's 'Other Buildings' category has decreased, with usage falling by 19 per cent in the last 12 months. This decrease is directly attributable to the reduction in diesel usage in generators following the installation of Remote Area Power Systems (RAPS). The installation of RAPS puts DEH in a good position to achieve the energy efficiency performance required for government buildings under SASP Target 3.13.

A complete breakdown of the updated DEH energy data for usage, emissions and cost, by type, is shown in Tables 2.1 - 2.3 on the following pages.

Table 2.1 - Energy use (GJ) by year and energy type

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electr (Office)	Electr (Other buildgs)	Electr (Other uses)	LPG (Bottled/ bulk)	LPG (Vehicle)	Natural Gas	ULP (Vehicle)	ULP (Other)	TOTAL GJ
2000-01	1 451	11 327	8,060	15 849	1 659	98	1 240	2 116	13 670	4 513	1 565	61 548
2001-02	1 346	11 327	8,060	4 996	8 919	98	1 240	2 116	5 708	4 513	1 565	49 888
2002-03	1 240	11 327	8,060	4 576	8 918	98	1 240	2 116	6 559	4 513	1 565	50 202
2003-04	795 ¹	14 262	8,060	4 810	9 083	98	1 240	4 033	5 552	5 402	811	54 146
2004-05	1 426	16 973	6,539	6 539	5 249	229	1 527	3 136	8 189	3 703	360	53 834
2005-06	603 ¹	15 480	1,993	6 724	6 470	415	1 371 ²	2 707	7 853	3 271	183	47 070
2006-07	523 ³	17 089	10,036	3 836	8 105	936	2 563	3 343	5 463	3 825	821	56 540
2007-08	1 302	17 832	6,934	3 898	7 802	1 091	1 447	5 847	3 647	2 998	628	49 611

¹ DEH plane grounded for major refit/repairs ² Understated total - usage data not available for West Region ³ Flying operations restricted in first half of year due to on-going repairs

Table 2.2 - Greenhouse Gas (GHG) emissions (tonnes) by year and energy type

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electr (Office)	Electr (Other buildgs)	Electr (Other uses)	LPG (Bottled/ bulk)	LPG (Vehicle)	Natural Gas	ULP (Vehicle)	ULP (Other)	TOTAL TONNES
2000-01	106	848	604	4 333	464	27	83	137	744	362	112	7 714
2001-02	99	848	604	1 398	130	27	83	137	310	362	112	4 110
2002-03	96	885	630	1 280	2 495	27	83	144	339	362	126	6 467
2003-04	61	1 114	630	1 345	2 541	27	83	275	287	434	65	6 862
2004-05	110	1 327	511	1 948	1 468	64	106	214	423	301	29	6 501
2005-06	47	1 211	156	1 881	1 809	116	93	185	406	266	15	6 185
2006-07	36	1 192 ¹	776	1 114	2 355	272	173	199	285	253 ¹	67	6 722
2007-08	2 091	1 245	484	910	1 820	255	1 448	139	187	201	42	8 821

¹ Reflects revision of emissions factors by AGO

Table 2.3 - Energy cost (\$) by year and energy type

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electr (Office)	Electr (Other buildgs)	Electr (Other uses)	LPG (Bottled/ bulk)	LPG (Vehicle)	Natural Gas	ULP (Vehicle)	ULP (Other)	TOTAL \$
2000-01	54 795	233 564	167 545	569 383	89 094	8 486	21 537	33 900	104 163	104 920	36 357	1 423 744
2001-02	50 813	233 564	167 545	182 266	357 789	8 486	21 537	33 900	49 271	104 920	36 357	1 246 448
2002-03	46 828	233 564	167 545	162 492	357 789	8 486	21 537	33 900	62 868	104 920	36 357	1 236 286
2003-04	30 014	290 066	167 545	171 929	385 239	8 486	21 537	55 078	45 477	120 412	19 220	1 315 003
2004-05	48 776	408 838	161 350	293 972	251 110	11 071	39 508	48 145	65 766	98 405	9 771	1 436 712
2005-06	26 116	473 090	64 612	298 392	263 411	19 997	41 235	52 202	61 944	105 154	6 195	1 412 348
2006-07	22 037	523 508	249 252	169 083	312 168	29 495	53 164	77 789	43 154	123 673	28 502	1 631 823
2007-08	55 882	695 947	183 606	180 086	237 010	25 127	59 795	54 056	31 749	106 701	22 642	1 652 600

Specific DEH Energy Management Achievements

2007-08 Highlights

- A Project Officer Energy Efficiency was appointed in January 2008 to focus on energy efficiency options across DEH sites
- Energy Audits have been completed for the top six energy usage sites and projects identified have been considered for inclusion in future programs

2008-09 Targets

- Continue to undertake investigations into Remote Area Power Systems (RAPS) at various remote sites
- Undertake a lighting retrofit on floors one and two (approx 3000 sq m) at 1 Richmond Road, Keswick

DEH WATER MANAGEMENT REPORT

DEH has identified 12 accounts for sites where the department is invoiced for actual mains water usage by SA Water.

In 2007-08 four of these sites – Adelaide Botanic Gardens, Wittunga Botanic Gardens, Morialta Conservation Park and Belair National Park – accounted for 97.4 per cent (137 110 kilolitres) of the department's total mains water usage, with the Adelaide garden alone using 104 241 kilolitres (see table below). This water is predominantly applied to external parks and gardens irrigation purposes and, as appropriate, is constrained by permits and exemptions under the current South Australian water restrictions regime.

The other eight accounts, covering a variety of DEH sites (Mambray Creek, Brownhill Creek, Black Hill, Fort Glanville and the Port Augusta and Berri National Parks depots), use a relatively minor amount of 3690 kilolitres between them.

In recognition of the need for efficient management of its water usage, DEH is committed to enhancing its performance in managing this critical resource, especially at the Adelaide Botanic Garden. This site uses more than 74 per cent of the department's total mains water consumption and DEH is spending \$0.75m over the period 2006-11 to install water efficient irrigation systems across the three garden sites.

Similarly, the \$5m upgrade of facilities and infrastructure at Belair National Park will include installation of water efficiency measures wherever appropriate. The same approach will be taken in the course of routine asset maintenance at the other sites where mains water is used.

Metered Mains Water Usage (kl)	
Total as per SA Water accounts for which DEH was charged for mains water usage	140 800
Amount above total used in parks and gardens, under water restrictions permit or exemption	137 110
Balance of mains water used at other metered DEH sites	3 690

PAPER COST AND VOLUME REPORT

DEH purchased 6804 reams of A4 paper from one main supplier in 2007-08. This would indicate a 13 per cent reduction on the 2006-07 figure of 1036 reams.

The estimated cost of paper in 2007-08 is somewhere in the range of \$41 000 - \$45 000. The range represents minimum and maximum costs as the supplier charges approximately \$6.00/ream for orders of 50 reams or more and \$6.50/ream for smaller orders. These figures apply to the purchase of paper from one supplier only and do not incorporate any ad hoc purchases.

A11 ASBESTOS MANAGEMENT IN GOVERNMENT BUILDINGS

Category	Number of Sites		Category Description	Interpretation One or more items at these sites ...
	At start of year	At end of year		
1	1	2	Remove	should be removed promptly.
2	13	10	Remove as soon as practicable	should be scheduled for removal at a practicable time.
3	16	17	Use care during maintenance	may need removal during maintenance works.
4	6	7	Monitor condition	has asbestos present. Inspect according to legislation and policy.
5	14	14	No asbestos identified / identified asbestos has been removed	(All asbestos identified as per OHS&W 4.2.10(1) has been removed)
6	29	31	Further information required	(These sites not yet categorised)

DEH identified two sites that required asbestos registers and responded proactively.

Category 1 Sites

Information received from the asbestos registers will be analysed and those asbestos products identified for removal will be scheduled for removal in the 2008-09 operating year.

Category 2 Sites

DEH will analyse the asbestos registers in this category and will align asbestos removal with other scheduled works for that area as opportunity and resources allow.

Asbestos Removals

DEH has removed asbestos products from the following sites in 2007-08.

Region	Park	Type
Adelaide	Hallett Cove CP	Sheeting
Kangaroo Island	Murray Lagoon CP	Sheeting
	Cape Willoughby CP	Rope
Murraylands	Lyrup Flats CP	Sheeting
Northern & Yorke	Innes NP	Sheeting
	Innes NP	AFC Piping
Outback	Flinders Ranges NP	Sheeting
South East	Bool Lagoon CP	Sheeting
West	Nil	Nil

A12 DEH BOARDS AND COMMITTEES

In 2007-08 the Department for Environment and Heritage provided administrative support to the following boards and committees.

Adelaide Dolphin Sanctuary Advisory Board	Consultative Committee – The Outback
*Adelaide Park Lands Authority Board of Management	Consultative Committee – West
Animal Ethics Committee – Children, Youth and Women's Health Services	Coorong and Lower Lakes Ramsar Taskforce
Animal Ethics Committee – CSIRO	Dog and Cat Management Board
Animal Ethics Committee - Dept of Education and Children's Services	General Reserves Trust
Animal Ethics Committee - Flinders University	Land Board
Animal Ethics Committee – IMVS/Central Northern Adelaide Health Service	Maralinga Lands Mamungari Conservation Park Board
Animal Ethics Committee - Non Government Schools	Marine Advisory Committee
Animal Ethics Committee – PIRSA/SARDI	Marine Parks Council of South Australia
Animal Ethics Committee – TAFE SA	Ngaut Ngaut Conservation Park Co Management Committee
Animal Ethics Committee - University of Adelaide	Perpetual Lease Accelerated Freeholding Project Review Panel
Animal Ethics Committee - Wildlife	Scientific Working Group
Animal Welfare Advisory Committee	Sea Level Rise Advisory Committee
Board of the Botanic Gardens and State Herbarium	South Australian Heritage Council
*Board of the Royal Zoological Society of South Australia Inc	South Australian Heritage Council Register Committee
Coast Protection Board	South Australian National Parks and Wildlife Council
Consultative Committee - Adelaide	Tail Docking Advisory Panel
Consultative Committee – Kangaroo Island	Vulkathunha-Gammon Ranges National Park Co Management Board
Consultative Committee – Murraylands	Wilderness Advisory Committee
Consultative Committee – Northern and Yorke	Witjira National Park Board of Management
Consultative Committee – South East	
* Independent incorporated body that has a courtesy reporting relationship with the Minister/Department	

The Marine Advisory Committee was terminated on 28 June 2008 and the PLAF Project Review Panel was disbanded on 30 September 2007.

A13 LEGISLATION ADMINISTERED BY DEH

DEH derives its functions, responsibilities and powers from legislation committed to the Minister for Environment and Conservation. All legislation under the Minister's responsibility is reviewed to ensure that it maximises the social, economic and environmental sustainability of the state, and complies with national competition policy.

The following legislation committed to the Minister is administered by DEH:

Adelaide Dolphin Sanctuary Act 2005

Adelaide Park Lands Act 2005

Botanic Gardens and State Herbarium Act 1978

Coast Protection Act 1972

Crown Lands Act 1929

Crown Rates and Taxes Recovery Act 1945

Discharged Soldiers Settlement Act 1934

Dog and Cat Management Act 1995

Heritage Places Act 1993

Historic Shipwrecks Act 1981

Irrigation (Land Tenure) Act 1930

Lands for Public Purposes Acquisition Act 1914

Marginal Lands Act 1940

Marine Parks Act 2007

Monarto Legislation Repeal Act 1980

National Environment Protection Council (South Australia) Act 1995

National Parks and Wildlife Act 1972

National Trust of South Australia Act 1955

Prevention of Cruelty to Animals Act 1985

War Service Land Settlement Agreement Act 1945

Wilderness Protection Act 1992

Wilpena Station Tourist Facility Act 1990

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT



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www.audit.sa.gov.au

TO THE CHIEF EXECUTIVE DEPARTMENT FOR ENVIRONMENT AND HERITAGE

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department for Environment and Heritage for the financial year ended 30 June 2008. The financial report comprises:

- An Income Statement
- A Balance Sheet
- A Statement of Changes in Equity
- A Cash Flow Statement
- A Program Schedule of Expenses and Income
- Notes to and forming part of the Financial Statements
- An Administered Income Statement
- An Administered Balance Sheet
- A Statement of Changes in Administered Equity
- A Statement of Administered Cash Flows
- Notes to and forming part of the Administered Financial Statements
- A Schedule of Administered Revenues and Expenses
- A certificate from the Chief Executive and the Director Financial Services.

The Responsibility of the Chief Executive for the Financial Report

The Chief Executive is responsible for the preparation and the fair presentation of the financial report in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Basis For Qualified Auditor's Opinion

Property, Plant and Equipment reported in the Administered Balance Sheet excludes Unallotted Crown Land as the Department has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings. In addition, limitations exist on the reliability of the base information used to determine the value of Crown Lands included in Property, Plant and Equipment.

This is disclosed in Note A1(c) to the Administered Financial Statements.

As the integrity of Crown Land holdings and values administered by the Department have not been ascertained, I am unable to form an opinion on the reasonableness of the values of Property, Plant and Equipment relating to Crown Lands, brought to account in the Administered Balance Sheet.

Qualified Auditor's Opinion

In my opinion, except for the effects of the matters referred to in the preceding paragraphs, the financial report presents fairly, in all material respects, the financial position of the Department for Environment and Heritage as at 30 June 2008, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations).



S O'Neill
AUDITOR-GENERAL
24 September 2008

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$'000	2007 \$'000
Expenses			
Employee benefits expenses	5	79 591	77 087
Supplies and services	6	53 146	51 184
Grants and contributions expense	7	4 258	3 177
Depreciation and amortisation	8	22 848	24 751
Finance costs	9	22	2 723
Net loss from disposal of non-current assets	10	5 089	1 044
Other expenses	11	1 765	793
Total expenses		166 719	160 759
Income			
Fees and charges	12	17 030	16 785
Grants and contributions	13	15 350	14 408
Interest revenue	14	188	173
Resources received free of charge	15	32	775
Net gain from disposal of non-current assets held for sale	16	52	-
Other income	17	5 702	1 601
Total income		38 354	33 742
Net cost of providing services		128 365	127 017
Revenues from/(payments to) SA Government			
Revenues from SA Government	18	129 505	125 389
Payments to SA Government	18	(24 900)	(3 979)
Total revenues from/(payments to) SA Government		104 605	121 410
Net result		(23 760)	(5 607)
The net result is attributable to the SA Government as owner			

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$'000	2007 \$'000
Current assets			
Cash and cash equivalents	19	100 565	145 343
Receivables	20	6 323	4 480
Inventories	21	1 394	1 392
Other current assets	23	<u>421</u>	<u>637</u>
Total current assets		108 703	151 852
Non-current assets			
Receivables	20	36	1 862
Non-current assets held for sale	24	950	951
Financial assets	22	8	8
Property, plant and equipment	25	299 825	306 800
Intangible assets	26	<u>1 765</u>	<u>2 269</u>
Total non-current assets		302 584	311 890
Total assets		<u>411 287</u>	<u>463 742</u>
Current liabilities			
Payables	27	14 977	14 971
Employee benefits	28	7 601	6 909
Provisions	29	421	351
Borrowings	30	-	38 054
Other current liabilities	31	<u>579</u>	<u>608</u>
Total current liabilities		23 578	60 893
Non-current liabilities			
Payables	27	1 452	1 421
Employee benefits	28	14 421	13 778
Provisions	29	1 088	953
Other non-current liabilities	31	<u>1 989</u>	<u>2 304</u>
Total non-current liabilities		18 950	18 456
Total liabilities		<u>42 528</u>	<u>79 349</u>
Net assets		<u>368 759</u>	<u>384 393</u>
Equity			
Asset revaluation reserve	32	170 482	165 661
Retained earnings	32	<u>198 277</u>	<u>218 732</u>
Total equity		<u>368 759</u>	<u>384 393</u>
The total equity is attributable to the SA Government as owner			
Expenditure commitments	35		
Contingent assets and liabilities	36		

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2006	32	388 231	221 361	609 592
Asset adjustments this reporting period:				
Reinterpretation of network asset definition	32	-	(2 854)	(2 854)
Other	32		5	5
Asset adjustments previously recognised:				
Asset valuation errors	32	(220 465)		(220 465)
Depreciation errors	32		3 494	3 494
First time recognition of asset errors	32		1 479	1 479
Other errors	32		678	678
Restated balance at 30 June 2006	32	167 766	224 163	391 929
Net increment/(decrement) related to revaluations	32	(2 105)	-	(2 105)
Asset adjustments - ARAMIS revisions upwards/downwards	32		176	176
Net result for 2006-2007	32	-	(5 607)	(5 607)
Total recognised income/expense for 2006-2007		(2 105)	(5 431)	(7 536)
Balance at 30 June 2007	32	165 661	218 732	384 393
Asset adjustments - First time recognition of assets	32	-	2 859	2 859
Asset adjustments - ARAMIS revisions upwards/downwards	32		446	446
Net increment/(decrement) related to revaluations	32	4 821	-	4 821
Net result for 2007-2008	32	-	(23 760)	(23 760)
Total recognised income/expense for 2007-2008		4 821	(20 455)	(15 634)
Balance at 30 June 2008	32	170 482	198 277	368 759

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$'000	2007 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(78 196)	(74 165)
Supplies and services		(54 548)	(46 038)
Grants and contribution payments		(4 258)	(3 177)
Interest paid		(246)	(2 747)
GST paid on purchases		(8 849)	(8 355)
Other payments		(30)	(7)
Cash used in operations		(146 127)	(134 489)
Cash inflows			
Fees and charges		17 212	17 544
Grant and contribution receipts		15 350	14 408
Interest received		187	252
GST received from customers		3 650	6 023
GST recovered from the Australian Taxation Office		4 810	1 688
Other receipts		5 702	1 602
Cash generated from operations		46 911	41 517
Cash flows from SA Government			
Receipts from SA Government		129 505	125 389
Payments to SA Government		(24 900)	(3 979)
Cash generated from SA Government		104 605	121 410
Net cash provided by operating activities	33	5 389	28 438
Cash flows from investing activities			
Purchase of property, plant and equipment		(12 265)	(12 166)
Proceeds from sale of property, plant and equipment		152	86
Net cash used in investing activities		(12 113)	(12 080)
Cash flows from financing activities			
Repayment of borrowings		(38 054)	-
Net cash used in financing activities		(38 054)	-
Net (decrease)/increase in cash and cash equivalents		(44 778)	16 358
Cash and cash equivalents at the beginning of the financial year		145 343	128 985
Cash and cash equivalents at the end of the financial year		100 565	145 343

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
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FOR THE YEAR ENDED 30 JUNE 2008**

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**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

1 Objectives of the Department for Environment and Heritage

The Department for Environment and Heritage (the Department) is responsible for nature conservation, heritage conservation and animal welfare. We collect and provide information and knowledge about the State's environment. We manage the State's public land, which includes our national parks, marine parks, botanic gardens and coastline. We also advise on environment policy.

This is achieved through commitment to the following objectives:

- **Involving all South Australians**
Encouraging all South Australians to enjoy and be actively involved with their rich heritage and diverse natural environments.
- **A healthy environment**
Improving South Australia's rich heritage and diverse natural environments, both public and private, particularly sites and places of state significance.
- **Sustainable growth**
Facilitating economic growth and work to help others recognise that sound environmental management and economic growth are complementary contributors to the sustainable growth of our State.
- **Better decisions and partnerships**
Providing quality information and policy advice based on evidence and research. Building and maintaining strong partnerships to deliver better decisions and results.
- **Getting results**
Making sure that the Department is accountable and well led, and gets the results it sets out to achieve.

2 Summary of significant accounting policies

(a) Statement of compliance

The financial report is a general purpose financial report. The accounts have been prepared in accordance with Australian Accounting Standards, Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Australian accounting standards include Australian International Financial Reporting Standards and AAS29 *Financial Reporting by Government Departments*. Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2008, refer Note 3.

(b) Basis of preparation

The preparation of the financial report requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Department's accounting policies. Areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to Section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following Note disclosures, that have been included in this financial report:
 - (a) revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items may be utilised resulting in the respective transaction/ balance being included within the classification of Entities external to SA Government. The Department has elected to utilise this threshold in relation to transactions applicable to revenue and expense items. However, the Department has reported all SA Government balances applicable to financial assets and financial liabilities within the classification of Entities within the SA Government.
 - (b) expenses incurred as a result of engaging consultants;
 - (c) employees whose normal remuneration is \$100 000 or more (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or other wise made available, directly or indirectly by the entity to those employees; and
 - (d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Department's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Cash Flow Statement is prepared on a cash basis.

The financial report has been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2008 and the comparative information presented for the year ended 30 June 2007.

(c) Reporting entity

The Department is a government department of the State of South Australia, established pursuant to the *Public Sector Management Act 1995*. The department is an administrative unit acting on behalf of the Crown.

The financial report includes all the controlled activities of the Department. Transactions and balances relating to administered resources are not recognised as Departmental income, expense, assets and liabilities. As administered items are significant in relation to the Department's overall financial performance and position, they are disclosed in the administered financial statements (schedule of administered items) at the back of the controlled General Purpose Financial Report. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for Departmental items.

(d) Comparative information

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard has required a change.

Where presentation or classification of items in the financial report has been amended, comparative amounts have been reclassified unless reclassification is impracticable.

The restated comparative amounts do not replace the original financial report for the preceding period.

(e) Rounding

All amounts in the financial report have been rounded to the nearest thousand dollars (\$'000).

(f) Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

- where the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case 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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Balance Sheet.

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

(g) Events after balance date

Where an event occurs after 30 June but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(h) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Department will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Income

The following are specific recognition criteria:

Fees and Charges

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Contributions received

Contributions are recognised as an asset and income when the Department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the Department has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (i.e. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Income Statement at their fair value.

Disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

Revenues from SA Government

Appropriations for program funding are recognised as revenues when the Department obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Other income

Other income consists of recoveries of insurance claims lodged with the State of South Australia's government insurance service SAICORP.

Expenses

Employee benefits

Employee benefit expense includes all costs related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Income Statement represents the contributions made by the Department to the superannuation plan in respect of current services of current Departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government general purpose financial report.

Contributions paid

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

Borrowing costs

All borrowing costs are recognised as expenses.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy, taxation revenues and expiation fees received on behalf of the government and paid directly to the Consolidated Account.

(i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date 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, the Department has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

(j) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

(k) Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, and other accruals.

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

Collectibility of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Department will not be able to collect the debt. Bad debts are written off when identified.

(l) Inventories

Inventories include goods and other property held either for sale or distribution at no or nominal cost in the ordinary course of business. It excludes depreciating assets.

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

Bases used in assessing loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost for all inventory is measured on the basis of 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.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

(m) Financial assets

The Department measures financial assets and debt at historical cost.

(n) Non Current Asset Acquisition and Recognition

Non-current 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 their fair value in the Balance Sheet. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to transfer.

All non-current tangible assets with a value of \$5000 or greater are capitalised.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is greater than \$5 million for infrastructure assets and \$1 million for other assets.

Assets deemed to be at fair value

For those classes of non-current assets where an independent revaluation has not been undertaken, as the criteria within APF III Asset Accounting Framework have not been met, these classes of non-current assets are deemed to be at fair value.

Heritage assets

In accordance with APF III Asset Accounting Framework, heritage assets are recognised in the Balance Sheet as part of the aggregate value of the classes of the assets to which they belong. Certain heritage assets and works of art that are unique due to their historical or cultural interest are not depreciated due to their long and indeterminate useful lives. Heritage assets that provide a functional service are recorded at depreciable fair value.

Land

Land comprising National, Conservation and Recreation Parks and Wilderness Protection Areas and Reserves generally have restrictions on use imposed by statute or regulation. These restrictions have been taken into account by the independent valuers.

The Department is custodian of unallotted Crown land, by virtue of its responsibilities under the *Crown Lands Act 1929*. This land is considered to be an administered asset. Unallotted Crown land is not included in the Administered Items activities as the Department has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings. In addition, limitations exist on the reliability of the base information used to determine the valuation of property, plant and equipment actually included in Crown Lands.

(o) Revaluation of Non Current Assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value). Revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than 3 years.

The Department revalues its land, buildings and leasehold improvements on at least a three year rolling basis. However, 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. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

Property, plant and equipment assets are assessed on an annual basis to determine whether they should be classified as generic assets or unique assets.

Generic building, infrastructure and road assets are valued using a data dictionary approach. Plant and equipment and moveable vehicle assets were also valued using a data dictionary approach for the first time as at 30 June 2008. The data dictionary model is contained within the Department's ARAMIS system. The data dictionary model calculates a value for an asset based on description, grade / composition, condition and size / quantity. For buildings, infrastructure and roads, the model value is adjusted by a locality factor to take into account climatic conditions. The valuation model itself is reviewed every three years.

Unique assets are items which cannot be categorised within standard data dictionary groups. Assets that are deemed to be unique are externally valued by independent professional valuers. The valuers used by the Department are as follows:

- Data dictionary (Buildings, Infrastructure and Roads)
June 2006, Valcorp Australia Pty Ltd, Mr A.J. Lucas, MBA, BAppSc(Val), DipAcc, AAPI and Mr F. Taormina, BAppSc(Val), AAPI
- Data dictionary (Plant and equipment, and Moveable Vehicles)
June 2008, Valcorp Australia Pty Ltd, Mr A.J. Lucas, MBA, BAppSc(Val), DipAcc, AAPI and Mr F. Taormina, BAppSc(Val), AAPI
- Unique items
June 2008, Valcorp Australia Pty Ltd, Mr A.J. Lucas, MBA, BAppSc(Val), DipAcc, AAPI
- Land and buildings
June 2008, Valcorp Australia Pty Ltd, Mr F. Taormina, BAppSc(Val), AAPI

The fair value of unique items was determined by identifying a market buying price, estimated as written down modern equivalent replacement cost. The fair value of land and buildings was based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

Any revaluation increment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement.

Any revaluation decrease is recognised in the Income Statement, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in revaluations reserve for that asset class.

Any accumulated depreciation, as at the revaluation date, is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Upon disposal or derecognition, any revaluation reserve relating to that asset is transferred to retained earnings.

(p) Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the asset revaluation reserve.

(q) Non-current assets (or disposal groups) held for sale

Non-current assets classified as held for sale are stated at the lower of their carrying amount and 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.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

(r) Depreciation and amortisation of non-current assets

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as computer software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land and assets held for sale are not depreciated.

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

Class of Asset	Useful Life
<i>Property, plant and equipment:</i>	
Buildings and improvements	1-70 years
Computing equipment	3-10 years
Furniture and fittings	3-20 years
Moveable vehicles	2-20 years
Park infrastructure	1-76 years
Plant and equipment	1-50 years
Roads, tracks and trails	1-50 years
Other	1-60 years
<i>Intangible assets:</i>	
Computer software	3-10 years
Other (War services leases)	45 years

(s) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis. For the War Services leases the rate of amortisation has been determined after reference to both the unexpired period of the leases and the rate of extinguishment of the leases.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$5000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

(t) Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Department.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

The Department makes contributions to several state government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

(u) Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Wages, salaries, annual leave and sick leave

Liabilities for salaries and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value.

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 of sick leave.

Long service leave

The liability for long service leave is recognised after an employee has completed 6.5 years of service. An actuarial assessment of long service leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the Department's experience of employee retention and leave taken.

Employee benefit on-costs

Employee benefit on-costs (payroll tax, workcover and superannuation) are recognised separately under payables.

Provisions

Provisions are recognised when the Department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

(v) Interest bearing liabilities

Borrowings consisted of an unsecured loan advanced by Department of Treasury and Finance. Interest was incurred at a rate determined by the Treasurer with interest paid quarterly in arrears. The loan was fully repaid in July 2007. All borrowing costs have been recognised as an expense.

(w) Financial guarantees

The Department has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts as at 30 June 2008 (there was no material liability recognised for financial guarantee contracts in 2007).

Whilst no liability has been recognised for financial guarantee contracts, further note disclosures relating to financial guarantees are contained at Note 36 Contingent Liabilities.

(x) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Department has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use an asset. The Department has entered into one or more operating leases.

Operating Leases

Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Lease Incentive

The Department entered into an operating lease for accommodation whereby it received an incentive, in the form of a rent free period. A liability has been recognised to reflect the deferred benefits received under the lease incentive arrangement and is systematically reduced by the allocation of lease rental payments between rental expense and reduction of the lease incentive liability.

(y) Unrecognised contractual commitments and contingent assets and liabilities

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

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

3 Changes in accounting policies

Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the reporting period ending 30 June 2008. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies for the financial report of the Department.

4 Programs of the Department

In achieving its objectives, the Department provides a range of services classified into the following programs:

Program 1: Nature Conservation

Protecting, maintaining, improving and restoring ecosystems, habitats, species and populations by developing nature conservation policies and programs with industries, government and communities and by undertaking and supporting research, surveys and monitoring of South Australia's biodiversity.

Program 2: Public Land Management - Visitor Management

Promoting public enjoyment and the conservation of the state's natural and cultural heritage through the provision of sustainable opportunities for environmentally sensitive, economically viable and socially responsible visitor experiences.

Program 3: Public Land Management - Fire Management

Managing fire to reduce the risk to life and property, and conserve our natural and cultural heritage on lands managed by DEH.

Program 4: Public Land Management - Stewardship

Ensuring that public lands and protected areas are managed effectively.

Program 5: Coast and Marine Conservation

Ensuring the conservation, protection and ongoing sustainable productivity of South Australia's coastal, estuarine and marine environments.

Program 6: Botanic Gardens Management

Managing the natural and cultural resources of the Botanic Gardens and State Herbarium to advance plant conservation and sustainable horticulture practices, and to enrich society.

Program 7: Heritage Conservation

Ensuring that the state's built and maritime heritage and heritage objects are identified, protected, conserved, maintained and celebrated.

Program 8: Animal Welfare

Ensuring animals are treated humanely and that companion animals are managed appropriately.

Program 9: Agency Support Services

The provision of business support services to the various operational units within the Department for Environment and Heritage, the Environment Protection Authority, Zero Waste SA and other related boards and committees. These services include the provision and management of information to support the state's environmental needs, human resource management, payroll, financial management, IT infrastructure, IT Helpdesk support, facilities management, project management, asset management, administrative support, business planning, governance, government business, executive support, public affairs, procurement and environmental policy advice.

The Program Schedule of expenses and income presents information regarding the Department's programs for the years ended 30 June 2008 and 30 June 2007.

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
PROGRAM SCHEDULE OF EXPENSES AND INCOME
FOR THE YEAR ENDED 30 JUNE 2008**

	Program 1: Nature Conservation		Program 2: Public Land - Visitor Management		Program 3: Public Land - Fire Management		Program 4: Public Land - Stewardship	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Employee benefits costs	15 637	14 610	11 504	10 619	6 225	5 165	8 187	9 032
Supplies and services	10 608	9 274	9 639	9 099	2 250	2 250	2 871	3 368
Grants and contributions	1 080	1 221	6	61	34	37	1 133	201
Depreciation and amortisation	10 431	11 488	10 431	11 488	120	60	297	284
Finance costs	-	-	-	-	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	-
Other expenses	89	45	846	359	9	2	1	2
Total: Expenses	37 845	36 638	32 426	31 626	8 638	7 514	12 489	12 887
Income								
Fees and charges	1 034	1 103	8 435	8 204	1 176	1 199	3 145	3 113
Grants and contributions	8 663	8 430	166	106	65	363	667	1 027
Interest	33	32	136	121	-	-	12	16
Assets received free of charge	-	-	-	-	-	-	-	-
Net gain from disposal of non-current assets held for sale	-	-	-	-	-	-	-	-
Other revenue	38	17	4 053	816	990	94	62	132
Total: Income	9 768	9 582	12 790	9 247	2 231	1 656	3 886	4 288
Net cost of providing services	28 077	27 056	19 636	22 379	6 407	5 858	8 603	8 599
Revenues from/(payments to) SA Government								
Revenues from SA Government	-	-	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-	-	-
Total: Net revenues from SA Government	-	-	-	-	-	-	-	-
Net result	(28 077)	(27 056)	(19 636)	(22 379)	(6 407)	(5 858)	(8 603)	(8 599)

<i>Program 5: Coast & Marine</i>		<i>Program 6: Botanic Gardens Management</i>		<i>Program 7: Heritage Conservation</i>		<i>Program 8: Animal Welfare</i>		<i>Program 9: Agency Support</i>		TOTAL	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
5 053	4 189	3 828	3 529	1 691	1 563	181	156	27 285	28 224	79 591	77 087
5 076	6 575	2 189	2 075	1 240	916	26	36	19 247	17 591	53 146	51 184
433	188	82	78	684	703	580	501	226	187	4 258	3 177
253	212	131	153	167	49	39	42	979	975	22 848	24 751
-	-	-	-	-	-	-	-	22	2 723	22	2 723
-	-	-	-	-	-	-	-	5 089	1 044	5 089	1 044
-	-	449	145	114	(22)	-	-	257	262	1 765	793
10 815	11 164	6 679	5 980	3 896	3 209	826	735	53 105	51 006	166 719	160 759
12	-	1	2	812	876	3	4	2 412	2 284	17 030	16 785
949	553	2 231	1 499	63	62	-	-	2 546	2 368	15 350	14 408
-	-	-	-	-	-	-	-	7	4	188	173
-	-	-	-	-	-	-	-	32	775	32	775
-	-	-	-	-	-	-	-	52	-	52	-
15	85	31	25	24	2	-	-	489	430	5 702	1 601
976	638	2 263	1 526	899	940	3	4	5 538	5 861	38 354	33 742
9 839	10 526	4 416	4 454	2 997	2 269	823	731	47 567	45 145	128 365	127 017
-	-	-	-	-	250	-	-	129 505	125 139	129 505	125 389
-	-	-	-	-	-	-	-	(24 900)	(3 979)	(24 900)	(3 979)
-	-	-	-	-	250	-	-	104 605	121 160	104 605	121 410
(9 839)	(10 526)	(4 416)	(4 454)	(2 997)	(2 019)	(823)	(731)	57 038	76 015	(23 760)	(5 607)

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

5 Employee benefits expenses	2008	2007
	\$'000	\$'000
Salaries and wages	57 799	55 609
Annual leave	5 162	5 208
Long service leave	2 040	2 228
Employment on-costs - superannuation	7 117	6 974
Employment on-costs - other	4 473	4 426
Board and committees fees	48	28
Other employment related expenses	2 952	2 614
	<hr/>	<hr/>
Total Employee Benefits Expenses and Other Costs	79 591	77 087

Employee Remuneration

The table includes all employees who received remuneration of \$100 000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$7.479 million. (2007: \$5.402m)

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

	2008	2007
	No. of employees	No. of employees
\$100 000 – 109 999	31	17
\$110 000 – 119 999	6	2
\$120 000 – 129 999	2	6
\$130 000 – 139 999	5	4
\$140 000 – 149 999	4	4
\$150 000 – 159 999	3	4
\$160 000 – 169 999	2	-
\$170 000 – 179 999	-	1
\$180 000 – 189 999	3	-
\$190 000 – 199 999	-	1
\$200 000 – 209 999	1	-
\$210 000 – 219 999	-	1
\$220 000 – 229 999	1	-
\$290 000 – 299 999	-	1
\$300 000 – 309 999	1	-
	<hr/>	<hr/>
	59	41

6 Supplies and services	2008	2007
	\$'000	\$'000
Supplies and services provided by entities within the SA Government		
Accommodation and property management expenses	4 696	4 038
External auditors remuneration	214	245
Fee for service	201	-
General administration	346	375
Total: Supplies and services provided by entities within the SA Government	5 457	4 658
Supplies and services provided by entities external to the SA Government		
Accommodation and property management expenses	4 215	4 150
Consultants	195	176
Contractors	4 516	3 819
Cost of goods sold	834	746
Fee for service	10 099	11 037
General administration	3 002	2 823
Heritage advisors	469	458
Information technology & communication expenses	6 214	6 607
Minor works, maintenance & equipment	7 219	7 141
Monitoring fees	219	305
Sand replenishment	1 985	1 712
Scientific and technical services	1 309	846
Transportation	258	216
Travel and accommodation	1 604	1 292
Vehicle and aircraft	4 647	4 533
Other	904	665
Total: Supplies and services provided by entities external to the SA Government	47 689	46 526
Total: Supplies and services	53 146	51 184

Consultants

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

	2008		2007	
	Number	\$'000	Number	\$'000
Below \$10 000	8	54	6	22
Between \$10 000 and \$50 000	8	141	1	11
Above \$50 000	-	-	1	143
Total paid/payable to the consultants engaged		195		176

Auditor's remuneration	2008	2007
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	214	245
Total audit fees	214	245

Other services:

No other services were provided by the Auditor General's Department

7 Grants and contributions expense	2008	2007
	\$'000	\$'000
Grants and contributions paid/payable to entities within the SA Government		
Grant refund: South Australian Murray Darling NRM Board	34	34
Grant refund: Department of Water Land and Biodiversity Conservation	-	20
State government	533	489
Total: Grants and contributions paid/payable to entities within the SA Government	567	543
Grants and contributions paid/payable to entities external to the SA Government		
Community organisations and associations	2 462	1 293
Individuals: Heritage, fencing and other agreements	285	83
Local government	399	642
Universities	545	616
Total: Grants and contributions paid/payable to entities external to the SA Government	3 691	2 634
Total: Grants and contributions	4 258	3 177

8 Depreciation and amortisation	2008	2007
	\$'000	\$'000
Depreciation		
Buildings and improvements	4 166	3 219
Computing equipment	566	578
Furniture and fittings	293	283
Moveable vehicles	696	631
Park infrastructure	6 894	7 143
Roads, tracks and trails	8 962	11 824
Plant and equipment	713	533
Other	54	26
Total: Depreciation	22 344	24 237
Amortisation		
Application software	482	483
Other - War services leases	22	31
Total: Amortisation	504	514
Total: Depreciation and amortisation	22 848	24 751

Error correction due to reinterpretation of network asset definition

In 2007-08 the Department performed a review of network assets valued less than \$5000 to determine whether they had been treated in accordance with Accounting Policy Framework III. The purpose of the review was to identify network assets which:

- had fundamentally different characteristics to the network assets to which they were attached; and
- when grouped together did not have a value which represented a significant percentage of the Department's total assets.

The review identified those capitalised network assets which met these criteria. As a result these assets were expensed.

In accordance with AASB 108, the resulting adjustment has been applied retrospectively. The effect of the adjustment on equity has been disclosed in Note 32.

The effect of the change is a reduction in the 2006-07 depreciation expense as follows:

	2007
	\$'000
Buildings and Improvements	2
Park Infrastructure	417
Roads, Tracks and Trails	5
Plant and Equipment	3
Other	2
	429

Changes in estimated useful lives

During 2007-08, the Department professionally revalued a number of assets. The professional valuations indicated that revisions were necessary to the useful lives of certain assets. The impact of these useful life revisions on current and future years' depreciation expense is as follows:

	\$'000
Buildings and Improvements	(347)
Park Infrastructure	225
Roads, Tracks and Trails	(15)
Other	(2)
	(139)

9 Finance costs	2008	2007
	\$'000	\$'000
Borrowing costs paid/payable to entities within the SA Government		
Interest on borrowings	22	2 723
Total: Borrowing costs paid/payable to entities within the SA Government	22	2 723
Total: Borrowing costs	22	2 723

10 Net gain/(loss) from disposal of non-current assets

	2008 \$'000	2007 \$'000
Land		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(32)	-
Net gain/(loss) from disposal	(32)	-
Buildings		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(3 532)	(256)
Net gain/(loss) from disposal	(3 532)	(256)
Park infrastructure		
Proceeds from disposal	-	4
Less: Net book value of assets disposed	(1 310)	(677)
Net gain/(loss) from disposal	(1 310)	(673)
Roads tracks and trails		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(148)	(43)
Net gain/(loss) from disposal	(148)	(43)
Moveable vehicles		
Proceeds from disposal	208	71
Less: Net book value of assets disposed	(138)	(27)
Net gain/(loss) from disposal	70	44
Computing equipment		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(9)	(8)
Net gain/(loss) from disposal	(9)	(8)
Furniture and fittings		
Proceeds from disposal	-	3
Less: Net book value of assets disposed	(16)	(56)
Net gain/(loss) from disposal	(16)	(53)
Plant and equipment		
Proceeds from disposal	-	8
Less: Net book value of assets disposed	(112)	(33)
Net gain/(loss) from disposal	(112)	(25)
Other assets		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	(30)
Net gain/(loss) from disposal	-	(30)
Total: Assets		
Proceeds from disposal	208	86
Less: Net book value of assets disposed	(5 297)	(1 130)
Total: Net gain/(loss) from disposal	(5 089)	(1 044)

Assets transferred free of charge

The figures above include assets relating to the Amazon Waterlily Pavilion transferred free of charge to the Board of the Botanic Gardens and State Herbarium, as follows:

	2008 \$'000
Buildings and Improvements	3 500
Park Infrastructure	731
Roads, Tracks and Trails	33
Plant and Equipment	15
	<u>4 279</u>

11 Other expenses	2008	2007
	\$'000	\$'000
Other expenses paid/payable to entities within the SA Government		
Capital project costs not capitalised	1 725	702
Total: Other expenses paid/payable to entities within the SA Government	1 725	702
Other expenses paid/payable to entities external to the SA Government		
Bad and doubtful debts	4	99
Other	36	(8)
Total: Other expenses paid/payable to entities external to the SA Government	40	91
Total: Other expenses	1 765	793
12 Fees and charges	2008	2007
	\$'000	\$'000
Fees and charges received/receivable from entities within the SA Government		
Sale of support services	550	217
Sale of spatial information	439	-
Total: Fees and charges received/receivable from entities within the SA Government	989	217
Fees and charges received/receivable from entities external to the SA Government		
Admissions and guided tours	4 757	4 708
Fees levies and licences	747	738
Property rental and related income	3 421	3 182
Other property related income	407	575
Sale of goods	1 885	1 961
Sale of professional services	1 752	1 768
Sale of support services	1 532	1 818
Sale of spatial information	1 311	1 530
Sale of freehold titles	229	288
Total: Fees and charges received/receivable from entities external to the SA Government	16 041	16 568
Total: Fees and charges	17 030	16 785
13 Grants and contributions	2008	2007
	\$'000	\$'000
Grants and contributions received/receivable from entities within the SA Government		
Administered entities	2 227	1 453
Grants received for specific purposes	10 988	11 639
Total: Grants and contributions received/receivable from entities within the SA Government	13 215	13 092
Grants and contributions received/receivable from entities external to the SA Government		
Commonwealth government	1 617	631
Private industry and local government	518	685
Total: Grants and contributions received/receivable from entities external to the SA Government	2 135	1 316
Total: Grants and contributions	15 350	14 408
14 Interest revenue	2008	2007
	\$'000	\$'000
Interest revenue received/receivable from entities within the SA Government		
Interest on deposit accounts	168	134
Interest revenue received/receivable from entities external to the SA Government		
Interest on deposit accounts	20	39
Total: Interest received	188	173

15 Resources received free of charge	2008	2007
	\$'000	\$'000
Resources received free of charge from entities within the SA Government		
Land and improvements	-	775
	<u>-</u>	<u>775</u>
Resources received free of charge from entities external to the SA Government		
Land and improvements	32	-
	<u>32</u>	<u>-</u>
Total: Resources received free of charge	<u>32</u>	<u>775</u>
 16 Net gain/(loss) from disposal of non-current assets held for sale	 2008	 2007
	\$'000	\$'000
Land held for sale		
Proceeds from disposal	53	-
Less: Net book value of assets disposed	(1)	-
Net gain/(loss) from disposal	<u>52</u>	<u>-</u>
 17 Other income	 2008	 2007
	\$'000	\$'000
Other income received/receivable from entities within the SA Government		
Insurance recoveries	5 020	758
<i>Insurance recoveries consist of monies received as a result of claims lodged with the State of South Australia's government insurance service SAICORP. Several significant claims were lodged and subsequently settled during 2008. Insurance claims are recognised as income when a claim has been lodged with SAICORP.</i>		
Other income received/receivable from entities external to the SA Government		
Insurance recoveries	-	116
Salaries and wages recoveries	383	355
Sponsorships donations commissions and bequests	32	24
Other sundry revenue	267	348
Total: Other income received/receivable from entities external to the SA Government	<u>682</u>	<u>843</u>
Total: Other income	<u>5 702</u>	<u>1 601</u>
 18 Revenues from/(payments to) SA Government	 2008	 2007
	\$'000	\$'000
Revenues from SA Government		
Consolidated appropriation	129 445	124 219
Contingency funds	60	1 170
Total SA Government Revenues	<u>129 505</u>	<u>125 389</u>
Payments to SA Government		
Return to consolidated account	(18 800)	-
Return of surplus cash	(6 100)	(3 979)
Total SA Government Payments	<u>(24 900)</u>	<u>(3 979)</u>

19 Cash and cash equivalents

	2008	2007
	\$'000	\$'000
Deposits with the Treasurer	100 378	145 154
Cash on hand/Imprest accounts	187	189
Total Cash and Cash Equivalents	100 565	145 343

Deposits with the Treasurer

Includes funds held in the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use i.e. funds can only be used in accordance with the Treasurer's/Under-Treasurer's approval.

Interest rate risk

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. The Department invests surplus funds with the Treasurer at call. Interest is earned on the average monthly balance of the Wildlife Conservation Fund and General Reserves Trust at rates based on the DTF 90 day average overnight cash interest rate and interest is paid at the end of each quarter. The weighted average effective interest rate for these deposit accounts for the reporting period was 6.59% (2007: 5.95%). Deposits with the Treasurer of the remaining accounts earn no interest.

20 Receivables

	2008	2007
	\$'000	\$'000
Current		
Receivables from entities within the SA Government		
Receivables	3 533	1 461
Accrued revenues	172	15
Total: Receivables from entities within SA Government - Current	3 705	1 476
Receivables from entities external to the SA Government		
Receivables	367	1 234
Less: Allowance for doubtful debts	(75)	(119)
	292	1 115
Accrued revenues	49	-
GST input tax recoverable	2 266	1 877
Workers compensation recoveries	11	12
Total: Receivables from entities external to the SA Government - Current	2 618	3 004
Total: Receivables Current	6 323	4 480
<i>All receivable amounts disclosed above are expected to be recovered within 12 months after reporting date.</i>		
Non-Current		
Receivables from entities within the SA Government	-	-
Receivables from entities external to the SA Government		
Receivables	-	1 823
Workers compensation recoveries	36	39
Total: Receivables from entities external to the SA Government - Non current	36	1 862
Total: Receivables Non-Current	36	1 862

Movements in the allowance for doubtful debts (impairment loss)

	2008	2007
	\$'000	\$'000
Carrying amount at the beginning of the period	119	40
Increase/(decrease) in the allowance	3	99
Amounts written off	(47)	(20)
Carrying amount at the end of the period	75	119

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts it is not anticipated that counterparties will fail to 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.

21 Inventories	2008	2007
	\$'000	\$'000
Current inventories - held for distribution at no or nominal amount		
Inventories held for distribution - at cost	420	391
Other inventories - at cost	120	120
Total: Current inventories - held for distribution at no or nominal amount	540	511
Current inventories - held for resale at cost		
Finished goods held for resale - at cost	854	881
Total: Current inventories - held for resale at net realisable value	854	881
Total: Current inventories	1 394	1 392
22 Financial assets	2008	2007
	\$'000	\$'000
Non-current		
Equity in listed entities	7	7
Equity in unlisted entities	1	1
Total: Other financial assets non-current	8	8
23 Other assets	2008	2007
	\$'000	\$'000
Current		
Prepayments	412	635
Other	9	2
Total: Other assets current	421	637
24 Non-current assets held for sale	2008	2007
	\$'000	\$'000
Land held for sale	950	951
	950	951
<p>The Department holds approximately 104 parcels of land that it has previously separately identified as surplus to requirements and therefore available for sale. The Department has initiated a comprehensive review of these parcels with the intent to identify and action all necessary legal and procedural steps that are required to effect sale or other appropriate action for these parcels of land. The review and resulting action is scheduled to be implemented during the 2008-09 reporting period.</p>		
25 Property, plant and equipment	2008	2007
	\$'000	\$'000
Land		
Independent valuation	158 827	155 127
At cost	651	3 225
Total: Land	159 478	158 352
Buildings and improvements		
Independent valuation	121 879	83 918
At cost	2 207	4 758
Less: Accumulated depreciation	(69 751)	(37 521)
Total: Buildings and improvements	54 335	51 155
Park infrastructure		
Independent valuation	138 890	132 350
At cost	4 795	6 229
Less: Accumulated depreciation	(102 583)	(91 710)
Total: Park infrastructure	41 102	46 869
Roads, tracks and trails		
Independent valuation	143 379	142 165
At cost	1 907	1 762
Less: Accumulated depreciation	(122 832)	(114 116)
Total: Roads, tracks and trails	22 454	29 811

Capital works in progress

Capital works in progress	8 111	9 931
Total: Capital works in progress	8 111	9 931

Moveable vehicles

Independent valuation	6 359	12
At cost (deemed fair value)	2 489	8 492
Less: Accumulated depreciation	(4 857)	(5 338)
Total: Moveable vehicles	3 991	3 166

Computing equipment

At cost (deemed fair value)	4 572	4 777
Less: Accumulated depreciation	(3 846)	(3 804)
Total: Computing equipment	726	973

Furniture and fittings

Independent valuation	71	71
At cost (deemed fair value)	5 353	7 730
Less: Accumulated depreciation	(2 303)	(5 594)
Total: Furniture and fittings	3 121	2 207

Plant and equipment

Independent valuation	2 018	1 005
At cost (deemed fair value)	3 530	4 187
Less: Accumulated depreciation	(3 496)	(3 217)
Total: Plant and equipment	2 052	1 975

Other

Independent valuation	1 359	1 210
At cost (deemed fair value)	3 323	1 338
Less: Accumulated depreciation	(227)	(187)
Total: Other	4 455	2 361

Total: Property plant and equipment

299 825	306 800
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Carrying amounts of plant and equipment

Classes of property plant and equipment are valued as follows:

- * At cost: Items exceeding \$1m acquisition cost are held at cost pending revaluation that occurs within three years from acquisition date.
- * At cost (deemed fair value): All items have an acquisition cost of below \$1m and are deemed held at fair value pursuant to Accounting Policy Framework III;
- Independent valuation: Generic assets are held at values determined by the Department's Data Dictionary Valuation System and Unique assets are held at values determined by external independent valuers. Refer to Note 2 for further details.

The independent professional valuation performed by Valcorp Pty Ltd as at 30 June 2008 included assets that: (i) had previously been revalued on a net basis rather than a gross basis (ii) had reverted from a professional valuation basis to a data dictionary valuation basis in prior years (iii) were previously valued at construction cost or (iv) were due for revaluation in prior reporting periods.

Assets included in category (i) were last revalued prior to 2005-06 when the Department changed from the 'net' method of revaluation to the 'gross' method. These assets have been revalued as at 30 June 2008 as part of the Department's rolling three year valuation cycle. The adoption of the gross method for these assets has resulted in significant increases in their gross carrying amount and accumulated depreciation.

The Valcorp valuation which was based on inspection of individual assets also indicated that the total/remaining useful lives derived using previous valuation methodologies required revision. Hence further significant adjustments to prior period accumulated depreciation particularly for buildings and improvements were necessary. The adjustments to prior period accumulated depreciation have not been reflected retrospectively through the comparatives in Note 32 Equity. Given the nature and timing of the valuation methodologies that have been adopted for the revalued assets previously it is not feasible to quantify the precise amount by which accumulated depreciation and depreciation expense has been misstated for prior years.

The total adjustment made as a result of the Valcorp valuation to "Buildings and Improvements at Independent Valuation" is \$33.643m. Accumulated Depreciation for "Buildings and Improvements" has been adjusted by \$27.596m. The impact of the changes to estimated useful lives on depreciation expense in current and future years is disclosed at Note 8.

Department for Environment and Heritage
Property, plant and equipment movement reconciliation 2007-08

	Land	Buildings	Park Infra- structure	Roads, Tracks & Trails	Moveable Vehicles	Computing Equipment	Furniture & Fittings	P&E	Other	Capital WIP	Sub-total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	158 352	51 155	46 869	29 811	3 166	973	2 207	1 975	2 361	9 931	306 800
Transfers between classes	-	-	(46)	-	-	-	-	46	-	-	-
Additions	328	-	6	-	300	328	-	522	2 013	10 790	14 287
Additions - Transfers to/ (from) Capital WIP	-	4 421	3 467	916	800	-	1 223	58	-	(10 885)	-
Depreciation expense	-	(4 166)	(6 894)	(8 962)	(696)	(566)	(293)	(713)	(54)	-	(22 344)
Net revaluation increment/(decrement)	596	6 047	(2 051)	(194)	381	-	-	(93)	135	-	4 821
Assets received for nil consideration	32	-	-	-	-	-	-	-	-	-	32
Asset - First time recognition	202	310	851	938	178	-	-	380	-	-	2 859
Disposals	(32)	(3 532)	(1 310)	(148)	(138)	(9)	(16)	(112)	-	-	(5 297)
Aramis revisions upwards/(downwards)	-	129	223	94	-	-	-	-	-	-	446
Capital WIP - expensed in current period	-	-	-	-	-	-	-	-	-	(1 725)	(1 725)
Other adjustments	-	(29)	(13)	(1)	-	-	-	(11)	-	-	(54)
Carrying amount at the end of the period	159 478	54 335	41 102	22 454	3 991	726	3 121	2 052	4 455	8 111	299 825

Department for Environment and Heritage
Restated property, plant and equipment movement reconciliation 2006-07

	Land	Buildings	Park Infra- structure	Roads, Tracks & Trails	Moveable Vehicles	Computing Equipment	Furniture & Fittings	P&E	Other	Capital WIP	Sub-total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	156 527	57 830	52 970	40 102	3 347	811	1 888	1 745	2 374	5 125	322 719
Transfers between classes	548	-	19	-	186	118	-	38	(909)	-	-
Additions	737	-	27	9	291	630	-	133	744	8 915	11 486
Additions - Transfers to/ (from) Capital WIP	-	409	1 161	163	-	-	658	626	208	(3 407)	(182)
Depreciation expense	-	(3 219)	(7 143)	(11 824)	(631)	(578)	(283)	(533)	(26)	-	(24 237)
Net revaluation increment/(decrement)	-	(4 010)	501	1 405	-	-	-	(1)	-	-	(2 105)
Assets received for nil consideration	540	235	-	-	-	-	-	-	-	-	775
Asset - First time recognition	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(256)	(677)	(43)	(27)	(8)	(56)	(33)	(30)	-	(1 130)
Aramis revisions - upwards/(downwards)	-	166	11	(1)	-	-	-	-	-	-	176
Capital WIP - expensed in current period	-	-	-	-	-	-	-	-	-	(702)	(702)
Carrying amount at the end of the period	158 352	51 155	46 869	29 811	3 166	973	2 207	1 975	2 361	9 931	306 800

26 Intangible assets

	2008 \$'000	2007 \$'000
Computer software		
Internally developed computer software - at cost (deemed fair value)	6 410	9 271
Less: Accumulated amortisation	(5 592)	(7 971)
Total: Computer software	818	1 300
Other		
Revenue stream (War services freehold leases) - At cost (deemed fair value)	1 000	1 000
Less: Accumulated amortisation	(53)	(31)
Total: Other	947	969
Total: Intangible assets	1 765	2 269

Computer software

Internally developed computer software relates primarily to the Department's Crown Lands System.

Revenue stream

The revenue stream relates to various property leases that were offered by the Commonwealth Government to ex-service personnel with Australian War Service history. A contract to purchase the right to this revenue stream from the Commonwealth Government by the Department was negotiated during the 2005-06 year, and is being amortised in accordance with the expected life of the revenue stream.

Intangibles movement reconciliation

	War Services \$'000	Internal Software \$'000	Sub-total \$'000
2007-08 reconciliation			
Carrying amount at the beginning of the year	969	1 300	2 269
Depreciation expense	(22)	(482)	(504)
Carrying amount at the end of the period	947	818	1 765
2006-07 reconciliation			
Carrying amount at the beginning of the year	1 000	1 601	2 601
Additions - Transfers to/(from) Capital WIP	-	182	182
Depreciation expense	(31)	(483)	(514)
Carrying amount at the end of the period	969	1 300	2 269

27 Payables

	2008 \$'000	2007 \$'000
Current		
Payables to entities within the SA Government		
Accruals	300	476
Creditors	2 002	2 091
Employee benefit on-costs	1 405	1 585
	3 707	4 152
Payables to entities external to the SA Government		
Accruals	748	540
Creditors	10 522	10 279
Employee benefit on-costs	-	-
	11 270	10 819
Total: Payables Current	14 977	14 971
<i>All payable amounts disclosed above are expected to be paid within 12 months after reporting date.</i>		
Non-Current		
Payables to entities within the SA Government		
Employee benefit on-costs	1 452	1 421
	1 452	1 421
Payables to entities external to the SA Government		
Employee benefit on-costs	-	-
	-	-
Total: Payables Non-Current	1 452	1 421

Interest rate and credit risk

Creditors and accruals are raised for all amounts due but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

28 Employee benefits	2008	2007
	\$'000	\$'000
Current		
Accrued Salaries and Wages	1 514	1 193
Annual Leave	4 981	4 900
Long Service Leave	<u>1 106</u>	<u>816</u>
Total: Employee benefits - Current	<u>7 601</u>	<u>6 909</u>
<i>All employee benefit amounts disclosed above, including long service leave, are expected to be paid within 12 months after reporting date.</i>		
Non-Current		
Long Service Leave	<u>14 421</u>	<u>13 778</u>
Total: Employee benefits - Non Current	<u>14 421</u>	<u>13 778</u>
<i>Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability was 6.5 years (2007: 6.5 years).</i>		
29 Provisions	2008	2007
	\$'000	\$'000
Current		
Provision for Workers Compensation	<u>421</u>	<u>351</u>
Total: Provisions Current	<u>421</u>	<u>351</u>
Non Current		
Provision for Workers Compensation	<u>1 088</u>	<u>953</u>
Total: Provisions Non-Current	<u>1 088</u>	<u>953</u>
Provision movement:		
Carrying amount at the beginning of the period	1 304	1 108
Additional provisions recognised	-	5
Unwinding of discount and effect of change in the discount rate	<u>205</u>	<u>191</u>
Carrying amount at the end of the period	<u>1 509</u>	<u>1 304</u>
<i>A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Division of the Department of the Premier and Cabinet.</i>		
30 Borrowings	2008	2007
	\$'000	\$'000
Current		
Borrowings from SA Government	<u>-</u>	<u>38 054</u>
	<u>-</u>	<u>38 054</u>
Repayable:		
Not Later than One Year	-	38 054
31 Other liabilities	2008	2007
	\$'000	\$'000
Current		
Other liabilities to entities within the SA Government		
Unearned revenue	<u>83</u>	<u>83</u>
	<u>83</u>	<u>83</u>
Other liabilities to entities external to the SA Government		
Lease incentive	328	328
Unearned revenue	34	40
Other	<u>134</u>	<u>157</u>
	<u>496</u>	<u>525</u>
Total: Other liabilities - Current	<u>579</u>	<u>608</u>
Non-Current		
Other liabilities to entities within the SA Government		
Unearned revenue	<u>93</u>	<u>80</u>
	<u>93</u>	<u>80</u>
Other liabilities to entities external to the SA Government		
Lease incentive	<u>1 896</u>	<u>2 224</u>
	<u>1 896</u>	<u>2 224</u>
Total: Other liabilities - Non-Current	<u>1 989</u>	<u>2 304</u>

32 Equity

Equity represents the residual interest in the net assets of the Department. The State Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	Asset Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2007	165 661	218 732	384 393
Asset adjustments - First-time recognition of assets: ⁽ⁱ⁾			
Land	-	202	202
Buildings and improvements	-	310	310
Park infrastructure	-	851	851
Roads, tracks and trails	-	938	938
Moveable Vehicles	-	178	178
Plant and equipment	-	380	380
Sub-total: First time recognition of assets errors	-	2 859	2 859
Asset adjustments - ARAMIS revisions upwards/downwards: ⁽ⁱⁱ⁾		446	446
Net result for the 2007-08 year	-	(23 760)	(23 760)
Net increment/(decrement) related to revaluations:			
Land ⁽ⁱⁱⁱ⁾	596	-	596
Buildings and Improvements ⁽ⁱⁱⁱ⁾	1 109	-	1 109
Buildings and Improvements ^(iv)	5 004	-	5 004
Buildings and Improvements ^(v)	(66)	-	(66)
Park Infrastructure ⁽ⁱⁱⁱ⁾	(720)	-	(720)
Park Infrastructure ^(iv)	(945)	-	(945)
Park Infrastructure ^(v)	(386)	-	(386)
Roads, Tracks and Trails ⁽ⁱⁱⁱ⁾	(194)	-	(194)
Moveable Vehicles ⁽ⁱⁱⁱ⁾	381	-	381
Plant and Equipment ⁽ⁱⁱⁱ⁾	(93)	-	(93)
Other ⁽ⁱⁱⁱ⁾	(1)	-	(1)
Other ^(iv)	3	-	3
Other ^(v)	133	-	133
Sub-total: Net increment/(decrement) related to revaluations	4 821	-	4 821
Balance at 30 June 2008	170 482	198 277	368 759

(i) First-time recognition of assets

A review of fixed assets data during 2007-08 identified a number of first time recognition assets that were not recognised, in error, as part of stocktakes undertaken in prior reporting periods.

(ii) ARAMIS revisions upwards/(downwards)

ARAMIS revisions occur as a result of infrastructure stocktakes and park re-surveys that result in an assets description, grade/composition, condition or size/quantity being altered on the Data Dictionary System to correctly reflect the current attributes of the asset.

(iii) Revaluation of assets during 2007-08 - professional valuation process undertaken

During 2007-08 the Department revalued items of property, plant and equipment due for revaluation in accordance with its three year revaluation cycle. Valuations used have been obtained from the Department's Data Dictionary System and also from Valcorp, Certified Practising Valuers. Professional valuations have been arrived at via reference to arms length or market transactions for similar items of property, plant and equipment and take into account any zoning or other restrictions on use.

(iv) Revaluation of assets during 2007-08 - early valuation cycle

During 2007-08 the Department elected, in accordance with Accounting Standards and the Department's Revaluation Policy, to professionally revalue certain items of property, plant and equipment earlier than the normal three year valuation cycle. These items were previously held at valuations obtained via the Department's Data Dictionary Valuation System.

(v) Revaluation of assets during 2007-08 - additional assets included for valuation in 2007-08

During 2007-08, the Department identified a small number of assets that were due for revaluation in the prior reporting period. These assets were included for professional revaluation in 2007-08 and the net revaluation increment/(decrement) related to these assets has been disclosed separately.

	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2006	388 231	221 361	609 592
Adjustments - Error corrections (previously recognised)			
Asset valuation errors: ⁽ⁱ⁾			
Buildings	(29 217)	-	(29 217)
Infrastructure	(91 571)	-	(91 571)
Roads	(99 737)	-	(99 737)
Other - various	60	-	60
Sub-total: Asset valuation errors	(220 465)	-	(220 465)
Depreciation errors ⁽ⁱⁱ⁾			
Buildings	-	1 182	1 182
Infrastructure	-	2 320	2 320
Other - various	-	(8)	(8)
Sub-total: Depreciation errors	-	3 494	3 494
First-time recognition of assets errors: ⁽ⁱⁱⁱ⁾			
Buildings and improvements	-	320	320
Park infrastructure	-	450	450
Roads, tracks and trails	-	685	685
Plant and equipment	-	24	24
Sub-total: First time recognition of assets errors	-	1 479	1 479
Other errors			
Inventory adjustment ^(iv)	-	(55)	(55)
SA Insurance Corporation revenue ^(v)	-	(324)	(324)
Recognition of intangible asset (War services revenue stream) ^(vi)	-	1 000	1 000
Transfer of revenue (War services) ^(vii)	-	57	57
Sub-total: Other errors	-	678	678
Sub-total: Error corrections (previously recognised)	(220 465)	5 651	(214 814)
Adjusted balance 1 July 2006	167 766	227 012	394 778
Adjustments - Error corrections (this reporting period)			
Asset adjustments - other: ^(viii)			
Park infrastructure		5	5
Sub-total: Other errors	-	5	5
Asset adjustments - reinterpretation of network asset definition: ^(ix)			
Buildings and improvements	-	(14)	(14)
Park infrastructure	-	(2 737)	(2 737)
Roads, tracks and trails		(56)	(56)
Computing		(2)	(2)
Plant and equipment	-	(10)	(10)
Other	-	(35)	(35)
Sub-total: Other errors	-	(2 854)	(2 854)
Sub-total: Error corrections (this reporting period)	-	(2 849)	(2 849)
Restated balance 1 July 2006	167 766	224 163	391 929

Net result for the 2006-07 year:

Deficit per prior year financial statements	-	(6 005)	(6 005)
Depreciation reduction - reinterpretation of network asset definition ^(ix)	-	429	429
Depreciation increase - amortisation of war services leases ^(x)		(31)	(31)
Sub-total: Net result for the year per financial statements	-	(5 607)	(5 607)

Adjustments - Error corrections (previously recognised)

Asset errors - ARAMIS revisions upwards/(downwards)	-	176	176
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Net increment/(decrement) related to revaluations:

Buildings and improvements	(4 010)	-	(4 010)
Park infrastructure	501	-	501
Roads, tracks and trails	1 405	-	1 405
Plant and equipment	(1)	-	(1)
Sub-total: Net increment/(decrement) related to revaluations	(2 105)	-	(2 105)

Balance at 30 June 2007

165 661	218 732	384 393
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(i) Net increment/(decrement) related to asset valuation errors

During the 2006-07 reporting period the Department undertook a comprehensive review of the fixed assets processes for recording, revaluing, reconciling and reporting in the statutory accounts. Through this process the errors in revaluation were attributed to the incorrect use of replacement cost rather than written down replacement cost and consequently the accumulated depreciation for all asset classes (excluding land) were incorrectly stated in the 2005-06 financial year.

(ii) Net increment/(decrement) related to depreciation errors

The 2006-07 review process also identified errors in depreciation expense in prior periods for a small number of assets.

(iii) First-time recognition of assets

The review of fixed assets data during 2006-07 identified a number of first time recognition assets that were not recognised, in error, as part of stocktakes undertaken in prior reporting periods.

(iv) Inventory adjustment

During the 2005-06 reporting period, inventory holdings belonging to the Board of the Botanic Gardens and State Herbarium were incorrectly reported as part of the Department's current assets. This error was adjusted in the 2006-07 reporting period.

(v) SA Insurance Corporation revenue

Insurance revenue from SA Insurance Corporation was incorrectly raised as a receivable in a prior period.

(vi) Recognition of intangible asset (War services revenue stream)

During 2005-06 reporting period, the War Services Leases reverted from the Commonwealth to the Department by way of a payment by the Department of \$1m in two equal instalments spread over two financial years. The revenue stream relating to the leases was recognised as an intangible asset during the 2006-07 reporting period and capitalised retrospectively.

(vii) Transfer of revenue (War Services)

As a result of the War Services Leases being acquired by the Department, an amount of residual revenue originally payable to the Commonwealth was received by the Department. This was adjusted in the 2006-07 reporting period.

(viii) Asset adjustments - other

Other asset adjustments of a non-material amount and/or nature.

(ix) Reinterpretation of network asset definition

During the 2007-08 reporting period the Department performed a review of network assets valued less than \$5000 to determine whether they had been treated in accordance with Accounting Policy Framework III. The purpose of the review was to identify network assets which:

* had fundamentally different characteristics to the network assets to which they were attached; and
* when grouped together, did not have a value which represented a significant percentage of the Department's total assets.

The review identified those capitalised network assets which met this criteria. As a result, these assets were expensed with the adjustment being applied retrospectively in accordance with AASB 108.

(x) War services leases amortisation

The rate of amortisation of the War Services leases has been determined after reference to both the unexpired period of the leases and the rate of extinguishment of the leases. Amortisation commenced during the 2007-08 reporting period, with the amortisation being applied retrospectively in accordance with AASB 108.

33 Cash flow reconciliation

	2008 \$'000	2007 \$'000
Reconciliation of cash and cash equivalents		
Cash at year end as per:		
Cash and cash equivalents disclosed in the Balance Sheet	100 565	145 343
Cash and cash equivalents disclosed in the Cash Flow Statement	100 565	145 343
 Reconciliation of net cash provided by operating activities to net cost of providing services		
 Net cash provided by operating activities	5 389	28 438
 Add/(less):		
Cash flows from government	(129 505)	(125 389)
Cash flows to government	24 900	3 979
 Add/(less) non-cash items:		
Depreciation and amortisation	(22 848)	(24 751)
Assets received free of charge	32	775
Assets written-off	(1 779)	(702)
Net loss on sale of assets	(5 089)	(1 043)
Net gain from disposal of non-current assets held for sale	52	-
 Movement in assets and liabilities		
Increase/(decrease) in receivables	(92)	(938)
Increase/(decrease) in inventories	2	5
Increase/(decrease) in other assets	(216)	(218)
(Increase)/decrease in payables	1 985	(5 031)
(Increase)/decrease in employee benefits	(1 335)	(2 117)
(Increase)/decrease in provisions	(205)	(196)
(Increase)/decrease in other liabilities	344	171
Net cost of providing services	(128 365)	(127 017)

34 Restrictions on contributions received

The Department is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the Department on the premise that these funds are expended in a manner consistent with the terms of the agreement. At reporting date the Department had the following outstanding funding commitments:

	2008 \$'000	2007 \$'000
Resource Conservation and Management	2 990	3 794
	<u>2 990</u>	<u>3 794</u>

35 Expenditure commitments

2008	2007
\$'000	\$'000

Operating lease commitments:

The total value of future non-cancellable operating lease commitments not provided for and payable as at the end of the reporting period are detailed below. These amounts have not been brought to account in the financial statements.

Not later than one year	3 799	4 644
Later than one year but not later than five years	11 902	17 301
Later than five years	3 499	8 819
Total: Operating lease commitments	19 200	30 764

During the 2005-06 financial year, the department received lease incentives for two leased properties amounting to \$3.28 million. These lease incentives are being amortised at a rate of \$328 000 per annum until 2015.

The weighted average interest rate implicit in non-cancellable operating leases is 3.37% (2007: 3.30%).

The operating leases held by the Department are related to property leases with penalty clauses equal to the amount of the residual payments remaining for the lease terms. The leases are payable one month in advance and the Department has the right of renewal. There are no existing or contingent rental provisions.

Capital commitments:

The total value of capital commitments not provided for and payable as at the end of the reporting period are detailed below. These amounts have not been brought to account in the financial statements.

Not later than one year	436	939
Total: Capital commitments	436	939

The Department's capital commitments include amounts associated with capital infrastructure projects incomplete at the reporting date.

Remuneration commitments:

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

Not later than one year	3 088	2 615
Later than one year but not later than five years	10 008	5 075
Total: Remuneration commitments	13 096	7 690

Amounts disclosed include commitments arising from executive and other service contracts. The Department does not offer fixed-term remuneration contracts greater than five years.

36 Contingent liabilities

Wilpena Tourist Centre

The Minister (on behalf of the Department) extended during the 2000-01 financial year a guarantee to a maximum value of \$1.25 million to ANZ Bank on behalf of Flinders Tourist Services Pty Ltd, in respect of the Wilpena Tourist Centre redevelopment/lease arrangement. The maximum exposure in relation to the guarantee as at 30 June 2008 is \$325 000 (2007: \$400 000). The loan repayments and associated guarantee is currently reducing at an amount of \$75 000 per year effective from November 2004. As at the reporting date, no event was known to have occurred which would crystallise the liability under the guarantee.

37 Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during the 2007-2008 financial year were:

South Australian National Parks & Wildlife Council

James J A
Lewis M J
Ogle G R
Nicholls M F
Russel V J
Yates K
Jackson R

South Australian Heritage Council

Brine J M C
Garnaut C M
Leydon G J
O'Connell M B
Owens L W
Marstrand M P
Wigg C A

South Australian Heritage Council Register Committee

Bell P G
Donovan P F
Marsden S E
McDougall K
Queale M W
Wigg C A
Brown D L (Term expired 28/02/2008)
Taylor R J

Witjira National Park Board of Management

Ah Chee A
Ah Chee M
Naylon-Fuschtei V
Tjami H

Vulkathunha-Gammon Ranges National Park Cooperative Management Committee

Coulthard C
Coulthard J
Coulthard R
Mckenzie P
Anderson M
Tree S

Animal Welfare Advisory Committee

Allery L
Hazel SJ
Kidman S
Noonan DE
Peters M D
Robb G
Starwick W J

Adelaide Dolphin Sanctuary Advisory Board

Bossley M
Daly J
Crocker L
Gibbs S
Harbison I
Holt P
Kavina C
Wilson D
Zappia T (Resigned 26/10/2007)
Watts T

Kangaroo Management Reference Group (KMRG)

Ackland T M
Barrington D P
Cooley G
Ireland C (Resigned 28/09/2007)
Corin J F (Resigned 24/07/2007)
Johns G R

Lindner J D
Pfitzer D B
Mould J (Appointed 05/11/2007)
Vickery F (Appointed 05/11/2007)
Warwick R
McBride M

Ngaut Ngaut Conservation Park Co-management Committee

Campbell I S
Hutchinson C

Coorong & Lower Lakes RAMSAR Taskforce

Ball V M
Geddes M
Jones G E
Owen R
Scobie K L

Wilderness Advisory Committee

Barker S
Bills C
Lesslie R
Whalen M

ALB Steering Group

Foreman G
Roberts I
Iasiello W

Wildlife Ethics Committee

McGrath KR
Peters MD
Pullen FM
Taylor LU

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

	2008 No. of employees	2007 No. of employees
\$nil	5	15
\$1 - \$9 999	74	63
	79	78

Board members are not solely members of one Department of Environment and Heritage Board per se, but are members of a number of Statutory Boards associated with the Department.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, super contributions, fringe benefits tax and salary sacrifice arrangements. The total remuneration received or receivable by members was \$61 006 (2007: \$42 291).

During the 2007-08 financial year, members of the Board were paid superannuation of \$776 (2007: \$187).

In accordance with the Department of the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members and the Department are on conditions no more favourable than those that it is reasonable to expect the Department would have adopted if dealing with the related party at arm's length in the same circumstances.

38 Events subsequent to reporting date

There are no known events after balance date that affect this general purpose financial report in a material manner.

39 Financial instruments/Financial risk management

Categorisation of financial instruments

Details of the significant accounting policies 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 Note 2 "Summary of Significant Accounting Policies".

Balance Sheet line item	Category of financial assets and financial liability	2008		2007		Note number
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000	
Financial assets						
Cash and cash equivalents	Cash and cash equivalents	100 565	100 565	145 343	145 343	19
Receivables	Loans and receivables (at cost)	6 359	6 359	6 342	6 342	20
Financial assets	Held to maturity investments (at cost)	8	8	8	8	22
Financial liabilities						
Payables	Financial liabilities (at cost)	16 429	16 429	16 392	16 392	27
Borrowings	Financial liabilities (at cost)	-	-	38 054	38 054	30

Credit risk

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in financial loss to the department. The department measures credit risk on a fair value basis and monitors risk on a regular basis.

The department has minimal concentration of credit risk. The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The department does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in credit rating. Currently the department does not hold any collateral as security for any of its financial assets. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 20 for information on the allowance for impairment in relation to receivables.

Ageing analysis of Financial Assets

The following table discloses the ageing of financial assets and the ageing of impaired assets.

Financial assets item	Current (Not overdue) \$'000	Overdue for < 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
2008					
Not impaired					
Receivables	5 835	236	125	88	6 284
Financial assets	8	-	-	-	8
Impaired					
Receivables	-	-	-	75	75
Financial assets	-	-	-	-	-
2007					
Not impaired					
Receivables	5 113	286	139	685	6 223
Financial assets	8	-	-	-	8
Impaired					
Receivables	-	-	-	119	119
Financial assets	-	-	-	-	-

Maturity analysis of financial assets and liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

Financial statements item	Contractual maturities			Carrying amount
	< 1 year	1-5 years	> 5 years	
	\$'000	\$'000	\$'000	\$'000
2008				
Financial assets				
Cash and cash equivalents	100 565	-	-	100 565
Receivables	6 323	36	-	6 359
Financial assets	8	-	-	8
<i>Total financial assets</i>	<i>106 896</i>	<i>36</i>	<i>-</i>	<i>106 932</i>
Financial liabilities				
Payables	14 977	1 452	-	16 429
Borrowings	-	-	-	-
<i>Total financial liabilities</i>	<i>14 977</i>	<i>1 452</i>	<i>-</i>	<i>16 429</i>
2007				
Financial assets				
Cash and cash equivalents	145 343	-	-	145 343
Receivables	4 480	1 862	-	6 342
Financial assets	8	-	-	8
<i>Total financial assets</i>	<i>149 831</i>	<i>1 862</i>	<i>-</i>	<i>151 693</i>
Financial liabilities				
Payables	14 971	1 421	-	16 392
Borrowings	38 054	-	-	38 054
<i>Total financial liabilities</i>	<i>53 025</i>	<i>1 421</i>	<i>-</i>	<i>54 446</i>

Liquidity risk

Liquidity risk arises where the department is unable to meet its financial obligations as they fall due. The Department is funded principally from appropriations by the SA Government. The Department works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Market risk

The department has no interest bearing liabilities as at the end of the reporting period. There is no exposure to foreign currency or other price risks.

A sensitivity analysis has not been undertaken for the interest rate risk of the department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

40 State Heritage Fund

The State Heritage Fund ("the Fund") was established under the *Heritage Places Act 1993* to conserve places of heritage value. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within the Department's Financial Statements. When incorporating these amounts into the Department's Financial Statements all transactions between the Fund and the Department have been eliminated.

Income Statement for the Year Ended 30 June 2008

	2008 \$'000	2007 \$'000
Expenses		
Supplies and services	-	5
Grants and contributions	214	230
Other expenses	-	23
Total: Expenses	214	258
Income		
Other income	23	-
Total: Income	23	-
Net cost of providing services	191	258
Revenues from SA Government	250	250
Net result	59	(8)

Balance Sheet as at 30 June 2008

	2008 \$'000	2007 \$'000
Current assets		
Cash	218	140
Receivables	35	-
	253	140
Non current assets		
Receivables	-	35
Total assets	253	175
Current liabilities		
Payables	35	16
Total: Liabilities	35	16
Net Assets	218	159
Equity		
Retained earnings	218	159
Total: Equity	218	159

Statement of Changes in Equity for the Year Ended 30 June 2008

	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2006	167	167
Net result for 2006-2007	(8)	(8)
Balance at 30 June 2007	159	159
Net result for 2007-2008	59	59
Balance at 30 June 2008	218	218

Cash Flow Statement for the Year Ended 30 June 2008

	2008	2007
	\$'000	\$'000
Cash flows from operating activities		
Cash outflows		
Supplies and services	-	(64)
Grants and contributions	<u>(195)</u>	<u>(230)</u>
Total: Cash used in operations	(195)	(294)
Cash inflows		
Other revenues	<u>23</u>	<u>-</u>
Total: Cash generated from operations	23	-
Cash generated from SA Government	250	250
Net cash provided by/(used in) operating activities	<u>78</u>	<u>(44)</u>
 Cash at the beginning of the financial year	 140	 184
 Cash at the end of the financial year	 <u>218</u>	 <u>140</u>

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
ADMINISTERED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$'000	\$'000
Expenses		
Employee benefits costs	317	336
Supplies and services	1 634	1 473
Grants and contributions	25 620	5 176
Depreciation and amortisation	2 782	2 523
Other expenses	<u>10</u>	<u>(58)</u>
Total: Expenses	<u>30 363</u>	<u>9 450</u>
Income		
Fees and charges	923	976
Grants and contributions	97	104
Interest	175	142
Assets received free of charge	4 279	1 014
Net gain from disposal of non-current assets	9 726	11 022
Other revenue	<u>1 422</u>	<u>1 110</u>
Total: Income	<u>16 622</u>	<u>14 368</u>
Net (cost)/surplus of providing services	<u>(13 741)</u>	<u>4 918</u>
Revenues from/(payments to) SA Government		
Revenues	23 517	3 976
Payments	<u>(12 964)</u>	<u>(33 495)</u>
Total revenues from/(payments to) SA Government	<u>10 553</u>	<u>(29 519)</u>
Net result	<u>(3 188)</u>	<u>(24 601)</u>

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
ADMINISTERED BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$'000	\$'000
Current assets		
Cash and cash equivalents	7 854	12 351
Receivables	342	594
Inventories	<u>149</u>	<u>159</u>
Total: Current assets	<u>8 345</u>	<u>13 104</u>
Non-current assets		
Receivables	106	156
Property, plant and equipment	<u>77 205</u>	<u>71 114</u>
Total: Non-current assets	<u>77 311</u>	<u>71 270</u>
Total assets	<u>85 656</u>	<u>84 374</u>
Current liabilities		
Payables	283	748
Other current liabilities	<u>1 385</u>	<u>2 151</u>
Total: Current liabilities	<u>1 668</u>	<u>2 899</u>
Non-current liabilities		
Payables	<u>105</u>	<u>140</u>
Total: Non-current liabilities	<u>105</u>	<u>140</u>
Total liabilities	<u>1 773</u>	<u>3 039</u>
Net assets	<u>83 883</u>	<u>81 335</u>
EQUITY		
Asset revaluation reserve	42 943	37 219
Retained earnings	<u>40 940</u>	<u>44 116</u>
Total equity	<u>83 883</u>	<u>81 335</u>

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF CHANGES IN ADMINISTERED EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Asset Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2006	68 765	65 877	134 642
Adjustments - Error corrections (this reporting period)	104	(498)	(394)
Adjustments - Error corrections (previously recognised)	(43 552)	206	(43 346)
Restated balance at 1 July 2006	25 317	65 585	90 902
Net Increment/(decrement) related to revaluations	11 902	-	11 902
Adjustments - Error corrections	-	3,132	3 132
Net result for 2006-2007	-	(24 601)	(24 601)
Total recognised income/expense for 2006-07	11 902	(21 469)	(9 567)
Balance at 30 June 2007	37 219	44 116	81 335
Adjustments - first-time recognition of assets	-	12	12
Net Increment/(decrement) related to revaluations	5 724	-	5 724
Net result for 2007-08	-	(3 188)	(3 188)
Total recognised income/expense for 2007-08	5 724	(3 176)	2 548
Balance at 30 June 2008	42 943	40 940	83 883

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$'000	\$'000
Cash flows from operating activities		
Cash outflows		
Employee benefits payments	(332)	(318)
Supplies and services	(2 098)	(5 241)
Grants and contributions	(25 620)	(5 176)
Other payments	<u>(4)</u>	<u>-</u>
Cash used in operations	<u>(28 054)</u>	<u>(10 735)</u>
Cash inflows		
Fees and charges	457	834
Grant and contribution receipts	97	140
Interest received	171	140
Loan repayments	-	140
Other receipts	<u>1 422</u>	<u>1 073</u>
Cash generated from operations	<u>2 147</u>	<u>2 327</u>
Cash flows from SA Government		
Receipts from SA Government		
Recurrent appropriation	<u>23 517</u>	<u>3 976</u>
Total receipts from SA Government	<u>23 517</u>	<u>3 976</u>
Payments to SA Government		
Return of surplus cash	<u>(12 964)</u>	<u>(33 495)</u>
Total payments to SA Government	<u>(12 964)</u>	<u>(33 495)</u>
Net cash (used in) operations	<u>(15 354)</u>	<u>(37 927)</u>
Cash inflows from investing activities		
Purchase of property, plant and equipment	(23)	(1 357)
Proceeds from sale of property, plant and equipment	<u>10 880</u>	<u>39 451</u>
Net cash provided by investing activities	<u>10 857</u>	<u>38 094</u>
Net (decrease)/increase in cash and cash equivalents	<u>(4 497)</u>	<u>167</u>
Cash and cash equivalents at the beginning of the financial year	12 351	12 184
Cash and cash equivalents at the end of the financial year	<u>7 854</u>	<u>12 351</u>

The above statement should be read in conjunction with the accompanying notes

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
NOTES TO AND FORMING PART OF THE ADMINISTERED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

A1 Administered items of the Department

(a) Reporting entities and strategic context

The activities of the administered items are:

Board of the Botanic Gardens and State Herbarium

The Board was established under Section 6 of the *Botanic Gardens and State Herbarium Act 1978* to ensure the maintenance and development of South Australia's Botanic Gardens and State Herbarium and to provide advice on relevant policies consistent with the provisions of the Act and with the objectives of the Minister for Environment and Conservation.

The Department is related to the Board in the following manner:

- The Board's budget forms part of the Department's budget approved by the Department of Treasury and Finance;
- Assets constructed through the Department's capital works program, on behalf of the Board, are transferred to the Board at nil cost; and
- Departmental staff provide a number of services to the Board at nil cost.

However the Board constitutes a separate legal entity, with members appointed by the Governor. Hence the Department cannot direct the Board to expend funds in a particular manner. As a result, the Board is not controlled by the Department and has been reflected as an Administered Item.

Crown Lands

Crown Lands is comprised of an account established by the Treasurer to record receipts and payments associated with the sale of Crown land and other surplus Government land and property. The net revenues from these sales are returned to the DTF Consolidated Account.

Ministerial Other Payments

Payments made under Special Acts such as grant payments to Zoos SA. Grants and contributions expense for the 2007-08 year includes a one-off grant of \$18.9m made to Zoos SA for a new entrance and underwater fairy penguin enclosure.

Special Acts Allocation

Payments made under Special Acts for the salary and allowances for the Minister for Environment and Conservation.

(b) Administered items' financial arrangements

The financial activities of the administered items are conducted through a number of deposit accounts with Department of Treasury and Finance pursuant to the *Public Finance and Audit Act 1987*. For those administered items that do not have their own deposit account their financial activities are conducted through the Department's deposit account.

The Department conducts a large number of activities directed towards meeting the administered items' objectives and responsibilities as specified in the legislation and/or other authoritative documentation that establishes the administered items. Many of the administered items, in accordance with the Acts, have delegated certain functions to officers within the Department who provide technical and administrative support including the use of plant and equipment, office accommodation and various administrative services. The cost of the services provided that can be identified with the activities of the administered items and can be measured reliably are met by the administered items. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in the administered items' schedules.

(c) Administered items' summary of significant accounting policies

The administered items schedules detail the sum of the individual administered items' revenues, expenses, assets, liabilities, changes in equity and cash flows and as such the principles of consolidation have not been applied in preparing the schedules as the definition of an economic entity has not been satisfied. Accordingly, transactions and balances between the individual administered items have not been eliminated.

In general, the administered items adopt the accounting policies of the Department. As detailed in Note 2 of the Department's financial statements, deviations from these policies are as follows:

Property, plant and equipment

The Department is custodian of unallotted Crown land, by virtue of its responsibilities under the *Crown Lands Act 1929*. This land is considered to be an administered asset. Unallotted Crown land is not included in the administered items activities as the Department has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings. In addition, limitations exist on the reliability of the base information used to determine the valuation of property, plant and equipment actually included in Crown Lands.

The administered items activities include the Crown's interest in land leased to third parties under perpetual and other leases and annual licences.

Total property, plant & equipment as disclosed in the Administered Balance Sheet consists of assets belonging to the Botanic Gardens and State Herbarium (\$55.7 million) and Crown Lands (\$21.5 million).

Employee benefits

In general, administered items' utilise the services of contractors or the Department's employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by the Department's employees are provided free of charge. If, however, the services provided by the Department's employees are directly attributable to the activities of an administered item and can be reliably measured the services are charged to the administered item on a fee for service (cost recovery) basis. These charges are included in the Administered Income Statement as employee benefits. Further, the liability for employee benefits arising from services rendered by employees is not recognised in the Administered Financial Statements as the Department is obligated to pay employees for services provided. Accordingly, employee benefits are recognised in the Department's financial statements.

Details of the Administered Items' revenues and expenses are provided in the following schedules:

Schedule 1(A): Administered expenses and income for the Year Ended 30 June 2008

Schedule 1(B): Administered expenses and income for the Year Ended 30 June 2007

SCHEDULE 1(A)
ADMINISTERED REVENUES AND EXPENSES
FOR THE YEAR ENDED 30 JUNE 2008

	Botanic Gardens and State Herbarium	Crown Lands	Minister's Other Payments	Special Acts Allocation	Total
Expenses	\$'000	\$'000	\$'000	\$'000	\$'000
Employee benefits costs	82	-	-	235	317
Supplies and services	247	1 383	4	-	1 634
Grants and contributions	2 226	132	23 262	-	25 620
Depreciation and amortisation	2 772	10	-	-	2 782
Other	10	-	-	-	10
Total: Expenses	5 337	1 525	23 266	235	30 363
Income					
Fees and charges	822	101	-	-	923
Grants and contributions	97	-	-	-	97
Interest	175	-	-	-	175
Assets received free of charge	4 279	-	-	-	4 279
Net gain/(loss) from disposal of non-current assets	(8)	9 734	-	-	9 726
Other revenue	1 422	-	-	-	1 422
Total: Income	6 787	9 835	-	-	16 622
Net surplus/(cost) of services	1 450	8 310	(23 266)	(235)	(13 741)
SA Government revenues and (payments)					
Revenues	-	-	23 267	250	23 517
Payments	-	(12 964)	-	-	(12 964)
Total: SA Government revenues and (payments)	-	(12 964)	23 267	250	10 553
Net result	1 450	(4 654)	1	15	(3 188)

SCHEDULE 1(A)
ADMINISTERED REVENUES AND EXPENSES
FOR THE YEAR ENDED 30 JUNE 2007

	Botanic Gardens and State Herbarium	Crown Lands	Minister's Other Payments	Special Acts Allocation	Total
Expenses	\$'000	\$'000	\$'000	\$'000	\$'000
Employee benefits costs	77	-	-	259	336
Supplies and services	329	1 140	4	-	1 473
Grants and contributions	1 450	-	3 726	-	5 176
Depreciation and amortisation	2 515	8	-	-	2 523
Other	(58)	-	-	-	(58)
Total: Expenses	4 313	1 148	3 730	259	9 450
Income					
Fees and charges	823	153	-	-	976
Grants and contributions	104	-	-	-	104
Interest	142	-	-	-	142
Assets received free of charge	1 005	9	-	-	1 014
Net gain from disposal of non-current assets	-	11 022	-	-	11 022
Other revenue	1 110	-	-	-	1 110
Total Income	3 184	11 184	-	-	14 368
Net surplus/(cost) of services	1 129	(10 036)	3 730	259	(4 918)
SA Government revenues and (payments)					
Revenues			3 730	246	3 976
Payments		(33 495)			(33 495)
Total: SA Government revenues and (payments)	-	(33 495)	3 730	246	(29 519)
Net result	(1 129)	(23 459)	-	(13)	(24 601)

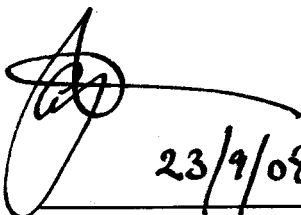
Department for Environment and Heritage

Certification of the Financial Report

We certify that the attached general purpose financial report for the Department for Environment and Heritage:

- complies with any relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and any relevant *Australian Accounting Standards*;
- are in accordance with the accounts and records of the department; and
- presents a true and fair view of the financial position of the Department for Environment and Heritage as at 30 June 2008 and the results of its operations and cash flows for the financial year.


We certify that the internal controls employed by the Department for Environment and Heritage for the financial year over its financial reporting and its preparation of the general purpose financial report have been effective throughout the reporting period.



23/9/08.

Allan Holmes
Chief Executive

~~xx~~ September 2008



23/9/08

Rob Denton-Brown
Director Financial Services

~~xx~~ September 2008



AUXILIARY REPORT

Marine Parks Council of South Australia 2007-08 Report of Activities

Introduction

The *Marine Parks Act 2007* (the Act) was proclaimed on 22 May 2008. At the time of proclamation sections 1 to 9 and sections 22 to 31 were proclaimed and the remaining sections were suspended. It is expected that the suspended sections of the Act will be proclaimed when required, to support the proclamation of marine park outer boundaries.

The proclamation of the initial sections occurred to support the process of establishing South Australia's marine parks network, and, in the first instance, the Marine Parks Council of South Australia (the Council).

The proclamation of the Act contributes to Objective 3 of *South Australia's Strategic Plan*, specifically Target 3.4 – by 2010 create 19 marine parks aimed at maximising ecological outcomes.

The Marine Parks Council of South Australia

The Council is established pursuant to section 24 of the Act. Of the inaugural members of the Council, 10 were appointed by the Governor, on the nomination of the Minister for Environment and Conservation (the Minister), on 22 May 2008.

The Council's functions are set out in Section 29 of the Act, as follows.

29 – Functions of Council

(1) *The Council has the following functions:*

- (a) *to provide advice to the Minister on the establishment of marine parks, including –
 - (i) *advice on any community nominations for marine parks; and*
 - (ii) *advice on the areas to be specified as marine parks;**
- (b) *to provide advice to the Minister in relation to the introduction, variation or revocation of interim protection orders;*
- (c) *to provide advice to the Minister in relation to a proposal to alter the boundaries of a marine park;*
- (d) *to provide advice to the Minister in relation to a proposal to establish or alter a zone within a marine park;*
- (e) *to provide advice to the Minister in relation to the management of marine parks, the formulation and operation of management plans under this Act, and the extent to which the objects of the Act are being achieved through the implementation of management plans under this Act;*
- (f) *to provide advice to the Minister on ways to promote community participation in the management of marine parks and the conservation of relevant marine environments;*

(g) to carry out such other functions as may be assigned to the Council by or under this Act or by the Minister.

(2) The Council must, in providing advice to the Minister, take into account the objects of this Act.

The Council has no financial or management responsibilities.

Council Members

In accordance with section 24 of the Act, 10 of the Council members were appointed by the Governor and collectively possess the knowledge and skills required under the Act to support establishment of South Australia's marine parks. These members are not designated representatives of their sectors.

- Community affairs - Susan Stovell (presiding member)
- Commercial fishing - Christian Pyke
- Aquaculture - Hagen Stehr
- Recreational fishing - Trevor Watts
- Marine conservation - Michelle Grady, Peter Owen, Peri Coleman
- Science relevant to the marine environment - Professor Anthony Cheshire (deputy presiding member), Dr Hazel Lindsay
- Indigenous culture - Parry Agius.

The Chief Executive of the Department for the Environment and Heritage, or nominee, is an ex-officio member of the Council. The member is Leanne Burch.

The appointment of a female presiding member to the Council contributes to the *South Australia's Strategic Plan* Target 5.2 of increasing the number of women chairing State Government boards and committees to 5 per cent by 2010.

2007-08 Council Activities

The Council held its inaugural meeting on 23 June 2008. The induction meeting provided members with information regarding their statutory obligations, appropriate Council procedures and background about the government's marine parks program.

