

Department
for Environment
and Heritage

ANNUAL REPORT 2008-09

1 July 2008 to 30 June 2009



Government
of South Australia

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**Government
of South Australia**



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30 September 2009

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 2008 — 30 June 2009. 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 long horizontal flourish extending to the right.

Allan Holmes
CHIEF EXECUTIVE



CHIEF EXECUTIVE'S STATEMENT

The Department for Environment and Heritage is a large part of the Environment and Conservation portfolio and a major contributor to the broad environmental stewardship role of the portfolio.

We provide services in public land management (stewardship, visitor management and fire management), nature conservation, coast and marine conservation, heritage conservation, botanic gardens and animal welfare.

Several years ago, we recognised the need to refocus the department to maintain relevance and effectiveness. Putting South Australians at the centre of our attention was the first step. Without their active involvement we can achieve little. More recently we have concluded that this idea needs to be taken further. Improving the democratic processes of public engagement and developing a sense of shared personal and civic responsibility for the environment, are changing the way we approach our business. The big environmental issues require greater community ownership - without this our responses will be inadequate.

Natural Resources Management (NRM) arrangements were reformed in the early part of this decade after many years of thinking and discussion. These arrangements are central to the democratisation of environmental stewardship. Whilst the NRM initiative has yet to meet all expectations, it is on the right track. Within government, the NRM system has not yet been fully embraced - and at the regional NRM board level, there is some reluctance to participate fully with governments. These shortcomings will be resolved as the system matures and evolves. Relationships with local government will also develop and improve, as will the devolution of responsibility for implementation activities to community groups.

One of the great challenges is to work out how to live sustainably in Australia and on the planet. We still have a mentality that separates the environment from the community and the economy. In truth, they are inextricably linked. We see the environment as a cost to the economy rather than being the basis of our economy. One of our roles is to influence thinking about environmental sustainability and raise community understanding of the issues.

We need to give people hope - yet simultaneously provide a reality check about what confronts us. Water scarcity, an economy where carbon use is constrained, a warmer and drier state, and a contracting natural world, are all with us - right now! Adjusting to this new world is not optional. It has to be done.

DEH and the broader Environment portfolio have a substantial, if not pre-eminent, role in helping our communities shift. We must be about building community resilience and vigour.

In 2008/09 DEH has achieved much. We have provided great public service across all of our program areas. This report is a record of those achievements and provides accountability to the Parliament for the expenditure of our budget. Each year we endeavour to improve and to provide better value for money. Our Corporate Plan, which is appended to the Annual Report, frames this improvement journey. It is continuous and never ending.

To conclude, I must acknowledge the contribution of every member of staff who acts to contribute, participate and make a difference.

I thank Minister Weatherill for his confidence and leadership. I also thank my portfolio colleagues, Scott Ashby, Helen Fulcher and Vaughan Levitzke for their support.



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

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

Susan Close

- 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 2009)

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2008-09 HIGHLIGHTS

Nature Conservation Program

- Developed key performance indicators, including a selection of key species, to monitor progress towards *No Species Loss: a Nature Conservation Strategy for South Australia 2007-2017*.
- Progressed a new landscape planning framework to support decision making across the landscape, ecosystem and species (and help prioritise No Species Loss landscape targets).
- Released and began implementation of the *East meets West NatureLinks Plan*.
- Planted 1000 hectares under the River Murray Forest project.
- Released the *South Australian Arid Lands Biodiversity Strategy*.
- Led the recovery and conservation of fish and tortoises in response to drought conditions.

Public Land Visitor Management Program

- Published *Linking with Nature, a Trails Strategy for South Australia's Parks and Reserves*.
- Completed visitor facility upgrades at Belair, Innamincka, Mount Remarkable and Innes National Parks.
- Completed strategic plans for visitor-facility improvements at Cleland Wildlife Park and Seal Bay Conservation Park.
- The Heysen Trail at King Head Victor Harbor was upgraded to provide a gateway to Victor Harbor and to prevent erosion.
- Attendance increased to more than four million visitors at parks across the state during the year.

Public Land Fire Management Program

- Employed 64 seasonal fire fighters to improve DEH and SA Water fire-fighting capacity.
- Supported the Country Fire Service (CFS) to fight fires across the state and sent 160 staff members to help battle the Victorian bushfires.
- Completed 49 prescribed burns as part of the DEH prescribed burning program.
- Contributed to the development of a *Code of Practice for Management of Native Vegetation to Reduce the Impact of Bushfire* and management review following the Wangary Coronial inquest and Victorian bushfires.
- Developed fire management plans for South Australia's reserves, with two adopted and a further eight awaiting adoption.
- A DEH firefighter travelled to the United States as part of an Australian and New Zealand deployment of incident-management personnel and forest fire specialists.
- Co-hosted the Australasian Fire and Emergency Services Council and Bushfire Cooperative Research Centres International Research Conference.

Public Land Stewardship Program

- Proclaimed the Billiatt and Danggali Wilderness Protection Areas.
- Tabled 10 year reviews of Innamincka and Simpson Desert Regional Reserves in Parliament.
- Finalised the Yandruwandha Yawarrawarrka people's indigenous land-use agreement and co-management agreement over the Coongie Lakes National Park.
- Enacted the *Crown Lands Management Act 2008*.
- Formally wound up the Perpetual Lease Accelerated Freeholding Project.
- Reviewed reserve-management planning to improve efficiency.

Coast and Marine Conservation Program

- Gazetted outer boundaries for 19 marine parks and conducted a consultation process.
- Received more than 230 nominations for membership of marine-park local advisory groups.
- Completed an ecosystem-based management framework and guidelines for the state's marine bioregions, for consideration by Government.
- Conducted extensive benthic mapping throughout state waters to collect sonar and video data.
- Pilot working groups were established for marine parks 1, 2, 6, 18 & 19 to advise the Minister on proposed amendments to the outer boundaries.
- The new Sea Level Rise Advisory Committee reviewed scientific evidence and advised government on sea-level rise policies.
- Began building the Semaphore South Breakwater for sand management, as part of the *Adelaide's Living Beaches Strategy*.

Botanic Gardens Management

- Attracted nearly 1.8 million visitors to the Botanic Gardens.
- Staged eight major cultural events in the Botanic Gardens.
- Completed major restoration of the Museum of Economic Botany.
- The Botanic Gardens Seed Conservation program became the first international partner of the Millennium Seed Bank project to achieve its collection targets – almost 12 months ahead of schedule.
- Upgraded Botanic Gardens' water application infrastructure to demonstrate effective, efficient and appropriate water use.
- Projects were developed as part of a major redevelopment of the Botanic Park/Adelaide Zoo area with Adelaide City Council and ZoosSA.

Heritage Conservation

- Allocated \$970 000 in grants to identify and support the protection and conservation of heritage in South Australia.
- Approximately \$250 000 in Heritage Grants was allocated to more than 40 projects to conserve State Heritage Places across South Australia.
- Completed a survey of South Australian heritage for 1928-45.
- Completed interactive exhibits and storyboards and began conservation work at the Adelaide Gaol.
- The Schools' Heritage Competition attracted 53 entries from students who highlighted historical and heritage aspects of their local communities

Animal Welfare

- Implemented the amended *Animal Welfare Act 1985*, which requires inspectors be qualified before appointment and provides for expiation of some offences.
- Completed major projects that will contribute to the wellbeing of animals in South Australia.
- Completed the first round of reviews for the *Code of Practice for the Use of Animals for Scientific Purposes*.
- Completed draft regulations for the husbandry and housing of pigs.
- The Dog and Cat Management Board (DCMB) released its report on *Options for Possible South Australian Cat Amendment Legislation Regulatory Impact Assessment, July 2008* for public comment
- Implemented the Dog and Cat Management Board's 'We are family' initiative that provides pet education and awareness activities.

Agency Support Services

- Developed a climate-change strategy for DEH.
- Identified potential savings to reduce internal and red-tape business costs.
- Introduced more efficient technology and standardised reporting to decrease costs and improve services to internal and external customers.
- Transferred service functions to Shared Services SA within budget and project timeframes.
- Organised 'Stirring the Possum' forums that attracted high-profile speakers and record attendances.
- Released the draft Aboriginal Workforce Plan 2009-12 for consultation that shows the proportion of Aboriginals employed in the department has increased to 2.7 per cent – exceeding the SASP target of two per cent.
- Began implementing the Vision 2012 report, a major reform in the delivery of science and information services.
- Prepared compliant financial statements in accordance with *Public Finance and Audit Act 1987* requirements.
- Provided project management support services for infrastructure projects across DEH.
- Continued DEH's commitment to adopting sustainable design principles and practices in various park waste strategies and the use of energy-efficient lighting and other 'green' products and materials in construction and refurbishment projects.

GOVERNANCE STATEMENT

The Department for Environment and Heritage (DEH) has responsibility for environment policy, biodiversity conservation, heritage conservation and animal welfare, and is a custodian of certain information and knowledge about the state's environment. The Department also has administrative responsibility for the state's public lands, Crown lands and land held in the conservation reserve system, and manages large tracts of such lands.

DEH is part of the Environment and Conservation Portfolio and the Chief Executive, DEH, is responsible to the Minister for Environment and Conservation.

The Environment and Conservation Portfolio

The Environment and Conservation Portfolio, headed by the Minister for Environment and Conservation, 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, DEH is appointed by the Governor and is responsible to the Minister under the *Public Sector Management Act 1995*.

The Chief Executive implements, evaluates and improves DEH's governance structures and processes assisted by DEH Executive (comprising the Executive Directors of the six directorates) to implement the DEH Corporate Plan, achieve policy outcomes and comply with State government policies, processes and procedures.

Risk management and internal controls are important elements of DEH's governance framework. The DEH Risk Management and Audit Committee plays an important role in assisting DEH to achieve an effective internal control structure. DEH's internal audit function helps DEH monitor its internal controls and risk management policies and evaluate and report on the adequacy, efficiency and effectiveness of DEH systems, processes and management performance. Financial, procurement, human resources, and contractual delegations ensure public funds and resources are managed, used and spent appropriately.

DEH administers legislation committed to the Minister. Delegations of authority control the exercise of legislative power. Legislation administered by DEH establishes boards and committees with accountability to the Minister for Environment and Conservation.

The DEH planning, budgeting and reporting framework ensures DEH accountability for achievement of DEH program priorities.

South Australia's Strategic Plan

The Department for Environment and Heritage (DEH) has integrated its three lead SASP Targets into its strategic planning at the highest level, with each target reflected as an "objective" within the *DEH Corporate Plan 2009-2010*. The three SASP targets, along with a number of related objectives contribute to the goal – A healthy environment.

South Australia's Strategic Plan sets out the medium to long-term direction for the whole of South Australia. The SASP has six interrelated objectives for which DEH has some role to play in supporting the government's vision for South Australia. Specifically, DEH has been assigned responsibility for developing strategies to achieve three targets from *Goal 3 – Attaining Sustainability*.

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.

DEH developed key performance indicators, including a selection of key species, to monitor progress towards *No Species Loss: a Nature Conservation Strategy for South Australia 2007-2017*.

A significant body of work was undertaken in 2008-09 to identify and report on ten indicator species to measure the performance of the *SA Strategic Plan target 3.1 Lose no species*. DEH responded to the Audit Committee's recommendation to identify and report against a set of indicator species, by instigating a 6-monthly rolling report of indicator species to identify a total of twenty indicator species for reporting. The Audit Committee recommended in its 2008 Audit Report that alternative ways be considered to measure T3.1, for example tracking the status of all species listed on the Threatened Species Schedules, or tracking a subset of indicator species. Ten species for the April reporting were identified with a status of each indicator species based on conservation interventions and monitoring activity.

The indicator species represent a cross-section of threatened native plant and animal species from terrestrial, freshwater and marine environments, including well-known tourism icons and lesser-known species and exemplifying different management actions against different causes of threat and decline.

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.

In 2008-09 DEH released and began implementing the *East meets West NatureLinks Corridor Plan*. The successful implementation of the biodiversity corridors relies on the integration of policy approaches that removes impediments to long-term, landscape scale ecological restoration. The development and application of a Landscape Assessment Framework to under-pin restoration planning for NatureLinks is ongoing. This process is identifying landscape-specific priorities for restoration and is essential to ensure the best return on investment in conservation outcomes.

Regional NRM plans acknowledge the necessity for landscape-scale planning and decision-making and support the development of NatureLinks corridors.

The four remaining NatureLinks plans (Cape Borda to Barossa, Flinders-Olary, River Murray-Coorong and Arid Lands NatureLinks) were progressed in 2008-09, and will be released in early 2010.

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.

On 29 January 2009, the outer boundaries of 19 multiple-use marine parks were proclaimed by the Governor. The proclamation was followed by an eight week, statewide public consultation period, with more than 4800 people attending community consultation sessions. The consultation generated more than 2300 written submissions.

After receiving advice from three pilot Working Groups and the Marine Parks Council of South Australia, and after reviewing relevant submissions, the Minister announced on 23 July 2009 that the boundaries to seven parks would be amended. These amendments also included boundary alterations to four marine parks to exclude commercial ports and specified indenture areas.

These amendments reduced the amount of State waters included within the marine park network from 46% to 44%.

In 2009-2010, local community members and sectoral interests will work with the Department for Environment and Heritage and the Department of Primary Industries and Resources SA to draft management plans for all of the 19 marine parks.

After review by DEH, other Government agencies and sectoral interests, draft management plans with zoning arrangements are expected to be released for public consultation early in 2011, with final zoning due to be in place early in 2012.

The map of provisional boundaries can be obtained from the DEH website: www.environment.sa.gov.au/marineparks/pdfs/Boundaries_SA_A4160109.pdf

SASP Audit Committee's assessment

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

ALL-AGENCY SASP TARGETS

As well as providing leadership for the three targets above, DEH also contributes to the achievement of other across-government SASP targets. The following nine All Agency Targets have been integrated into DEH's strategic planning through the allocation of lead responsibility to an Executive Director and the development of program and sub-program activities.

Achievement against each All Agency Target is discussed in the relevant Program or Sub-Program Report.

- T1.7 – Performance in the public sector – customer and client satisfaction with government services: increase the satisfaction of South Australians with government services by 10% by 2010, maintaining or exceeding that level of satisfaction thereafter. (*refer to Corporate Development and Strategy Sub-Program report*)
- T1.8 – Performance in the public sector – government decision making: become, by 2010, the best-performing jurisdiction in Australian in timeliness and transparency of decisions which impact the business community (and maintain that rating). (*refer to Corporate Development and Strategy Sub-Program report*)
- T3.13 – Energy efficiency – government buildings: improve the energy efficiency of government buildings by 25% from 2000-01 levels by 2014. (*refer to Energy Efficiency Action Plan report*)
- T5.1 – Boards and committees: increase the number of women on all State Government boards and committees to 50% on average by 2008, and maintain thereafter by ensuring that 50% of women are appointed, on average, each quarter. (*refer to Corporate Development and Strategy Sub-Program report*)
- T5.2 – Chairs of boards and committees: increase the number of women chairing state government boards and committees by 50% by 2010. (*refer to Corporate Development and Strategy Sub-Program report*)
- T6.1 – Aboriginal wellbeing: improve the overall wellbeing of Aboriginal South Australians. (*refer to the DEH Aboriginal Reconciliation Report*)
- T6.22 – People with disabilities: double the number of people with disabilities employment 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 Corporate Development and Strategy 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% by 2010 and maintain or better those levels through to 2014. (*refer to the Human Resource Services Sub-Program report*)

DEH Corporate Plan

DEH's Corporate Plan focusses organisational effort around five goals:

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

These Goals are achieved through a number of objectives, which are fleshed out by the suite of Program Plans that guide operational planning across the Department.

The Corporate Plan has been adopted across the Department as a road map that supports our efforts to get results and to be accountable, as well as identifying measures for our performance underpinned by the principles of continuous improvement.

During this year, the Corporate Plan was reviewed and updated for the period 2009-2010, the final year of the Plan. This review took into account current state, national and global pressures to which we must respond. In addition, a set of priority actions for the period have been identified to assist with decisions about resource allocation.

Organisational Structure

Six directorates comprise DEH's organisation structure in order to achieve its Corporate Plan goals.

Conservation Policy and Programs

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

- provides strategic policy advice and program leadership for protected area and public land management, coast and marine conservation, heritage conservation, natural resources management and biodiversity conservation, visitor management, Aboriginal partnerships, 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 and scientific support, and ensures 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 focussing on plants, people and culture, promotes sustainable urban landscapes, provides environmental education and community awareness of the importance of plants and contributes to habitat restoration through the ex situ seed conservation bank program.

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 state-wide;
- manages the state's public lands (national parks and wildlife reserves and Crown land), including maintenance of built assets and visitor facilities;
- delivers state-wide programs, including fire management, nature conservation, and wildlife licensing;
- supports Natural Resources Management (NRM) Boards; and
- delivers state-wide support for environment and conservation volunteers.

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

Information, Science and Technology

The Information, Science and Technology Directorate services the diverse needs of DEH, the Environment and Conservation Portfolio, business and the wider community. Its responsibilities include:

- supporting the delivery of the department's programs through the provision of a range of information technology, information systems, spatial and biological information;
- providing services to the public through Mapland, managing the department's websites and responding to general enquires through the information line; and
- providing IT services under a service agreement to the Environment Protection Authority (EPA) and Zero Waste SA.

Business Services

The Business Services Directorate is a key business partner to other DEH directorates, various client agencies, boards, trusts and committees, providing a suite of specialised services including:

- financial management and business analysis;
- procurement and records management services;
- project, asset and facility management support; and
- administrative services to DEH metropolitan sites.

Business Services is committed to improving the department's business processes and to the efficient and effective provision of services to the Minister, Chief Executive, directorates and central agencies.

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;
- providing a coordinated approach to strategic policy across DEH;
- establishing effective relationships across government, with industry and relevant stakeholders;
- developing and implementing corporate programs to improve management and employee capability and performance;
- developing strategies to attract and retain the best people to achieve the department's goals;
- providing systems to make DEH a safe place to work and visit;
- managing the corporate planning cycle and providing leadership in applying and improving 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

DEH managed its business through nine programs and five sub programs in 2008–09.

This annual report provides a summary of each program's progress during 2008–09 and lists the 2009–10 targets.

Nature Conservation

Actively supporting South Australia's native plants, animals and ecosystems to survive, evolve and adapt to environmental change.

Public Land – 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.

Public Land – Fire Management

Managing fire to reduce the impact on life and property, and to conserve our natural and cultural heritage on lands managed by the Department for Environment and Heritage.

Public Land – Stewardship

Ensuring that public lands and protected areas are effectively managed.

Coast and Marine Conservation

Ensure the conservation, protection and on-going sustainable productivity of South Australia's coastal, estuarine and marine environment.

Botanic Gardens Management

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

Heritage Conservation

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

Animal Welfare

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

Agency Support Services

Providing business support services to the various operational units within the Department for Environment and Heritage, the Environment Protection Authority, Zero Waste SA and related boards and committees. Agency Support Services consists of five sub-programs – Business Operations; Corporate Development and Strategy; Human Resources; Financial Services; and Knowledge and Information.

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 business 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 Planning, Reporting and Evaluation system (interplan©) and reports are generated each quarter to help Executive Directors monitor progress.

CASE STUDY

Sustaining Native Fish Populations During Drought

Ongoing drought conditions across the Murray Darling Basin are critically affecting the state's aquatic ecosystems and dependent native fish populations. Monitoring has highlighted the need for emergency action to protect five native fish species in 26 refuge sites, and DEH took urgent steps to ensure the survival of the five species. Action included the delivery of water for endangered River Blackfish, and the release of several hundred Yarra Pygmy Perch into surrogate refuge dams.

A Yarra Pygmy Perch breeding program has also been established – along with the launch of an educational display about the Southern Purple-Spotted Gudgeon – at Cleland Wildlife Park.

Successful environmental water bids have protected EPBC-listed Murray Hardy-Head in high-priority sites and an environmental water allocation donated by Healthy Rivers Australia supplied a site at Hindmarsh Island.

The Murray Hardy-Head at Hindmarsh Island eventually required rescue and were held in captivity for six weeks until environmental water was received and water quality stabilised.

A small group of the Murray Hardy-Head was kept for captive breeding and another two genetically different populations were included in the breeding program.

A new drought action plan will guide decision-making in relation to native freshwater fish.

Partners and stakeholders include government and non-government organisations such as the South Australian Research and Development Institute, SA Murray Darling Basin NRM Board, River Murray Environmental Manager, Nature Foundation SA, Healthy Rivers Australia, Murray Darling Basin Fish Research Centre, the National Recovery Planning team, and Commonwealth, West Australian and Victorian agencies.

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, surveys and monitoring of South Australia's biodiversity.

Highlights

No Species Loss: a Nature Conservation Strategy for South Australia 2007-17 remains the focus of the Nature Conservation Branch and its work towards the South Australia's Strategic Plan target of losing no more native species as a result of human activity.

Significant work in 2008-09 led to reporting on the progress of 10 indicator species that are used as measures of performance towards the No Species Loss targets. 'Lose no species' is a complex and difficult target to measure, with a time lag between activity or events and any species reaction. However, it is recognised that climate change will almost certainly alter the abundance and distribution of species.

DEH completed the Northern and Yorke Region regional species assessment, examining the conservation status and population trends of species and prioritising them for conservation management. In mid 2009, work began on an assessment in the West Region.

Threatened-species recovery activity across the state led to significant conservation gains in 2008-09, including the identification of a new Warru population in APY Lands and the establishment of a captive colony at Monarto Zoo; the discovery of Sandhill Dunnarts on Eyre Peninsula and Great Victoria Desert; and the genetic analysis of frogs, Yellow-tailed Black-Cockatoos and various plant species.

The unprecedented drought-related drying of freshwater habitats across South Australia has led to emergency responses to save important freshwater fish populations. Emergency action has included moving populations into captivity, artificial watering of key sites to maintain populations in-situ, and captive breeding of freshwater fish and their release into surrogate refuge areas. A successful program helped volunteers and community groups rescue and rehabilitate tortoises in the Lower Lakes region.

Other achievements

A draft Regional Recovery Plan for Threatened Species and Ecological Communities of Adelaide and the Mt Lofty Ranges was submitted to the Australian Government for adoption under the *Environment Protection and Biodiversity Conservation Act 1999*.

New information on marine species ecology and conservation status is being

collected and shared. Acoustic tracking is identifying threatened Western Blue Groper's special and habitat requirements. This information can guide the development of sanctuary zones within the South Australian system of marine-protected areas. The marine parks program continues to promote landscape conservation of marine ecosystems.

DEH has been instrumental in identifying the extent of an acid-sulphate soil problem arising from the declining state of the Lower Lakes freshwater habitats and developing innovative solutions.

Much progress was made in 2008-09 towards developing the Landscape Conservation Planning Framework as a basis for discussions on land-use planning. The framework contributed to the Adelaide Mount Lofty Ranges Natural Resource Management (NRM) Plan and implementation of the East meets West NatureLinks Corridor Plan in 2008-09. Work on four more NatureLinks Corridor Plans continued, with Cape Borda to Barossa, Flinders-Olary, River Murray-Coorong and Arid Lands NatureLinks plans due for release by late 2010.

The South Australian Arid Lands (SAAL) Biodiversity Strategy, a joint DEH/SAAL NRM Board initiative, was released in 2008-09.

Despite the continuing dry conditions, more than 1000 hectares were planted under the State Government's commitment to the rollout of the River Murray Forest. DEH also registered 26 new native vegetation heritage agreements, including one agreement of more than 10 000 hectares that linked another 17 710 hectares of already protected native vegetation.

Key Challenges and Targets for 2009-10

Challenges

DEH must clearly identify and communicate priority projects and activities that achieve No Species Loss targets. Continued landscape-conservation planning and regional species assessment frameworks will be important in identifying priorities and actions for key species, communities and landscapes.

Building resilience in the face of climate change and current drought conditions will continue through responses including landscape restoration, species recovery and emergency response.

DEH must collect and deliver the best information to government agencies, NRM Boards, landholders and the community so they may successfully conserve the environment.

Targets

- Release the technical report 'Informing Biodiversity Conservation within the Adelaide and Mount Lofty Ranges Region – Priorities, Strategies and Targets'
- Release NatureLinks Corridor plans for Flinders-Olary, Cape Borda to Barossa, Arid Lands and River Murray Coorong
- Release an education package for *No Species Loss*



Adaptive Management of the Lower Lakes and Coorong Support Sub-Program

Securing the long-term future of the Coorong, Lower Lakes and Murray Mouth as a healthy, productive and resilient wetland system that maintains its international importance.

Highlights

The main objective of the Coorong, Lower Lakes & Murray Mouth (CLLMM) Project is to contribute to Goal 2F Lead the development of community wide agreement on a plan for a sustainable future for the Coorong, Lower Lakes and Murray Mouth that contribute towards South Australia's Strategic Plan targets; T3.1, T3.2, T3.9, T3.10, T3.11.

The Commonwealth Government allocated significant funds for projects to secure the future of the River Murray. In November 2008 DEH commenced work for planning a longer-term approach to management of the Coorong, Lower Lakes and Murray Mouth. A subsequent project (subject to approval of the long-term plan and release of funding) will implement the plan.

The key objectives of the Long Term Plan will be to develop management options for the Coorong, Lower Lakes and Murray Mouth area and to prioritise project planning and implementation. The project establishes the risk framework within which existing and other new options can be assessed and ranked. The objectives of this proposal are as follows:

- The development of high-level long term management options (the vision and goals of Ramsar and Icon site management plans will be key inputs to this process);
- An assessment of the relative merits of medium to longer-term management options (including feasibility);
- Instigation of the necessary scientific studies and community consultation to identify the preferred management option(s);
- The identification of the key steps which need to be taken to deliver the preferred management options; and
- The development of a business case which details those actions that need to be undertaken to secure a long term future for the Lower Lakes and Coorong Ramsar site.

Other Achievements

In November 2008 a Project Team was established to complete project start-up and secure Commonwealth Government funding.

The 'Directions for a healthy future' document was completed and released for public comment in May 2009. This document put forward the issues faced by the region due to low water flows and outlined a series of possible actions to manage the site under a variable climate. Seventy one public submissions were received.

In August 2009, the first draft of the long-term plan 'Managing for a healthy future' was completed and released for public comment.

The Project Team undertook significant community engagement (establishing a database of approximately 1300) and prepared a Community Consultation Report

for the 'Directions for a healthy future' release. Ongoing emergency response activities and scientific investigations relating to the management of acid sulfate soils were carried out and included:

- Pre-emptive location of limestone in the Currency Creek/Finniss river areas
- Environmental impact statement into the potential introduction of sea water into Lake Alexandrina
- Broad-scale seeding trials to test the effectiveness of seeding to stabilise soils, prevent further exposure of soils from acidification and provide carbon for a bioremediation cycle

DEH undertook ongoing monitoring of water quality in the lakes area and commenced technical investigations and feasibility assessments to identify the preferred long term plan management options. This work also identified a recommended approach to future management of Lake Albert.

The Draft Environmental Impact Statement for the Temporary Weir near Pomanda Point was prepared. The public consultation process resulted in 70 submissions.

Work commenced that contributed to the development and finalisation of the Kungun Ngarrindjeri Yunnan consultation agreement between State Government and the Ngarrindjeri community.

DEH commenced the \$10 million Commonwealth funded community focussed Bioremediation and Revegetation program for the Lower Lakes. This is complementary to Long Term Plan management activities and promotes community involvement in shoreline revegetation activities over two years.

Key Challenges and Targets for 2009-10

Challenges

Environment Protection and Biodiversity Conservation Act 1999 (Commonwealth) referral tasks – Managing the Act and Environmental Impact Statements (EIS) activities will continue to need significant specialist legal, community liaison, expert scientific and administrative resources.

Governance – A significant challenge for the project relates to the Governance arrangements for the site. While Project Board and Steering Committee governance arrangements are in place for the project, governance for the management of the site often involves several Government agencies and many stakeholder groups.

Resources – One of the key challenges and risks for the project relates to availability of skilled resources. Recruiting suitably skilled and experienced staff and procurement of resources in very short timeframes will continue to be challenging.

Community Engagement – As there are a large number of groups with a stake in the region, effective community engagement will continue to be challenging.

Ngarrindjeri Community – Ngarrindjeri involvement will continue to be an issue for many of the CLLMM projects. Ongoing effective administration of the Kungun Ngarrindjeri Yunnan agreement will be required.

Emergency Works – there will be a need to respond in a timely manner to seasonal environmental emergencies in the area if they occur.

Targets

- Report on community consultation on the first version of the long-term plan 'Directions for a healthy future'
- Complete the final report for the long-term management of the site
- Develop a business case for actions required to implement the long-term management plan
- Finalise key management activities for project scope to ensure delivery of the approved management actions occurs
- Seek and finalise funding arrangements for the implementation of the proposed management actions
- Commence the implementation project to manage the implementation of the proposed management actions.
- Establish an effective Environmental Management System for the area (including Lakes Albert and Alexandrina) and implement Environmental Management Plans

CASE STUDY

Sustainable Outcomes for Visitor Site Upgrades

Better doesn't necessarily mean bigger, as the Visitor Management Program showed in its successful redevelopment of West Cape at Innes National Park in 2008-09.

The overall area of the new development is smaller than that of the original site – despite the construction of car parking, shelter, toilets, lookouts, new paths to the beach and a short walking trail. The old parking spaces and rundown trails have been fenced and revegetated.

Other work at the site included realignment and sealing of the road to West Cape.

Investment at West Cape was guided by a clear vision for recreation and tourism in the park, outlined in the Innes National Park Master Plan. As a result, West Cape has become an outstanding visitor destination with magnificent ocean views, a family-friendly walking track and clear and informative signage.

Visitor needs were the prime consideration in planning the upgrades, and local residents provided valuable input. Consultation identified their specific requirements, including easier access to the beach and a small lookout to help surfers assess surf conditions.

The site can now accommodate larger buses, enabling tour operators to include West Cape on their travel itineraries.

Public Land – Visitor Management Program

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

Highlights

The Visitor Management program published *Linking with Nature, a Trails Strategy for South Australia's Parks and Reserves* in November 2008. Linking with Nature encourages South Australians to discover the state's trail network as they protect and preserve the surrounding environment, and establishes a direction for trails management.

Environment and Conservation Minister Jay Weatherill released the strategy and announced that an extra \$2.7 million would be allocated to trail upgrades over the next five years.

Visitor facility upgrades at Innamincka, Mount Remarkable and Innes National Parks were completed. At Innes, park roads, shelters, toilets and lookouts were built, and the Pondalowie Campground redeveloped. Car parks, picnic shelters and public toilets were added to amenities at Belair National Park.

The Heysen Trail at King Head, Victor Harbor, was upgraded to provide a gateway to Victor Harbor and to prevent erosion.

Other Achievements

Engaging visitors in parks and the environment through excellent customer service continues to be a focus. In 2008-09 more than four million people were exposed to South Australia's natural environment at visitor centres, camping areas, heritage sites, trails and other visitor sites and accommodation within the state's parks and reserves.

Visitor numbers and visitor satisfaction are used to assess program performance. Visitor satisfaction remained at 90 per cent. Attendance at parks near Adelaide is rising, which suggests more South Australians are looking to visit parks close to home. This trend will influence future program priorities. A state-wide visitor strategy is being developed to clarify program directions and activities, with implementation expected in 2009-10.

Strategic planning for visitor facility improvements at Cleland Wildlife Park and Seal Bay Conservation Park were completed. Concept planning to improve opportunities for rock climbing at Morialta Conservation Park has also been completed with a focus on safety and environmental protection. Interpretation plans were completed for Innamincka Regional Reserve and Mount Remarkable National Park. Trail resurfacing, erosion control and better alignment of the Waterfall Gully to Mount Lofty trail continues to improve the walk.

A focus on maintaining existing sites and the development of iconic walking trails, cycling trails and the improvement of recreation and tourism facilities will continue.

Nature-based tourism development on land close to protected areas has been considered in the Visitor Strategy. The creation of new nature-based tourism businesses in some protected areas will also be a priority.

Key Challenges and Targets for 2009-10

Challenges

Further community input will be sought on the state-wide visitor strategy before it is finalised in 2009-10. Community engagement and participation, including private-sector involvement, will be considered when implementing the strategy.

Major improvements are planned for visitor facilities at Seal Bay Conservation Park and Cleland Wildlife Park.

The development of two new multi-day walks is planned for Kangaroo Island's parks and Flinders Ranges National Park.

The improvement of walking and cycling trails in the Adelaide Hills will continue. Community engagement, sound planning and careful construction will ensure the needs of cyclists and walkers are met and park values maintained.

Targets

- Construct new facilities for Belair and Innes National Parks
- Complete stage 1 of the Waterfall Gully to Mount Lofty Trail upgrade
- Begin upgrading the Heysen Trail on the South Coast
- Implement the state-wide visitor strategy
- Begin planning for marine-park visitors
- Complete the commercial marine mammal interaction policy and permit system to support the proposed marine mammal regulations
- Undertake minor visitor-site redevelopments across the state
- Implement visitor interpretation and information plans
- Improve web-based services for visitors, including online park-entry and accommodation payments

Public Land – Fire Management Program

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

Highlights

DEH in 2008-09 continued to develop the fire-management plans that when completed will cover 157 reserves, or about 45 per cent of parks managed by DEH. Work recommended in the plans and conducted during the year included prescribed burning to reduce fuel, firebreak and access track maintenance and upgrades, and infrastructure improvements.

The department supported the Country Fire Service (CFS) fight fires across the state and sent 160 staff members - in incident management, firefighting, liaison and mapping support and ranger roles – to help battle the Victorian bushfires and assist in the recovery effort. The aftermath of the December 2007 bushfires on Kangaroo Island and the even more devastating fires in Victoria confirmed the significant role DEH has to play in fire management in the state.

A review of the DEH fire program and contributions to a Bushfire Taskforce review of fire management across the state are among initiatives undertaken as a result of the fires.

DEH's fire-management capabilities will be boosted by an additional \$4.5 million in funding over the next four years, beginning in 2009-10. This funding will increase the number of parks covered by fire management plans and contribute to planning for an increased prescribed burning program, particularly in the Mount Lofty Ranges, to reduce the impact of bushfires.

Other Achievements

Following the Kangaroo Island bushfires of 6 December 2007, DEH commissioned an independent review of its fire management program. The report identified improvements in DEH's capacity to manage fire and highlighted a need for increased efforts, particularly in fire-prevention planning and more fuel-reduction strategies, and nominated fire management as a priority for DEH.

DEH also contributed to a bushfire risk-management plan for Kangaroo Island. Based on a NSW Rural Fire Service model, the plan was commissioned by the Kangaroo Island District Bushfire Prevention Committee following the 2007 fires.

Reviews of South Australia's fire management were commissioned after the Victorian bushfires. DEH took the lead role for two themes: reviewing the interaction of native vegetation and bushfires in the landscape for the protection of life, property and the environment; and an examination of fire management on public lands managed by SA Water, ForestrySA and DEH. Findings and recommendations, due in September 2009, will be forwarded to a Bushfire Taskforce commissioned by the Minister for Emergency Services. Outcomes from the Victorian Bushfire Royal Commission will also be analysed.

DEH continued to develop comprehensive fire management plans for South Australia's reserves in 2008-09. Plans for reserves in the following areas have passed through public consultation and await adoption: the Mount Lofty Ranges' hills-face zone, Southern Flinders Ranges, Southern Eyre Peninsula, Ngarkat and Billiatt Districts and Bookmark Mallee, Flinders Chase and Cape Forbin on Kangaroo Island.

Plans have been adopted in the reserves of the Mount Lofty Ranges' southern foothills and the south-western Fleurieu Peninsula, while those for the South East and Lower Yorke Peninsula reserves will be completed during 2009-10. Three more plans will begin in 2009-10: Onkaparinga Valley, Central Eyre Peninsula and Cape Gantheaume on Kangaroo Island.

During the year, 49 prescribed burns were conducted on a total area of 6941 hectares. Targeted training in specialist fire-management operations continued, as did an arrangement with SA Water that led to the recruitment of more seasonal firefighters, taking the combined seasonal firefighter tally to 64.

Despite ongoing drought conditions, bushfire activity across the state was relatively quiet. DEH continued to support the CFS in suppression operations, with staff members attending 51 bushfires that burned 32 126 hectares, of which 26 811 hectares were within DEH managed reserves.

A DEH staff member participated in an Australia-New Zealand deployment helping bushfire suppression efforts in California in July 2008.

DEH contributed to the development of a Code of Practice for the management of native vegetation to reduce the impact of bushfire, in conjunction with the Department for Water, Land and Biodiversity Conservation. Arrangements to assess DEH's fire-planning processes under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* commenced and will be completed in 2009-10.

With other land and emergency-service agencies, DEH co-hosted the Australasian Fire and Emergency Services Council (AFAC) and Bushfire CRC International Fire Conference in Adelaide in September 2008. This attracted more than 1000 national and international delegates.

Collaboration with ANU and Flinders University on an Australian Research Council Linkage Project continues, with additional funding enabling a fifth student to join the four PhD students examining species and community shifts and fire histories in Eyre Peninsula mallee reserves. Fieldwork will continue in the 2009-10 financial year.

A large knowledge-transfer workshop was held in March 2009 for the project 'Determining appropriate fire regimes for taxa in the Murray Mallee', which involves Latrobe and Deakin universities and Murray Mallee partners from NSW, Victoria and South Australia. The workshop was well received and provides a template for future information sharing.

Key Challenges and Targets for 2009-10

Challenges

As a land manager, DEH must try to keep pace with rapidly changing environmental factors such as climate change, urban sprawl and water availability, and resource issues including fewer volunteers, staff retention and increased suppression costs.

Research indicates that bushfires will become more common and increasingly difficult to control so that – despite advancements in suppression equipment and technology – their impact is increasing. Traditionally, an increased bushfire threat has been met with increased suppression resources. However, the global focus is now shifting to fuel and vegetation management, which has significant impacts for land managers such as DEH.

As a result, DEH will be challenged to manage fuels to reduce the risk and impact of bushfires on communities and the environment, at the same time protecting and conserving the state's natural and environmental assets.

Targets

- Increase fuel-reduction burning on DEH-managed lands and work on bushfire mitigation and suppression
- Increase staff skill and knowledge levels in fire management through targeted training
- Increase the number of reserves covered by fire management plans, and implement projects outlined in the plans
- Develop remote-area firefighting capabilities with the CFS
- Increase partnerships and relationships with key stakeholders with fire management responsibilities to improve fire management, especially across public land.
- Increase DEH brigade membership numbers
- Continue to integrate fire ecology, science and research into fire-management practices
- Implement findings and recommendations from bushfire reviews and the Victorian Royal Commission



Public Land – Stewardship Program

Ensuring that public lands and protected areas are managed effectively.

Highlights

Environment and Conservation Minister Jay Weatherill released the CoastLinks report on the protection of coastal land on South Australia's west coast in November 2008.

Additions to existing parks and the purchase of land for future proclamation as reserves boosted the reserve system in 2008-09. Expansions to Billiat Conservation Park in the Murray Mallee and Lashmar Conservation Park on Kangaroo Island totalled almost 900 hectares, and more than 1200 hectares of freehold land were bought near Sceale Bay as part of CoastLinks. In addition, 888 hectares were acquired for a new conservation park near Burra and 70 hectares for Deep Creek Conservation Park.

The Billiatt and Danggali Wilderness Protection Areas were proclaimed.

The 10-year reviews of Innamincka and Simpson Desert Regional Reserves were tabled in Parliament, and the Yandruwandha-Yawarrawarrka people's indigenous land-use agreement and co-management agreement over the Coongie Lakes National Park finalised.

DEH led the South Australian Government's contributions to national reviews of and COAG reforms relating to the *Environment Protection and Biodiversity Conservation Act 1999* (Commonwealth).

Leases and licences were issued for Iluka Resources' proposed Jacinth-Ambrosia mineral sands mine in Yellabinna Regional Reserve.

The *Crown Lands Management Act 2008* established sustainable development as the basis for land-management decisions and introduced more efficient and effective land-administration processes.

The department's innovative approach to co-management of parks with Aboriginal people received international recognition, with the Director of National Parks and Wildlife invited to discuss the Vulkathanna-Gammon Ranges National Park Co-management Board at the IUCN World Conservation Congress in Barcelona, Spain, in October 2008.

The perpetual lease accelerated free-holding project was completed. More than 9587 applications were received, covering about 13 200 leases, and 8742 freehold titles issued. A small number of residual applications, with extensions granted due to drought or legal issues, will be completed in 2009-10.

Other Achievements

A review of DEH reserve-management planning created a more efficient planning process that also improves consultation processes and the presentation of planning documents. At 30 June 2009, there were management plans for 201 of the 307 reserves under the *National Parks and Wildlife Act 1972* and the *Wilderness Protection Act 1992*. The outcomes of the review were presented at a DEH-hosted seminar in May 2009.

The Crown land revenue project continued to identify surplus unalienated Crown land. Suitable land parcels were sold, with proceeds contributing to DEH's acquisition of high-priority conservation land for the parks system.

DEH has been involved in 12 native-title negotiations, with significant progress made in the Antakirinja Matu-Yankunytjatjara, Adnyamathanha No 1 & 2, First Peoples of the River Murray and Mallee and Far West Coast claims.

DEH is taking a lead role in national reforms for more collaborative and streamlined national and state environmental approvals processes.

DEH has increased resources for managing mining activities on parks. Three regionally based rangers have been appointed to work with the mining companies, PIRSA and DEH's Adelaide-based conservation and mining team to guarantee South Australia's unique environmental values are not damaged by exploration and mining.

Three new volunteer support rangers are supporting the state's extensive volunteer network, which includes about 110 Friends' groups. The Northern and Yorke region's ranger has managed the Biodiversity and Endangered Species Team's work on nature conservation projects in the region. DEH has also established a corporate volunteer relationship with the ETSA Utilities Employee Foundation for vegetation restoration on the Para Woodland Reserve near Gawler.

A volunteer stocktake was undertaken to strengthen the relationship between DEH, Friends of Parks Inc and its member groups, and to identify DEH's resourcing and structures for volunteer groups.



Key Challenges and Targets for 2009-10

Challenges

Development of the protected area system will continue with Australian Government's National Reserve System Program funding under the Caring for our Country initiative. Areas managed for conservation will be expanded through partnerships with private land-conservation organisations and Indigenous communities.

Continuing native title claim negotiations will enable Indigenous communities to contribute to the management of the State's protected areas and advance reconciliation.

Implementation of the Council of Australian Government's ongoing regulatory reform program will continue.

Targets

- Release for consultation a proposal for a wilderness protection area in the Nullarbor region
- Prepare a discussion paper on a framework for protected areas on private land
- Implement the reserve-management planning review
- Enhance the protected areas system by completing 12 park proclamations
- Develop management arrangements for exploration and mining in the Northern Flinders Ranges
- Finalise accreditation of South Australia's fire management framework under the EPBC Act
- Release the Protected Areas Strategy for South Australia
- Introduce into Parliament an Amendment Bill to update the reserve classification system
- Finalise co-management arrangements over Flinders Ranges, Lake Gairdner and Gawler Ranges national parks and Breakaways Conservation Park

CASE STUDY

CoastLinks: Protecting Wildlife Habitat on Eyre Peninsula

The CoastLinks report released by Environment and Conservation Minister Jay Weatherill in November 2008 identified sites on the West Coast where new conservation areas would help protect rare and endangered wildlife and contribute to the Government's Naturelinks initiative.

Species under threat include the white-bellied sea eagle, osprey and Australian sea lion.

The CoastLinks report suggested that annexing of land along the coast between Streaky Bay and Venus Bay would add critical habitat to the parks and reserves system within the East meets West Naturelinks corridor.

With the assistance of partners including the Friends of Sceale Bay, DEH identified properties between Streaky Bay and Venus Bay that would boost conservation efforts.

As a result, previously freehold land is forming new conservation areas at Cape Blanche and Sceale Bay. In June 2009 DEH bought 10 parcels that together add about 1,200 hectares of high-priority coastal land to the reserves system. These parcels will be incorporated into the CoastLinks conservation initiative, and more land may be bought in 2009-10.

In addition to the freehold land, high-quality Crown land – including sections on the western coastline of Calca Peninsula, surrounding Baird Bay and north-west of Venus Bay – may be included in the conservation estate in the next two years.

Coast And Marine Conservation Program

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

Highlights

A major milestone was achieved on 29 January 2009 when the outer boundaries for the 19 marine parks forming South Australia's marine parks network were proclaimed. An eight-week public consultation process followed.

At 30 June 2009, more than 230 nominations had been received for membership on marine park local advisory groups to support management-plan development.

DEH started building a permanent Semaphore South Breakwater for sand management as part of the *Adelaide's Living Beaches strategy*. A concept design for sand-transfer infrastructure was distributed for public consultation and a development application submitted in April 2009.

An ecosystem-based management framework and guidelines for the state's marine bioregions has been prepared to help the agencies that plan South Australia's marine and coastal environments.

The Adelaide Dolphin Sanctuary Management Plan 2008 was launched by Environment and Conservation Minister Jay Weatherill on 26 September 2008. The sanctuary is a world-leading marine reserve of 118 square kilometres designed to protect the dolphins of the Port Adelaide River and Barker Inlet. A Flinders University PhD candidate has started a three-year research project examining the habitat requirements of bottlenose dolphins, *Tursiops aduncus*, and assessing changes in water quality within the sanctuary.

Other Achievements

The 136-page *A Technical Report on the Outer Boundaries of the Marine Parks Network* was produced with the Scientific Working Group.

The Marine Parks Council of South Australia, established in 2008 to advise the Environment and Conservation Minister, met five times during 2008-09.

The Minister established three pilot working groups – comprising commercial and recreational fishing, conservation, local government, PIRSA and DEH representatives – for five marine parks, to recommend zoning and boundary amendments for the parks.

A project on the sea flood-risk mapping of low-lying coastal areas of Yorke Peninsula, a joint initiative of DEH and the Department of Planning and Local Government with funding from the Commonwealth, has produced maps for Fisherman Bay at Port Broughton, Moonta Bay and Marion Bay. DEH and the Coast Protection Board provided a \$127 600 grant towards the City of Onkaparinga's cliff stabilisation at the Onkaparinga River mouth and Maslin Beach.

Beach profiles were surveyed in the metropolitan, Eyre, Yorke Peninsula and south-east coast protection districts. Special surveys gathered bathymetry data on Pelican Lagoon, Kangaroo Island, for PIRSA. Beach and near-shore profiles at 10 km intervals from the Murray Mouth to Cape Jaffa assessed the Coorong shoreline's vulnerability to sea-level rise.

DEH input to national and state planning policy addressing coastal and marine issues included evidence to the House of Representatives Standing Committee on Climate Change, Water, Environment and the Arts' Inquiry into Climate Change and Environmental Impacts on Coastal Communities; input into regional planning strategies for the Regional Planning Strategy for South Australia; and responses to review and amendments of coastal development plans, including one Section 30 (*Development Act 1993*) review, 14 Statements of Intent, and nine development plan amendments.

Other work in 2008-09 included extensive benthic mapping of state waters to collect sonar and video data. DEH also supported a Coast Protection Board review of scientific evidence about sea-level rise and projections for South Australia.

Key Challenges and Targets for 2009-10

Challenges

In 2009-10 DEH will work with regional communities and advisory groups to continue the marine parks program, including draft management plans for all 19 marine parks. The plans should be ready for public consultation by 2011.

The assessment and prioritisation of projects to minimise coastal vulnerability is an ongoing and important responsibility that will eventually require broad-scale digital elevation modelling of the South Australian coast.

To minimise potential storm damage, sand replenishment programs must create a dune buffer along the metropolitan coastline.

Targets

- Develop draft management plans for 19 marine parks
- Prepare regulations under the *Marine Parks Act 2007* to provide for fair compensation of any displaced commercial fishing resulting from the marine parks and to establish zoning provisions for management planning
- Obtain government approval to consult stakeholders about proposed Sea Level Rise Advisory Committee changes to the Policy on Coast Protection and New Coastal Development 1991
- Let a tender for construction of sand-transfer infrastructure as part of *Adelaide's Living Beaches Strategy for 2005-25*
- Produce Sultana Point and Corny Point flood maps as part of the sea flood-risk mapping of low-lying coastal areas of Yorke Peninsula



CASE STUDY

Establishment of South Australia's Marine Parks Network

The South Australian Government has established 19 marine parks to protect the state's marine habitats and species for current and future generations. The outer boundaries of the 19 marine parks were proclaimed on 29 January 2009.

The legislation that created the legal framework for the parks, the Marine Parks Act 2007 – which works towards meeting the South Australia's Strategic Plan target of creating 19 marine parks by 2010 – was proclaimed in May 2008. In one of the most comprehensive public consultation processes undertaken by the South Australian Government, DEH has focused on informing stakeholders about the marine parks program and the outer boundaries.

The sensitive process captured a broad spectrum of community opinion and was a critical first step in the engagement process that will follow as park management plans are drafted and zones developed over the next two years.

The eight-week consultation phase on marine park outer boundaries began on 29 January 2009, with 56 public information sessions attracting about 4800 people. Specific briefings and presentations were provided to local councils, Natural Resources Management Boards, regional development boards and other stakeholder groups across the state.

Staff continued to attend rural field days and community events after the consultation period. The program has received 2366 public submissions on outer boundaries in the absence of zoning proposals, and whether recreational fishers will be able to fish within park boundaries. Fishers were told that all current activities can continue until management plans are finalised after which fishing will not be allowed in small sanctuary and restricted access zones.

The draft management plans and park zones are scheduled for release for public comment in early 2011, with final versions due in early 2012.

Public involvement included a competition calling for suggested names for the parks that has been extended into 2009-10.

Botanic Gardens Management Program

Managing the natural and cultural resources of the Botanic Gardens of Adelaide and State Herbarium to advance plant appreciation, knowledge and conservation through our natural and cultural collections and programs.

Highlights

Major restoration of the Museum of Economic Botany has been completed. In May 2009 Premier Mike Rann opened the launch of the first exhibition, 'Harvest', which was staged to celebrate the completion of the renovations.

The Botanic Gardens Seed Conservation program maintains its focus on collecting, studying and the long-term storage of South Australian plant species. In December 2008 it became the first international MSB partner to achieve its collection targets – almost 12 months ahead of schedule.

The Sustainable Landscapes Project worked with government and industry to demonstrate water-wise garden design, species selection and sustainable horticultural practices suitable for the South Australian climate. Information brochures and resource materials including the development of an online Landscapes Alive Plant selector (supported by Local Government Association) that helps gardeners select water-efficient plants suitable for Adelaide and regional areas.

Other Achievements

The severe drought and continued water restrictions present an ongoing challenge to the horticulture program. More than 30 per cent of the Adelaide Botanic Garden lawn areas again were left to dry out and water schedules adjusted. Removing old systems and replacing them with drip-irrigation, pressure-regulated sprinkler systems has improved irrigation efficiency across the gardens.

Working with the Department of Education and Children Services and SA Water, the Gardens' school education program produced innovative educational materials and conducted events that attracted more than 50 000 school children. The Botanic Garden hosted two environmental events – World Environment Day Quiz Trail and the SA Water National Water Week Quiz – developed and coordinated a new 'Water Around the World' program and launched a culture and language-resource pack. Podcasts and videocasts are now available for schools to download and to enhance learning during visits to the Bicentennial Conservatory.

Eight major cultural events were staged in the Botanic Gardens, including Moonlight Cinema, Adelaide's Symphony Orchestra Concert, Parklike, WOMADelaide in Botanic Park, Fringe and Come out Youth Festivals. More than 6600 people attended 198 community events.

The Adelaide, Mount Lofty and Wittunga Botanic Gardens and Botanic Park attracted nearly 1.8 million visitors during the year. A survey to measure visitor opinions of the Botanic Gardens revealed a satisfaction rate of 98 per cent.

Development of a new Frome Road entrance and the Gardens of Health has continued, with construction starting on the western entrance gate designed by internationally renowned local artists Hossein and Angela Valamanesh. Gardens of Health concept designs were completed.

The projects are part of a major redevelopment of the Botanic Park-Adelaide Zoo area being conducted with Adelaide City Council and ZoosSA. Completion is scheduled for late 2009 and will coincide with the arrival of two Giant Pandas at the Zoo.

A concept design for the ATCO Rose Garden – an educational and horticultural display of the rose family – at Mount Lofty Garden has been finalised.

Key Challenges and Targets for 2009-10

Challenges

Demonstration of responsible water use remains an ongoing challenge. The Botanic Gardens will reduce reliance on potable mains water through the First Creek wetland project and explore opportunities to safely use Glenelg-Adelaide pipeline water.

Planned Botanic Park-Adelaide Zoo redevelopments must be completed before the Giant Pandas arrive in December 2009. A new plaza and major entrance to the Adelaide Zoo from Botanic Park will increase Botanic Park visitation.

Targets

- Publish a *Botanic Gardens of Adelaide Catalogue of Plants*
- Begin a planting and replacement program to preserve the mature tree canopy of the Botanic Gardens
- Begin a kitchen garden to support community health and education
- Continue collecting and researching the seed of South Australian plant species with partners including the Millennium Seed Bank, UK.
- Complete the first of three stages of development of the Gardens of Health
- Stage eight major cultural events in the Gardens

CASE STUDY

Santos Museum of Economic Botany

A major refurbishment of the Museum of Economic Botany (MEB) was completed in 2008-09. This has preserved the museum's original decorative ceiling, restored paintwork and showcases, and adapted it to modern standards.

The museum opened in May 1881 as a venue for the collection and interpretation of 'useful' plants. The building and its contents – including interior decoration, showcases, collections and even many labels – have survived for more than 120 years, but significant renovation was required. The work, made possible through a \$1.125 million Australian Government grant and sponsorship by Santos Ltd, has preserved a significant heritage-listed building and enabled it to function as originally intended.

Displays combine original 1880s material with objects added to the collection during its 120-year history, and include a digital media survey of plants used by different cultures. Aboriginal displays, neglected in the original museum, have been obtained from the South Australian Museum. Artist Fiona Hall has created a site-specific artwork with a new twist on economic botany, while Khai Liew Design introduced a contemporary space for temporary exhibitions.

Research had revealed that many items described in the archival documents were missing, including 135 mainly ethnographic objects that moved to the South Australian Museum in 1948. These items have been returned and are shown in a rich and dense display emphasising the collection's strengths. Objects dating from the 1860s to the present, including many original labels, are assembled in a unique presentation of a 19th-century museum of economic botany. The central message of avoiding waste is relevant today and is demonstrated in how different cultures, including our own, use plants in food, medicine, shelter, clothing and art.

Restoration of the external walls, windows and roof is planned for the near future.

An inaugural exhibition highlighting plants and place from South Australian collections, and exploring partnerships between the state's 11 cultural institutions and the sometimes surprising relationships between plants, people and place, was staged to commemorate the opening of the renovations. Premier Mike Rann opened the exhibition, 'Harvest', on 30 May 2009.



Heritage Conservation Program

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

Highlights

The South Australian Heritage Fund in 2008-09 allocated \$490 000 to employ heritage advisers to help conserve state and local heritage. Other financial allocations included \$250 000 to more than 40 heritage-related conservation and stabilisation projects across the state, with most funds allocated to work that would enhance the financial viability of a place. Grants are helping conserve the northern dome of Adelaide Arcade, Collingrove and Rhine Park homesteads, the Old Gum Tree at Glenelg, the Burra Town Hall and other projects.

Another \$120 000 was provided for local governments to identify and conserve local heritage places. Funding was also provided for South Australia History Week, which consisted of more than 330 events and connected communities and celebrated cultural heritage.

The schools' heritage competition attracted 53 entries from students who highlighted historical and heritage aspects of their local communities.

The Cornwall and West Devon Mining Landscape in the UK was inscribed on the World Heritage List in 2006. Following an approach from the proponents of this inscription, the South Australian Heritage Council prepared two Cornish Mining Heritage Site nominations for consideration by the Australian Government, one for National Heritage Listing and the other for the World Heritage Tentative List. Each nomination includes two geographically separate sites, the Burra State Heritage Area and the Moonta Mines State Heritage Area.

World Heritage Listing would result in these areas joining a trans-national serial listing of Cornish mining heritage that includes Australia, Spain, Mexico and South Africa. This matter will be considered by the Australian Government over the next two years.

Other Achievements

Heritage advisers are funded by state and local governments to work with local councils and help individual owners of heritage places. In its 21st year, the Heritage Advisory Service network expanded to include the City of Holdfast Bay.

DEH's conservation architects continued to advise outback communities in unincorporated areas in 2008-09.

A survey of 20th-century heritage between 1928 and 1945 was completed, complementing a previous study of 1946-59. The *Twentieth Century Heritage Survey of South Australia (1928-1945)* – commissioned by DEH and undertaken by Historical Research Pty Ltd – provides an overview of non-Aboriginal cultural heritage in South Australia from the Great Depression to the end of the Second World War.

Examining social and economic factors and the early stages of planned industrialisation, the survey recommends 31 places enter the South Australian

Heritage Register as State Heritage Places. The 31 places include sites with special relevance to the state's Second World War activity, industrial complexes, a garden and art deco architecture. The survey is available at the DEH Heritage website.

Interactive exhibits and storyboards were completed at the Adelaide Gaol in 2008-09, as was the gaol's new website, <http://environment.deh.sa.gov.au/adelaidegaol>. Gaol conservation works undertaken with the Department for Transport, Energy and Infrastructure are due for completion in 2010.

The Museum of Economic Botany in the Adelaide Botanic Garden is historically significant as one of South Australia's first museums and the only museum of botany of its type in Australia. A \$40 000 grant contributed to major conservation and adaptation work in the building, which has recently reopened to the public.

Key Challenges and Targets for 2009-10

Challenges

In 2009-10 the Stage 1 scoping study of initiatives to reduce red tape in State Heritage Places development applications will be analysed and priorities set.

The Heritage Conservation Program will support the South Australian Heritage Council as it advises the government on refining the 2003 *Heritage Directions: A Future for Built Heritage in South Australia* report.

Maintaining strategic partnerships and working links with the University of South Australia (including The Hawke Centre and the Architecture Museum), the History Trust of South Australia, the National Trust of South Australia and the South Australian Tourism Commission will be important during the year.

South Australia will reach its 175th anniversary in December 2011. The South Australian Heritage Council is seeking opportunities to raise the profile of heritage leading to and during this birthday.

Other challenges include reducing South Australia's ecological footprint through the adaptive reuse of significant buildings and places, and working with state and local-government partners to develop consistent and effective heritage conservation.

Targets

- Support the South Australian Heritage Council to update *Heritage Directions* for the Minister
- Create and implement a red-tape reduction program for heritage planning and development
- Assess and enter places in the South Australian Heritage Register
- Run a 'Heritage Heroes' awards event to recognise the work of volunteers in the state's heritage-related organisations.



CASE STUDY

Site Built for State's Architects

A new website, Architects of South Australia, has won a 'highly commended' citation in Museum Australia's 2009 Multimedia and Publication Design Awards.

The website provides detailed information about the professional lives and contributions of some of the state's best-known architects from 1836 to the present day, including Edmund Wright and Thomas English from the colonial era and 20th-century figures such as F. Kenneth Milne and Jack McConnell. Developed by the Architecture Museum at the University of South Australia with DEH funding between 2005 and 2009, it provides biographical information and identifies the architects' principal South Australian works.

The site can be searched by using keywords related to an architect's name, building or building 'style', or the year or period of a building's construction. It will be updated regularly and an online facility enables visitors to suggest amendments or provide new information.

Launched on 29 September 2008, the project is supported by the state's architectural and heritage groups, including DEH, as a valuable collection of historic data and as a resource for architects, planners, students and researchers to learn more about South Australian built heritage.

UniSA Architecture Museum Director and project leader Dr Christine Garnaut says the website database will be important in supporting the scholarly study of South Australian and Australian architectural history.

www.architectsdatabase.unisa.edu.au

Animal Welfare Program

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

Highlights

The amended *Animal Welfare Act 1985* was introduced in 2008-09, requiring that inspectors be qualified before appointment. Training requirements for the inspectors were established and training has started. Continued training and the appointment of those nominees who meet the requirements will take place in early 2009-10.

The amended Act also provides for expiation of some offences. The related administrative and legal requirements were defined in 2008-09 and processes are being determined.

Major projects designed to improve the wellbeing of animals in South Australia included external reviews of the animal ethics committees that oversee the use of animals in research and teaching, and the development of draft regulations for pig husbandry and housing.

The Dog and Cat Management Board's *Options for Possible South Australian Cat Amendment Legislation* and *Options for Microchipping Regulatory Impact Assessments, July 2008* reports were released for public comment.

Staff adapted for local use and introduced Victoria's 'We are Family' program. It advises how to keep babies and young children safe in homes with pets, and will link with the Delta Dog Safe Program for junior primary students.

An induction package for animal management officers was developed for the Dog and Cat Management Board.

Other Achievements

The *Code of Practice for the Use of Animals for Scientific Purposes* recommends that all animal ethics committees undergo external reviews every three years. This year DEH, with support from independent experts, completed the first round of reviews. Criteria are being considered for the second round, to begin in the first quarter of 2009-10.

State and territory jurisdictions have agreed that animal welfare legislation should be nationally consistent. This requires significant coordination and cooperation across jurisdictions as well as with animal welfare and rights groups and animal industries. National standards for pig housing and husbandry were developed in 2008-09 and draft regulations prepared for consideration and adoption in 2009-10.

In 2008-09, DEH's support to the Dog and Cat Management Board included arranging the public consultation for cat management solutions proposed in *Options for Possible South Australian Cat Amendment Legislation* and *Options for Microchipping Regulatory Impact Assessments, July 2008*. The reports identified key issues and provided a cost-benefit analysis and ranking of options according to how they would best help the community. About 130 submissions were received from councils, stakeholder groups and the public.

Other board-related projects included support for the Authorised Persons Association in developing and implementing a TAFE Certificate IV course for animal management officers.

Key Challenges and Targets for 2009-10

Challenges

In 2009-10, national standards and guidelines for animal welfare will be developed and implemented, and administrative and legal systems established for new provisions in South Australia's *Animal Welfare Act*.

Strategies for a more efficient system of external reviews of animal ethics committees will be developed and effective support provided to the Dog and Cat Management Board

Targets

- Implement the expiation provisions of the amended *Animal Welfare Act 1985*
- Develop regulations to address livestock transport
- Develop standards for sheep, cattle, exhibited animals, horses and aspects of feral animal management
- Begin the second round of animal ethics committee reviews
- Assist the Dog and Cat Management Board in developing regulations relating to the *Dog and Cat Management Act 1995*

Agency Support Services Program

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

BUSINESS OPERATIONS SUB-PROGRAM

Providing robust, accurate and timely analytical information to support strategic decision-making, day to day operations and infrastructure project delivery within DEH.

Highlights

In 2008-09, the Business Operations sub program's major achievements included creating the project-team structure that supports infrastructure projects across Regional Conservation Delivery (RCD) & Botanic Gardens of Adelaide (BGA).

The team also reviewed DEH's records-management processes before a proposed new system is introduced in 2009-10. The records management team moved from Netley to Chesser Street.

The Chesser House refurbishment using 'green design' principles is now complete, providing DEH with safe, healthy, cost-effective accommodation to meet current and future needs.

Other key initiatives included integration of RCD's maintenance model into the project team structures, updates to site and building plans, life-cycle costing reports and preventative maintenance plans.

A new site rationalisation program identified disused or underutilised infrastructure assets, assisting in the long-term sustainability of the DEH infrastructure asset base.

DEH's commitment to sustainable practices was evident in the revised waste strategy introduced at Innes National Park, and in the use of energy-efficient lighting, procurement practices, products and materials in construction and other refurbishment projects.

Key Challenges and Targets for 2009-10

Challenges

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

Targets

- Commence construction of Black Hill's fire-management staff accommodation and depot facilities
- Complete Lincoln National Park road and Surfleet campground
- Design and complete Stage 2 of the Kangaroo Island bushfire-recovery program
- Document Adelaide Botanic Gardens Wetlands Aquifer Storage and Retrieval Project
- Complete Botanic Garden and Adelaide Zoo interface project
- Complete the Western Entrance project with Adelaide City Council

- Complete Innes, Pondalowie Bay and Surfers upgrade projects
- Commence the Seal Bay project design and documentation phase
- Commence strategic and master plans for Flinders Ranges and Naracoorte Cave national parks and Cleland Wildlife Park
- Prepare a business case for a new electronic records and document management system

FINANCIAL SERVICES SUB-PROGRAM

Support the agency as the business partner of choice by providing pro-active, efficient and professional financial services and advice.

Highlights

The internal transfer of financial services resources into a specialist business analysis team to boost analytical and project evaluation capacity was completed in 2008-09. The team will support DEH managers by evaluating projects, investing proposals, and business improvement and commercial opportunities. The business analysis team already has contributed to DEH projects including a cost-recovery business model for the Adelaide Gaol and cost-reflective pricing and stock control at commercial sites.

A new business initiative introduced during the year will improve accounting processes, monthly reports and decision-making support to directorates from 2009-10. The initiative included more use of computer technology and a standardised reporting format.

The financial accounting, taxation, accounts payable and credit card functions were transferred to Shared Services SA, all within budget and project timeframes. This project will support whole-of-government savings.

Extensive support was provided to the executive to review departmental budgets and develop savings strategies in response to the global economic downturn. This work will continue in 2009-10.

Automated payment options such as BPAY and electronic funds transfers, electronic invoicing and statement delivery have improved customer services and modernised the department's accounts-receivable processes. The customer take-up rate of the new services exceeded expectations, with 57 per cent of customers using the service after only six months.

Key Challenges and Targets for 2009-10

Challenges

The economic outlook for the medium term remains constrained.

The sub-program's business analytical and financial advisory skills must be engaged to help DEH managers produce the best results from available resources.

Targets

- Effective financial analysis provided within agreed scope and schedules
- With Shared Services SA, deliver financial statements to the Auditor-General within 42 calendar days of 30 June
- Have directorate budgets approved by the Chief Executive before 30 June
- Deliver directorate and corporate reports by the tenth working day of each month

CORPORATE DEVELOPMENT AND STRATEGY SUB-PROGRAM

Supporting the Chief Executive to build an effective, responsive and sustainable organisation.

Highlights

The development of a climate-change strategy for DEH was a major focus of the Corporate Development and Strategy Sub-Program in 2008-09.

The sub-program improved departmental accountability by implementing a new planning, reporting and performance evaluation framework and introducing an on-line planning, monitoring and reporting tool, accompanied by agency-wide training in business planning, as well as developing and delivering the Leadership for Sustainability staff development Program.

'Stirring the Possum' public forums attracted high-profile speakers and record attendances. The forums went online in 2008-09, using social networking technologies to encourage users to share their environmental tips.

Other Achievements

The 'Connecting Women' program continues to offer professional development opportunities for DEH's female staff, aiming to increase the proportion of women in the executive levels. The program's successful mentoring component attracted a record 50 participants.

At 30 June 2009, the composition of DEH external boards and committees was 51.71 per cent male and 48.29 per cent female. This figure is relatively consistent with the previous year. The number of female chairs of DEH boards and committees has increased to eight.

The sub-program focussed on helping the community embrace lifestyle changes through events such as the 'Chief and the Chef' with chef Simon Bryant and DEH chief executive Allan Holmes, which was staged at the Central Markets on World Environment Day to promote locally grown and purchased food. Publications included a new and improved version of *Landscapes*.

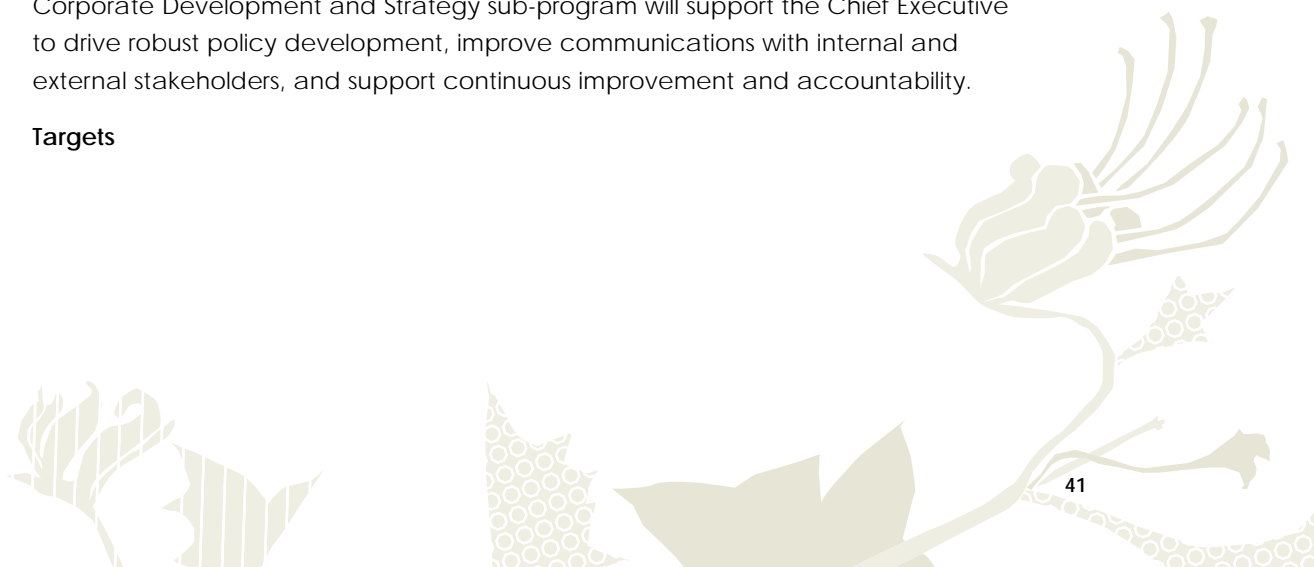
DEH has continued to review and improve processes and licensing regimes to reduce both internal and red-tape costs to business. Due to other priorities, however, no further work was able to be done on the development of a Customer Service Charter.

Key Challenges and Targets for 2009-10

Challenges

In an environment of decreased resources and greater accountability, the Corporate Development and Strategy sub-program will support the Chief Executive to drive robust policy development, improve communications with internal and external stakeholders, and support continuous improvement and accountability.

Targets



Develop and promote an organisation that:

- is valued and respected by other government agencies, cabinet, industry and the community;
- understands the perceptions and knowledge of South Australians about the environment and targets its activities to influence and engage them more effectively;
- has built and is maintaining strong internal and external partnerships to deliver better decisions and results;
- works with environment and conservation agencies to support and take part in a portfolio-wide approach to environment policy and delivery;
- has a culture of internal accountability and transparency; and
- is prepared for the challenges and opportunities of the future.

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, including operational and strategic programs, advice and support, information, transaction processing and business systems.

Highlights

The third DEH Climate Survey achieved an 81 per cent response rate, compared to the 83 per cent response rate achieved in 2007. The responses showed that in the key measures of empathy, clarity, engagement and learning, the DEH workplace climate is now at or above the Australian public sector average.

The Performance Review and Development (PRD) system was revised during 2008-09 to incorporate the agency's values and behaviours and introduce competencies. The new system was introduced in May 2009.

A workforce profiling and planning report identified the key challenges facing DEH's workforce today and in future, including linking high-level strategy to operational activities, developing a greater understanding of the reasons for turnover, recruiting and retaining employees, and creating a system to monitor workforce changes. DEH Executive endorsed the report and strategies are being developed to address the challenges.

Significant progress occurred in introducing a line-manager framework, including managers' induction, competency-based job design for managers and leaders, and using the department's PRD procedures to better assess line managers.

The proportion of Aboriginals within the DEH workforce had increased to 2.7 per cent by June 2009 – exceeding the *South Australia's Strategic Plan* (SASP) target of two per cent – and included representation between AS01 and AS06 levels. A review of Aboriginal employment practices was released and a draft Aboriginal Workforce Plan 2009-12 prepared for consultation.

The Staff Awards Program was reviewed, while the 2008-09 program received 52 nominations for 13 awards.

The DEH OHSW Plan and supporting plans have been implemented. They include

the requirements of the *Safety in the Public Sector 2007-10* strategy. DEH is working towards achieving the Zero Harm Vision and 100% Return to Work policies. DEH has implemented the recommendations prompted by the November 2007 WorkCover evaluation of DEH's safety standards, developing a comprehensive injury management policy and supporting procedures.

Key Challenges and Targets for 2009-10

Challenges

The development and implementation of workforce planning guidelines that create and develop coordinated plans throughout the department will be a focus of the program's work in 2009-10, as will be improving line management capability and performance through competency-based job design.

DEH must continue to attract and retain quality staff through development opportunities and improved recruitment systems.

Other work challenges will include developing and implementing an Aboriginal Workforce Plan and introducing the requirements of the new Public Sector Bill.

Targets

- Continue to exceed the SASP target of two per cent for Aboriginals employed in the department.
- Exceed previous climate survey results for employee and work group morale and motivation levels as measured by the Climate Survey.
- Decrease and then manage the department's discretionary turnover rate at between 8 and 12 per cent
- Meet the safety performance targets as outlined in the Premier's *Safety in the Public Sector Strategy 2007-2010*.

KNOWLEDGE AND INFORMATION SUB-PROGRAM

Building an innovative and sustainable knowledge and information capacity through research, analysis, monitoring and coordination of information, science and technological business activities in collaboration with the Department for Environment and Heritage programs, partner organisations and the community.

Highlights

The new Knowledge and Information Program (K&I) was established at the start of the 2008-09 financial year, replacing the Information Technology and Environmental Information sub-programs. The new sub-program demonstrates the Information Science & Technology Directorate's (IST) focus on improving DEH's performance through its investments in science, knowledge and technology systems.

The K&I program, combined with the Vision 2012 initiative detailed below, will enable the IST Directorate to provide the best research for decisions about conserving South Australia's natural environment and efficient and up-to-date information technology for DEH staff, partners and customers.

Vision 2012 was launched in July 2008 to help IST determine how information, science and technology can make DEH and the broader South Australian

Government relevant and sustainable. Improvements are noticeable in organisational change and service delivery.

A Science Resource Centre (SRC) was created as a branch of IST through K&I and the Vision 2012 initiative. The SRC will foster a more connected science community within DEH and supports the DEH Science Committee.

In 2008-09 the online services project – an Enterprise Business Information Strategy (EBIS) to provide up-to-date client-centred information and tools – achieved its first goal: redeveloping the DEH website to provide more targeted information. The EBIS provides cost-effective and sustainable investment strategies for DEH's information technology systems and ensures suitable governance of the data and information held by DEH and its.

Key Challenges and Targets for 2009-10

Challenges

The K&I sub-program must attempt to meet its performance, budget and workforce-reduction targets – and continue to implement Vision 2012 – despite ongoing changes to business processes and technology.

The sub-program will work towards meeting increasing public and internal demands for information about managing the impact of drought and climate change on the environment.

Targets

- Meet State Government budget and workforce-reduction targets
- Ensure high-quality knowledge is accessible
- Achieve the Vision 2012 aim to be a valued partner in delivering government and DEH corporate objectives
- Recruit, develop and retain professional staff capable of delivering excellent services to internal and external customers

ABORIGINAL RECONCILIATION STATEMENT

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

This is reflected in the DEH Corporate Plan 2009-10, which requires that the department will '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 furthering these advances, by:

- 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 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, APY Land Management and the Watarru community, 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 it was a finalist in the Prime Minister's Environmentalist of the Year and the 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.

Additional 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

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

South Australia is currently subject to 22 native title claims. DEH is involved in 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 is 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 about DEH publications and signs.

The South Australian Government recognises the interests of Aboriginal people, acknowledging 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.

Employment and Training

At 30 June 2009 Aboriginal people represented just over 2.7 per cent of DEH's workforce, exceeding South Australia's Strategic Plan target of two per cent. The Aboriginal employees are represented across ASO1-ASO6 classification levels and the equivalent.

DEH reviewed its Aboriginal employment practices during 2008, and in early 2009 began working to increase support to and development of Aboriginal staff members.

The Kuka Kanyini project provides realistic and relevant training and development opportunities in land management for Watarru community members 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 with local Aboriginal partners.

FINANCIAL COMMENTARY

Financial Overview

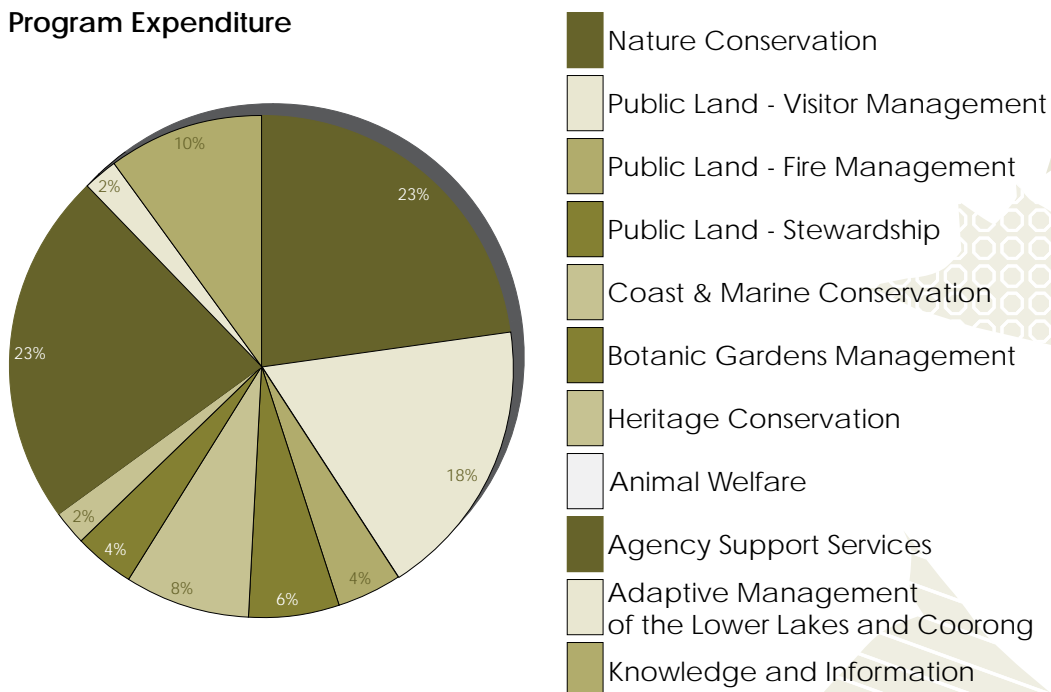
The Department for Environment and Heritage financial statements include assets, liabilities, revenue and expenses, changes in equity and cashflows controlled or incurred by the department in it's own right including the General Reserves Trust, the Wildlife Conservation Fund and the State Heritage Fund.

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 Department has undertaken a review of its program structure during 2008-09 and identified two new programs effective 1 July 2008, Adaptive Management of the Lower Lakes and Coorong and Knowledge and Information, the latter was formerly incorporated within Agency Support Program.

The budget figures used in this document relate to the 2008-09 budget papers that were tabled in Parliament in June 2008 and therefore do not reflect budget changes by Treasury or through Cabinet processes. The enclosed 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 and Nature Conservation (23 per cent) and Public Land Management – Visitor Management (18 per cent).

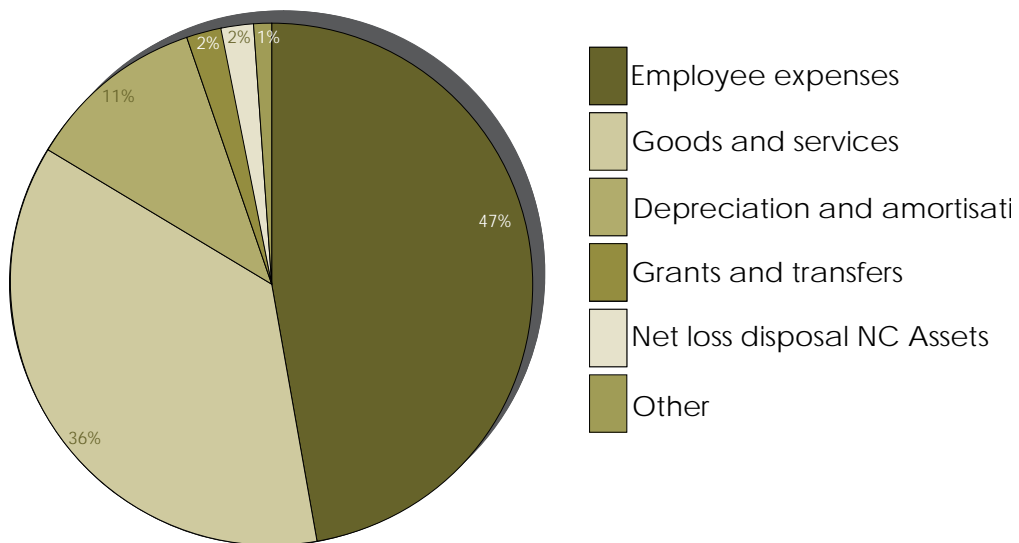
Income Statement

SUMMARY INCOME STATEMENT FOR THE YEAR ENDING 30 JUNE 2009

	Budget 2008-09 (\$'000)	Actual 2008-09 (\$'000)
Operating expenses	164 265	178 406
Operating revenues	28 306	40 833
Net cost of providing services	135 959	137 573
Revenues from Government	134 416	125 825
Net Result before Restructuring	(1 543)	(11 748)
Net revenue (expense) from restructuring	-	-
Net Result after Restructuring	(1 543)	(11 748)

The department's budgeted operating result showed a net deficit after restructuring of \$1.543 million. The actual result was a net deficit after restructuring of \$11.748 million. Refer to explanatory notes on page 49.

Operating Expenditure



Actual Operating Expenditure by Program Explanatory Notes

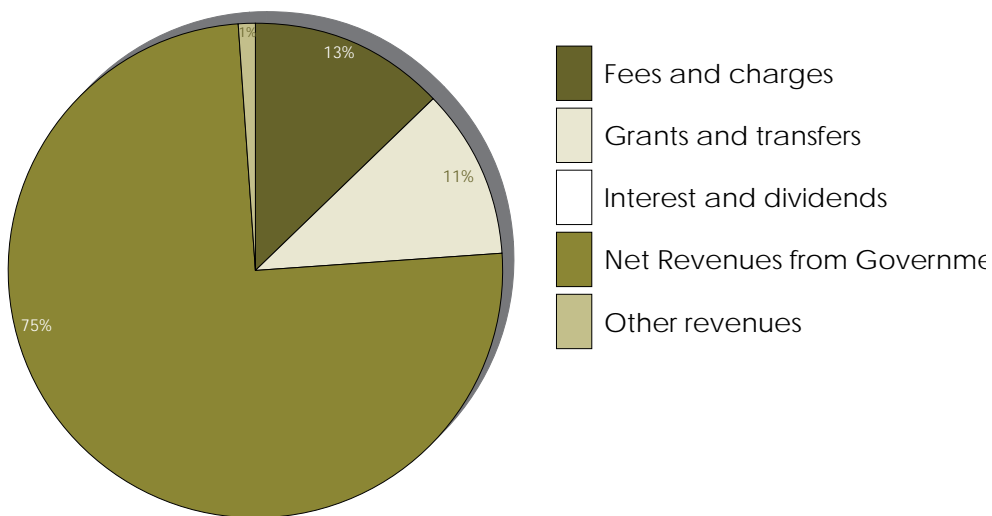
Operating expenses were approximately \$14.1 million higher than expected, largely as a result of:

- once-off additional expenditure primarily funded by revenues from Commonwealth and other external bodies (\$7.3 million);
- Additional one-off operating expenditure as a result of carryovers from 2007-08 into 2008-09 (\$6.7 million);
- unbudgeted expenditure relating to Lower Lakes and Coorong feasibility Study (\$2.9 million). Funding was provided post original budget formulation;
- unbudgeted operating expenditure as a result of an accounting re-classification of budgeted capital works expensed in line with the departments capitalisation policies (\$2.6 million);
- unbudgeted expenditure resulting from an accounting treatment associated with the transfer of Assets managed by DEH, under the Capital work Program, on behalf the Board of the Botanic Gardens and State Herbarium (\$1.9 million);
- capital project costs (\$1.8 million) prior periods, not capitalised (non Cash expenditure);
- unbudgeted net loss on disposal (\$1.0 million);
- unbudgeted transfer of Land Held for resale from DEH controlled to Crown Lands (\$0.9 million). Funding was provided post original budget formulation;
- unbudgeted expenditure (\$0.9 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 2009;
- unbudgeted additional expenditure (\$0.7 million) associated with the deployment of additional fire fighting resources for the Victorian Bushfires (cost recovery), and
- unbudgeted additional expenditure (\$0.6 million) associated with salary recoups which is offset with additional revenue.

This is offset by:

- decrease in expenditure related to Adelaide's Living Beaches Strategy Budget (\$5.1million) in accordance with the revised project plan.
- decrease in expenditure primarily relating to Commonwealth funded projects for which carryovers are being requested in 2009-10 (\$1.5 million);
- decrease in depreciation and amortisation expense (\$5.8 million) due to assets (primarily on park road assets) reaching the end of their useful lives in 2007-08 (\$4.3 million) and the Department altering the useful life of various assets in accordance with normal periodic assessment procedures (\$1.6 million);
- decrease in expenditure related to the River Murray Forest project budget deferred to 2009-10 due to drought conditions (\$0.7 million); and
- decrease in expenditure primarily relating to PLAF for which carryover was requested into 2009-10 (\$0.6 million).

Operating Revenues



Actual Operating Revenues

Operating revenue was approximately \$12.5 million higher than budgeted, primarily as a result of:

- higher than anticipated revenue primarily received from Commonwealth and other external bodies (\$7.5 million);
- unbudgeted revenue relating to Lower Lakes and Coorong feasibility study (\$2.9 million). Funding was provided post original budget formulation;
- unbudgeted additional expenditure \$0.7 million associated with the deployment of additional fire fighting resources for the Victorian Bushfires (cost recovery);
- higher than anticipated revenue relating to Salary Recoups (\$0.6 million); and
- once-off income relating to SAICORP insurance (\$0.4 million).

Net revenue from Government was approximately \$8.6 million lower than budget as a result of:

- a reduction in appropriation relating to various major initiatives that were approved to be carried over or re-profiled from 2008-09 into future years (\$5.1 million); and
- above budget payment to the Consolidated Account under the Cash Alignment Policy (\$6.4 million).

Offset by:

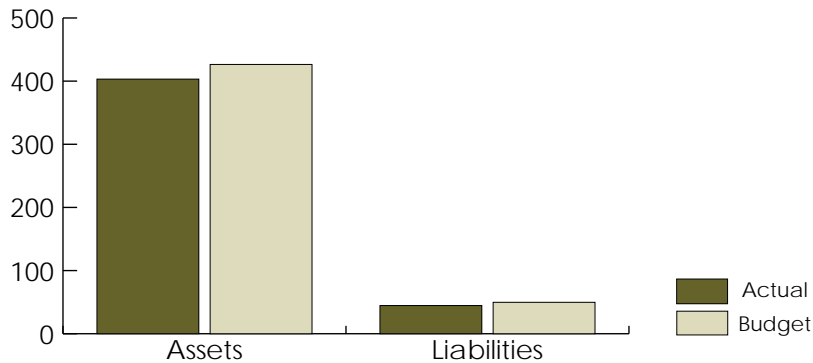
- increase in appropriation revenue related to the sale of Crown lands under Premier and Cabinet Circular 114 (\$1.9 million); and
- increase in appropriation revenue related additional Fire-fighting resources during the 2008-09 fire season (\$0.9 million).

**SUMMARY BALANCE SHEET
AND STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2009**

	Budget 2008-09 (\$'000)	Actual 2008-09 (\$'000)
Current assets	110 7621	114 480
Non-current assets	292 428	311 935
Total assets	403 190	426 415
Current liabilities	24 977	30 272
Non-current liabilities	19 633	19 4790
Total liabilities	44 610	49 751
Net assets	358 580	376 664
Equity	358 580	376 664
Equity at 30 June 2008		\$363 906
Surplus for the year		(\$11 748)
Net Increment for Asset Valuation adjustments		\$16 121
Net Increment for Asset First time recognition		\$7 374
Other adjustments		\$1 011
Equity	358 580	\$376 664

Net Assets and Equity are approximately \$18.1 million higher than expected primarily due to revaluation increments (increasing the asset revaluation reserve) for land and improvements, roads, tracks and trails and park infrastructure.

Assets and Liabilities



Assets and Liabilities

Current Assets for the department are \$3.7 million higher than budget, primarily due to increased receivables (\$2.6 million) and cash balances (\$1.5 million).

Non Current Assets are \$19.5 million higher than budget, primarily due to increased land and improvements resulting from revaluation increments and acquisitions.

Liabilities are \$5.1 million higher than budget primarily due to higher current liabilities comprising above budget payables (\$3.4 million) and employee entitlements (\$1.9 million).

Cash Flow Statement

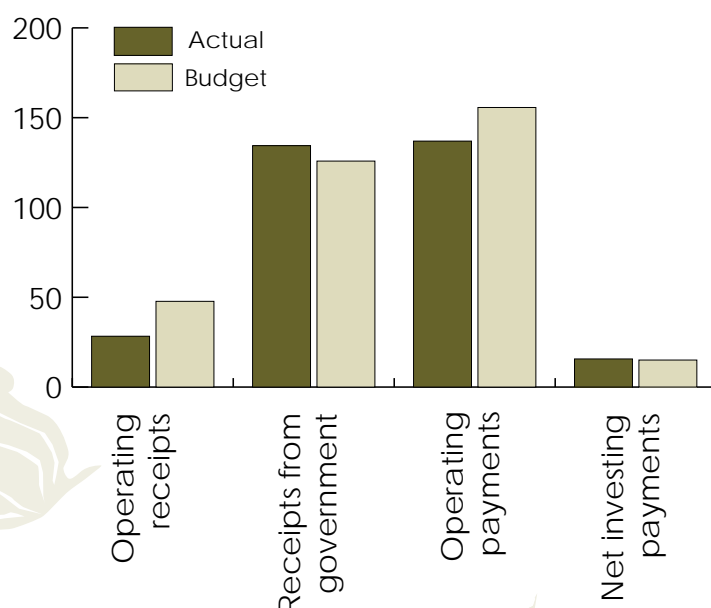
SUMMARY CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Budget 2008-09 (\$'000)	Actual 2008-09 (\$'000)
Cash flows from operating activities:		
Payments	136 950	155 667
Receipts	28 306	47 735
Cash flows from Government	134 416	125 825
NET CASH PROVIDED BY OPERATING ACTIVITIES	7 891	17 893
Cash flows from investing activities:		
Payments	15 664	15 194
Receipts	-	144
NET CASH USED IN INVESTING ACTIVITIES	(15 864)	(15 050)
Cash flows from financing activities:		
Payments	-	-
Receipts	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
Net increase (decrease) in cash held	10 108	2 843
Cash at 1 July 2008	91 783	100 565
Cash at 30 June 2009	101 891	103 408

The department's budget provided for a net increase in cash of approximately \$10.1 million. The actual result was a increase of \$2.8 million.

The operating cash variations are explained, in general, by the same influences that impacted on the Income Statement with investing payments being broadly in line with budget.

Cash Receipts and Payments



APPENDICES

CORPORATE PLAN 2009/2010





The environment of South Australia, our natural resources, and our heritage are an essential part of our state - economically, socially and culturally.

As the Department for Environment and Heritage (DEH) we have the privilege and the responsibility to work with all South Australians to achieve a prosperous and sustainable society that values, conserves and invests in its rich heritage and diverse natural environments.

Our Corporate Plan explains how we will respond to this challenge.

The chief messages can be summarised as: **responsiveness, relevance and accountability.**

Read the plan. Use it to guide your work. No matter what you do or where you work in DEH, your work matters and every person can and should make a difference.

Allan Holmes
Chief Executive



Our goals

A prosperous and sustainable society that values, conserves and invests in its rich heritage and diverse natural environments.

1. South Australians involved

We will encourage South Australians to enjoy and be actively involved with their rich heritage and diverse natural environments.

2. A healthy environment

We will improve South Australia's heritage and natural environments, both public and private, particularly sites and places of state significance.

3. A sustainable economy

We will facilitate a healthy economy. We will work to help others recognise that sound environmental and economic management are complementary contributors to the prosperity of our state.

4. Better decisions and partnerships

We will provide quality information and policy advice based on evidence and research. We will build and maintain strong partnerships to deliver better decisions and results.

5. Getting results

We will make sure that DEH is accountable, well led, and gets the results it sets out to achieve efficiently and effectively.

These goals are the guide for all activity in the agency. They will be achieved through the objectives which inform our program plans and drive our daily work.



Our values

We are currently working as an agency to make sure we are expressing the values of our organisation in the most clear and inspirational way. It is a work in progress and all staff are invited to get involved. The box titled "How we act at work" expresses these values as behaviours.

1. Public service, responsibility and accountability

We value the institution and the ethic of public service in our Australian system of government. We serve the government through the Minister and respect parliament and the public interest. We provide service openly and fairly.

2. Candour, diplomacy and cooperation

We are candid and frank with conversation and advice, yet we are diplomatic and sensitive in our delivery. We work cooperatively within and outside the organisation, engaging with and seeking the participation of others. We value humility, generosity of spirit and the individual's willingness to contribute.

3. Imagination, diversity and innovation

We believe that the solutions to the problems we face will need our people to participate with all their creative talents and to draw on the rich diversity that they bring.

4. Thinking, inquiry and self-discipline

We understand the importance of thinking deeply about the issues confronting us, being inquisitive and having discipline in our work. We seek to be a thoughtful organisation.

5. Safety, health and enjoyment

We provide safe, healthy, enjoyable and stimulating workplaces for staff, volunteers and visitors.

How we act at work:

Participate to the full

Treat people with respect, honesty and courtesy

Demonstrate integrity with our colleagues, the government and the public

We value humility, generosity
of spirit and the individual's
willingness to contribute.

What we do

The Department for Environment and Heritage (DEH) 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, important cultural sites and coastline. We oversee the management of the Coorong, Lower Lakes and Murray Mouth. We manage cultural and scientific collections through the state's botanic gardens and herbarium. We advise on environmental policy.

DEH is part of the Environment and Conservation Portfolio and reports to the Minister for Environment and Conservation. We deliver the government's environment agenda directly and through partnerships. We do this with other government agencies, including the Department of Water, Land and Biodiversity Conservation, the Environment Protection Authority, Zero Waste SA, Natural Resources Management Boards and Primary Industries and Resources SA, as well as a wide range of non-government organisations, industry bodies and the community.

Our work is determined by four obligations:

- **Achieving South Australia's Strategic Plan and government commitments**
- **Responding to the needs of South Australians**
- **Administering legislation dedicated to our Minister**
- **Meeting our other legal responsibilities**

The challenges we face

Climate change and drought

These are having an increasing impact on our work. The current prolonged drought and the impact of climate change, including rising sea levels and increased bushfire risk, are challenging us to develop new approaches for the management and conservation of the state's biodiversity and our natural and built environment.

A sense of community and belonging

In a time of rapid social and technological change and substantial shifts in global economic structures, South Australians are searching for a sense of identity and connection to their community. Their natural and cultural environment and heritage help to reinforce who they are and what they value.

Acting for future generations

There are many challenges in looking after South Australia's biological richness and diversity, not only for today's citizens but also for future generations. Climate change, increased water use, loss of native species, the spread of pests and weeds and deteriorating built heritage all require well informed and thoughtful responses.

Achieving sustainable growth

Supporting the state's aims for economic growth in these economically difficult times is a challenge we need to face with creativity and thoughtfulness.

Making the best use of our unique environment and heritage

Our parks, gardens, beaches and heritage are immensely important resources for the community to use and enjoy. The challenge is to make these assets more accessible yet protect them at the same time.



Generating benefits through partnerships

Managing South Australia's environment and heritage involves many partners who have overlapping and, at times, competing objectives. Our challenge is to work together for the good of all.

Achieving for government

Our executive, managers and staff must deliver the best results for the government, and the financial context for this is increasingly challenging given the current global downturn.

Respect from our government, non-government partners and the community.

Our objectives

Goal 1. South Australians involved

- a. Improve the social, environmental and commercial return from our gardens and parks by increasing visitor numbers to major attractions.
- b. Involve the community and volunteers in our work, and assist South Australians to better understand their natural environment and their built heritage, potentially influencing what people do with their land and property.
- c. Continue to work with South Australian Aboriginal people and communities, sharing and using available skills and experience in environmental management for mutual benefit.

We will achieve:

- *Enhanced community access to our parks and gardens.*
- *Richer experiences for visitors to our parks and gardens.*
- *An increased number of South Australians who actively conserve.*

Goal 2. A healthy environment

- a. Be guided by the priorities and goals of *No Species Loss - A Nature Conservation Strategy for South Australia*.
- b. Create opportunities for landholders to contribute to landscape-scale nature conservation including the establishment of five biodiversity corridors across the state.
- c. Establish a marine parks system.
- d. Further improve South Australia's national parks system through innovative management arrangements such as agreements on the inclusion of private lands.
- e. Co-ordinate state government resources to conserve and maintain state heritage assets and encourage local government to support and invest in its local heritage.
- f. Lead the development of community-wide agreement on a plan for a sustainable future for the Coorong, Lower Lakes and Murray Mouth.

We will achieve:

- *Improvements in the condition of listed habitats and sites.*
- *Minimal degradation of the environment.*
- *Landscape scale conservation.*

Goal 3. A sustainable economy

- a. Build our skills and knowledge to develop an expert service providing innovative advice and solutions on a sustainable economy.
- b. Participate fully in the State's planning system to achieve the best environmental results.
- c. Deliver government policy to secure the best environmental results from development.
- d. Contribute to the state government's planning on best possible adaptations to potential climate impacts.
- e. Develop and implement a sustainable solution to keeping sand on Adelaide's beaches.

We will achieve:

- *Recognition of the potential environmental impact from major developments and integrating appropriate mitigation strategies.*
- *Business acceptance and compliance with statutes, codes and standards to protect the environment.*
- *New development contribution to environmental sustainability.*

Goal 4. Better decisions and partnerships

- a. Ensure that our investments in science, knowledge and information systems improve business performance.
- b. Make better use of the exploitation of our policy capacity to strongly support the government's agenda.
- c. Improve the workings of the Environment and Conservation Portfolio, including NRM Boards, by clarifying and reinforcing roles and responsibilities.
- d. Manage South Australia's parks' system by strategically targeting available resources where they will be most effective and efficient.
- e. Improve DEH's fire management capability on public land and develop stronger partnerships with other agencies with fire responsibilities.

We will achieve:

- *Respect from our government, non-government partners and the community.*
- *Recognition for being an authoritative, influential and confident organisation.*
- *The collection and provision of compelling and high quality knowledge that is easily accessible.*

Goal 5. Getting results

- a. Build a diverse, directed and safe work environment and culture.
- b. Improve business and program planning, budgeting and reporting systems.
- c. Promote program, team and individual accountability with clear roles, agreed objectives, and performance review and recognition.
- d. Ensure that our leadership and management reflect our values and expectations.

We will achieve:

- *Improved staff satisfaction with their work and workplaces.*
- *Assistance to staff with professional and personal growth in their roles through the Performance Review and Development process and related improvement activities.*
- *Effective monitoring of our performance and use of this information to continually improve performance.*
- *Leadership in safety improvement for a natural resources agency.*





Priorities for 2009/2010

In the 2009/2010 operating year our priorities are to:

- Establish 19 Marine Parks.
- Establish five biodiversity corridors.
- Implement the *DEH Climate Change Strategy 2009-2014*.
- Manage the Lower Lakes and Coorong environments in the context of reduced flows into the River Murray and complete a long term plan.
- Increase fuel reduction burning on DEH land, work across government on bushfire risk mitigation and impact reduction and resolve a unified approach to manage public lands in the Mount Lofty Ranges.
- Contribute to the delivery of the government's reconciliation and native title agenda by assisting to resolve Indigenous Land Use Agreements and providing opportunities for Indigenous participation in the management of parks.
- Prepare and implement a Visitor Strategy to guide recreational and tourism use of parks.
- Implement a sustainable solution to keeping sand on Adelaide's beaches.
- Support the adoption of native gardens and the creation of sustainable landscapes to enhance understanding of the environment. Reduce water use and establish a unique landscape character for Adelaide. Improve opportunities for urban wildlife through promotion of native plants. Establish demonstration native gardens in the Adelaide Botanic Garden and introduce the Native Garden Awards.
- Work across the Environment and Conservation Portfolio, including NRM Boards, to provide a coordinated and integrated environment policy and delivery for the Government of South Australia.
- Improve business performance for all DEH commercial sites.
- Streamline and simplify DEH processes through system improvements with a particular emphasis on online technology.
- Improve management competency and accountability through the implementation of a new management information system and a development program for supervisors.
- Reform the Information, Science and Technology Directorate to provide a responsive and directed service to all users.

Department for Environment and Heritage

Our programs are

Nature Conservation	Public Land - Visitor Management	Public Land - Fire Management	Public Land - Stewardship
Coast and Marine Conservation	Botanic Gardens Management	Heritage Conservation	Animal Welfare
Adaptive Management of the Coorong, Lower Lakes and Murray Mouth Projects		Knowledge and Information	Support Services

and we deliver our programs through these Directorates

Office of the Chief Executive
Chief Executive: Allan Holmes
Telephone: 8204 9322

Conservation Policy and Programs Executive Director: Greg Leaman Telephone: 8124 4702	Botanic Gardens Executive Director: Stephen Forbes Telephone: 8222 9321	Regional Conservation Delivery Executive Director: John Schutz Telephone: 8124 4703	Information, Science and Technology Executive Director: John O'Malley Telephone: 8204 1736	People and Strategy Executive Director: Susan Close Telephone: 8204 1736	Business Services Executive Director: Rick Janssen Telephone: 8204 9362
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For further information please contact:
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**Government
of South Australia**

Department for
Environment and Heritage

MANAGEMENT OF HUMAN RESOURCES

Details of human resources management within the Department for Environment and Heritage for the year 2008-09 are outlined in the following tables.

EMPLOYEE NUMBERS, GENDER AND STATUS

Total Number of Employees		
Persons	1172.0	
FTEs	1087.2	(FTEs shown to 1 decimal place)

Gender	% Persons	% FTEs
Male	55.8	58.66
Female	44.2	41.34

Number of Persons During the 08-09*	
Separated from the agency	178
Recruited to the agency	229

*separations/recruitments are for 01/07/2008 to 19/06/2009

Number of Persons at 30 June 2009	
On Leave without Pay	37

NUMBER OF EMPLOYEES BY SALARY BRACKET

Salary Bracket	Male	Female	Total
\$0 - \$47,999	210	172	382
\$48,000 - \$60,999	134	157	291
\$61,000 - \$78,199	199	139	338
\$78,200 - \$98,499	94	47	141
\$98,500+	17	3	20
TOTAL	654	518	1 172

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 with consideration of the operational, professional, technical and executive streams. Agencies are required to report the different employment arrangements used and their distribution in an agency: ongoing, long-term contract (periods of between one and five years), short-term contract (up to and including one year) and casual. The following tables refer only to employees who were 'active' or on leave with pay at the end of the last pay period in the 2008-09 financial year. The tables include executives.

STATUS OF EMPLOYEES IN CURRENT POSITION

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	403.4	120.5	99.76	14.03	637.69
Female	263.62	113.79	54.46	17.59	449.46
TOTAL	667.02	234.29	154.22	31.62	1 087.15

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	407	121	102	24	654
Female	297	123	59	39	518
TOTAL	704	244	161	63	1 172

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
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	1	0
SAES1	0	0	0	0	12	3	0	0	12	3
SAES2	0	0	0	0	1	0	0	0	1	0
Total	0	0	0	0	15	4	0	0	15	4

AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type	2005-06	2006-07	2007-08	2008-09
Sick leave	6.27	6.4	6.87	6.36
Family carer's leave	0.66	0.68	0.95	0.97
Miscellaneous special leave	0.55	0.42	0.58	0.54

ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYEES

Salary Bracket	Aboriginal staff	Total staff	Percentage Aboriginal	Target* (%)
\$0 - \$47 999	17	382	4.45	2%
\$48 000 - \$60 999	12	291	4.12	2%
\$61 000 - \$78 199	3	338	0.89	2%
\$78 200 - \$98 499	0	141	0	2%
\$98 500+	0	20	0	2%
Total	32	1172	2.73	2%

* Target from SASP

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER

Age Bracket	Male	Female	Total	% of Total	2008 Workforce Benchmark* (%)
15 - 19	1	2	3	0.26	6.5
20 - 24	25	18	43	3.67	10.3
25 - 29	48	79	127	10.84	11.1
30 - 34	68	89	157	13.4	10.7
35 - 39	76	70	146	12.46	11.7
40 - 44	92	77	169	14.42	11.4
45 - 49	91	65	156	13.31	11.9
50 - 54	121	54	175	14.93	10.3
55 - 59	95	40	135	11.52	8.2
60 - 64	30	16	46	3.92	5.3
65+	7	8	15	1.28	2.6
Total	654	518	1 172	100	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 May 2009.

CULTURAL AND LINGUISTIC DIVERSITY

	Male	Female	Total	% Agency	% SA Community*
Number of employees born overseas	100	81	181	15.44	20.3
Number of employees who speak language(s) other than English at home	26	24	50	4.27	16.6

* SA Community data sourced 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	72
A review older than 12 months	—
No review	—

*DEH's IDP cycle occurs annually from May to August.
This data relates to IDPs received in this period

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$5 458 600	9.37
Total leadership and management development expenditure	\$1 876 668	3.22

*Training and Development data is indicative.

5.13 Equal Employment Opportunity Programs

SA Government Youth Training Scheme and the Trainee Employment Register

During 2008-09 DEH participated in the South Australian Government Youth Training Scheme, employing three trainees and nine cadets in the horticultural and conservation and land management disciplines. DEH expects to recruit another seven trainees – in horticulture, conservation and land management, and clerical and administration – in 2009-10.

SA Public Sector Aboriginal Recruitment and Development Strategy and the Aboriginal Employment Register

Two Aboriginal people were placed within DEH through the Aboriginal Employment Register. DEH is sponsoring one Aboriginal tertiary student through the National Indigenous Cadetship Program.

Strategy for Employment of People with Disabilities

Recommendations from a comprehensive review of DEH recruitment and selection processes in 2007-08 continue to be implemented. A significant component involves working with Disability Works Australia to promote the Disability Employment Register, the benefits of employing people with disabilities, and the support mechanisms available to employees with disabilities and those they work with on a daily basis. DEH uses demographic data from employment forms and regular staff surveys to monitor the employment rates for people with disabilities.

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 disabilities; and identifying and eliminating discriminatory practices within the workplace.

The DEH Promoting Independence for People with Disabilities Procedure complements the policy statement by ensuring key stakeholders are aware of their responsibilities in implementing the DEH Disability Action Plan.

DEH strives to provide integrated access where possible. Internationally recognised symbol signage is used in national parks and the Botanic Gardens to help people with disabilities. Facility upgrades and new facilities will be designed with access ramps and visitor routes to increase accessibility. Projects completed in 2008-09 include refurbishment of the Santos Museum of Economic Botany within the Adelaide Botanic Garden, ramp upgrades in Botanic Park, and the provision of disabled parking, toilet and camping facilities at several popular parks and reserves.

Outcome 2 – Information and Communication

The DEH Access and Equity Guidelines for Communication document summarises the information outlining access requirements for people with disabilities, and provides guidance about addressing those requirements in communication, publications and information. Strategies for providing this information appropriately and readily are being developed, with some already in place.

In most cases, publications are made available on the internet, with all documents on the DEH website meeting Level 1 website accessibility guidelines. Alternative formats are available upon request, but no requests were received in 2008-09. DEH is using a range of methods to ensure its online communications are as effective as possible.

Outcome 3 – Disability Awareness Training

Disability awareness training continued in 2008-09, specifically targeting those staff members responsible for implementing the DEH Disability Action Plan or providing services directly to the public. An interactive online program – to inform participants of disability issues and relevant legislation - will be implemented in 2009-10 to complement the workshop-style training. The online program will be included in the DEH Induction Process during 2009-10 to ensure all DEH employees contribute to delivering non-discriminatory services, in accordance with the *Disability Discrimination Act 1992* (Commonwealth).

The review of existing DEH training programs to include DDA obligations and to promote awareness of the requirements of people with disabilities was completed in 2008-09. Ongoing reviews will occur as new programs are implemented.

Information is also available on the DEH Intranet site to help staff understand issues affecting people with disabilities. The site also provides links to websites that may raise staff awareness of the issues, 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 on an ongoing basis. An assessment of appropriate consultation mechanisms and audience is undertaken before the consultation.

Visitor Management Services completed social inclusion research to gain a greater understanding of the needs of people with disabilities and other specific users when visiting national parks, and to plan for socially inclusive experiences. The research findings have helped in reviewing services and facilities, and have contributed to the development of a new visitor strategy during 2008-09.

A general complaints policy developed during the year will be reviewed to ensure it addresses issues relating to people with disabilities.

Outcome 5 – Compliance with DDA and EOA

A review of the DEH Disability Action Plan will be undertaken with key stakeholders to enable DEH to develop appropriate action items and timeframes. A copy is available on the DEH website and it will also be provided to the Human Rights and Equal Opportunity Commission.

DEH promotes a culture that values diversity in the workplace and in the general population. While the DEH Corporate Plan 2009-10 does not include a specific objective relating to people with disabilities or their access requirements, diversity is included as a core value. This notion of diversity is not limited to specific clusters of employees, but embraces all staff. In addition, DEH recognises the connection its work has to the community, and the challenge in making the parks, gardens, beaches and heritage assets it manages more accessible as it protects them.

Outcome 6 – Increased Employment Rates

Recommendations from a comprehensive review of DEH recruitment and selection processes completed in 2007-08 continued to be implemented in 2008-09. A significant component involves working with Disability Works Australia to promote the Disability Employment Register (for the referral of eligible people with disabilities who are seeking employment in the South Australian public sector), the benefits of employing people with disabilities, and the support mechanisms available to employees with disabilities and to those they work with on a daily basis.

OCCUPATIONAL, HEALTH, SAFETY AND INJURY MANAGEMENT REPORT

DEH is committed to the achievement of the State Government's Zero Harm Vision and the associated safety targets through the implementation of the *Safety in the Public Sector Strategy 2007-10*. This underpins the *South Australia's Strategic Plan* target relating to improving work safety.

The DEH OHSW Plan and supporting Directorate Plans incorporate the strategy and the department's commitment to the Zero Harm Vision. This commitment is also included in new and revised OHSW policies and procedures.

DEH's peak OHSW Committee includes the Chief Executive and senior executives. Each directorate and region also has an OHSW Committee. Some areas have OHSW Consultative Forums and OHSW is a standard agenda item at all staff meetings. Managers and supervisors contribute to the development of rehabilitation and return-to-work plans.

At a corporate level in 2008-09, DEH implemented new initiatives and continued supporting initiatives to prevent injuries and help staff members who suffered work-related injuries return to work safely. These initiatives included the appointment and training of an internal rehabilitation and return to work coordinator; providing information for managers and supervisors about their injury management responsibilities; and the introduction of ergonomics assessments, physiotherapists and hazard risk assessment programs. Staff were trained in OHSW responsibilities, risk management, manual handling, StepBack (which contributes to dynamic risk assessment), and incident investigation.

The Big 5 program – which involves directorates identifying their five major hazards and implementing the appropriate preventative action – and critical incident debriefing for those who attended the Victorian bushfires were also introduced. These initiatives are underpinned by strategies at the local level.

An analysis of incident data indicated that body stressing accounted for 30 per cent of claims in 2008-09, a significant reduction from the 2006-07 level of 42 per cent. The reduction can be attributed to a range of initiatives, including those outlined above. The number of new workplace injury claims reduced by two in 2008-09 and is 15 below the Safety in the Public Sector 2007-10 strategy target. Further work is required to reduce the lost time injury frequency rate and the costs associated with claims.

A Climate Survey assessed staff satisfaction about leadership, role clarity, adherence to organisational cultural values and OHSW. Results indicate DEH is well above the Australian benchmarks in understanding of safety rules and procedures, OHSW leadership, OHSW training and the proactive management of hazards.

The following tables report the department's OHSW performance for 2008-09.

Table 1: OHS Notices and Corrective Action taken	
Number of notifiable occurrences pursuant to OHSW Regulations Division 6.6	0
Number of notifiable injuries pursuant to OHSW Regulations Division 6.6	1
Number of notices served pursuant to OHSW Act s35, s39 and s40 (default, improvement and prohibition notices)	0

DEH had two notifiable injuries 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 ¹ workers compensation expenditure ²				
EXPENDITURE	2008-09 (\$m)	2007-08 (\$m)	Variation (\$m) + (-)	% Change + (-)
Income Maintenance	\$212 434	\$114 519	+\$97 915	+85.5
Lump Sum Settlements	\$150 000	\$60 000	+\$90 000	+150
Redemptions - Sect.42				
Lump Sum Settlements	\$126 660	\$17 694	+\$108 966	+615
Permanent Disability – Sect. 43				
Medical/Hospital Costs combined	\$155 499	\$113 018	+\$42 481	+37.6
Other	\$16 563	\$41 287	-\$24 724	-60
Total Claims Expenditure	\$661 156	\$346 518	+\$314 638	+90.8

¹ Before 3rd party recovery

² Information available from IDEAS RS/SIMS (for detailed advice on data extraction contact PSWD)

The increase in income maintenance is the result of three long-term claimants who had significant time off work in 2008-09. One was successfully redeemed, which accounts for the increase in Section 42 and Section 43 payments.

Significant effort has been made in 2008-09 to manage and finalise long-term claims to capitalise on the sustained reduction in the number of claims. Effort is also being made to reduce the number of lost-time injuries and so reduce the income-maintenance costs.

Table 3 Meeting Safety Performance Targets ³					
	Base: 2005-06	Performance: 12 months to end of June 2009 *			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	37	52	-15	50
3. New Workplace Injury Claims Frequency Rate	35.8	21	30	-9	28.6
4. Lost Time Injury Frequency Rate ***	9.2	9.7	7.9	+1.8	7.4
5. New Psychological Injury Claims	2	4	2	+2	2
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	19.67%	67.6%	80%	-12.4%	80% or more
6b. Early Intervention within 5 days	100%	100%	80%	+20%	80% or more
6c. RTW within 5 business days	92.3%	74.3%	75%	-0.7%	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:					
2007-08 Injuries (at 24 months development)	-	\$70 000	\$45 000	+\$25 000	Below previous
2008-09 Injuries (at 12 months development)	-	\$34 000	\$38 000	-\$4 000	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.					

³ Information available from IDEAS RS/SIMS (SIPS target report)

There has been a reduction by two in the number of claims compared to the previous reporting period. However, a larger proportion of these claims related to lost-time injuries, resulting in a higher lost-time injury frequency rate.

There have been improvements in the new workplace injury claims frequency rate and the early assessment within two days. At the 12-month mark, the cost associated with income maintenance for injuries incurred in 2008-09 is \$4000 below the allowable target. Continued proactive management of these claims should maintain this positive result.

A new DEH Rehabilitation and Return Work Coordinator has been appointed to help identify alternative or restricted duties and hasten the return to work of injured workers.

FREEDOM OF INFORMATION STATEMENT

DEH's Freedom of Information Statement has been published on its internet site.

Please visit www.environment.sa.gov.au to view the statement

CONTRACTUAL ARRANGEMENTS

The Department for Environment and Heritage did not enter into any contractual arrangements in the year 2008-09 where the total value of the contract exceeded \$4 million and the contract extended beyond one year.

CONSULTANTS

The following table details the extent to which external consultants were engaged by DEH in 2008-09, including the nature of work undertaken and the total cost to the department.

Consultant	Details Of Consultancy	Amount
Less than \$10 000	11 Minor Consultancies	\$37 484
\$10 000 - \$50 000		
Art of Staff Pty Ltd	Review of Job & Person Specifications for Supervisor Positions	\$10 400
Kym L. Kelly LLB	Strategic Planning	\$11 188
Denise Picton & Associates	Policy issues review	\$11 250
Rob Small Unlimited	Consulting services for DEH Volunteer stocktake	\$23 292
Pricewaterhouse Coopers	Regional Business Support review	\$47 090
Above \$50 000		
SACS Consulting	Workforce Planning Review	\$80 601
Total as per Financial Statement		\$221 305

FRAUD

There were no proven incidents of fraud in the 2008-09 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.

ACCOUNTS PAYABLE REPORT

DEH's accounts payable performance for the year 2008-09 is summarised in the table below.

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*	48 564	85.09	\$78 080 675	79.79
Paid late, within 30 days of due date	6 193	10.85	\$15 214 615	15.55
Paid more than 30 days from due date	2 315	4.06	\$4 557 818	4.66

*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 thirty 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.

OVERSEAS TRAVEL 2008-09

Number of Employees	Destination/s	Reasons for Travel	Total Cost to Agency
1	Canada	To participate in the annual meeting of the International Committee for Underwater Cultural Heritage (ICUH) and the 16th General Assembly of the International Committee for Monuments and Sites (ICOMOS)	\$298
1	USA and Canada	To accompany the Minister for Environment and Heritage on a study tour and meet with Government Ministers & other professionals on issues relevant to the SA Government	\$36 586
1	Spain	To participate in the IUCN World Conservation Congress and visit a number of parks with senior executives from other Australian agencies	\$10 229
2	UK	To attend a plant record workshop held by the Royal Botanic Gardens, Edinburgh and visit Kew Gardens	\$9 707
1	Canada	To visit two organisations in British Columbia that have done significant work in organisational reform and additionally present the Vision 2012 initiative which is a major organisational change initiative in DEH	\$13 221
1	USA	To meet with US Parks Service Staff and visit Parks in California	\$4 580
		Total Expenditure for 2008-09	\$74 621

GREENING OF GOVERNMENT OPERATIONS REPORT

Energy efficiency

In accordance with the requirements of the across-Government Energy Efficiency Action Plan (EEAP), DEH's energy usage for 2008-09 is presented below with reference to previous annual consumption. **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. In accordance with the decision taken in 2005 by the Energy Efficiency Reference Group, which oversees implementation of the EEAP, DEH has sought to determine its energy usage from primary source data. Complexities associated with this include continuing improvement in DEH's capture of this data. As a result recorded usage in some categories has increased significantly.

Buildings Energy Use

	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
2008-09	3 109	14 034	2 142	11 426	19 824	50 535

The South Australian 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. These buildings range from the Bicentennial Conservatory, a very high consumer of natural gas, to many in regional areas that source their electricity from diesel-powered generators.

Because of difficulties in accurately identifying energy usage associated with all of these assets it has been necessary to report energy usage across both 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 aggregating that for 'Office Light & Power' and 'Other Buildings', which in turn means that overall progress towards SASP Target 3.13 cannot be determined. However, the 'Office Light & Power' figure, which is exclusively electricity based, is considered accurate and the 54 per cent reduction in energy use from 2005-06 reflects DEH's investment in energy-efficient lighting refits in the department's office accommodation. On the other hand, energy consumption in DEH's 'Other Buildings' category has increased, with electricity usage alone rising 11 per cent in the last 12 months. Projects concentrating on this area have been completed as part of the 2008-09 Energy Efficiency Program and it is anticipated these projects will indicate a reduction in energy use in the 2009-10 Annual Energy Performance Report.

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	9 011	1 091	238	5 847	3 647	2 998	628	49 611
2008-09	1 102	15 861	7 492	3 109	7 363	3 048	2 003	5 847	4 900	2 589	654	50 535

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	3 029	255	239	139	187	201	42	8 821
2008-09	2 235	1 107	523	726	1 718	711	2 003	145	251	173	44	9 637

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	481 182	695 947	183 606	180 086	278 322	25 127	18 483	54 056	31 749	106 701	22 642	2 077 901
2008-09	58 005	546 497	246 869	151 881	233 962	38 024	81 861	53 476	45 211	88 374	23 428	1 567 589

Specific DEH Energy Management Achievements

- Keswick – Completed the lighting retrofit and the installation of lighting control systems on floors one and two at 1 Richmond Road, Keswick (approx. 3 000m²). Preliminary information suggests savings of between 30 and 40 per cent are being achieved; further investigations are required to verify this information.
- Adelaide Botanic Gardens – An energy optimiser system has been installed in the Goodman and the P.B.C. building to manage the peak air-conditioner demand. It is expected this system will generate savings of about 10 per cent of total energy use for the two buildings.
- Adelaide Botanic Gardens – The existing metal halide light fittings in the Goodman Building have been replaced with high output fluorescent fittings. Savings in the order of 10 per cent of total energy usage for the Goodman Building are expected. External security lighting globes also changed to energy efficient globes
- Cleland Wildlife Park – has been retrofitted with various energy efficient lights and control systems expected to generate savings of six per cent of total park usage.
- Various Sites – Installation of eight smart meters has enabled remote reading of energy use at various sites to monitor energy-efficiency project performance and provide accurate and instant information on energy use.
- Black Hill National Park – Energy-efficient lighting retrofit stage one has been completed at Black hill National Park headquarters.

DEH WATER MANAGEMENT REPORT

DEH has reduced its direct use of metered mains water from 137 110 KI in 2007-08, to 124 927 in 2008-09, which equates to a reduction of approximately 9%. The water restrictions combined with a heightened awareness by DEH staff on water use is deemed to have contributed to the savings achieved in 2008-09.

In 2007-08 DEH recognised the significant proportion of water usage by the Botanic Gardens of Adelaide (Adelaide, Mount Lofty and Wittunga) and has responded with a Wetlands and Aquifer Recharge project to offset the mains usage. This project will take some time to progress through the procurement phases, but is anticipated to have a significant efficiency gain in water usage out years.

Further water efficiency works are planned for 2009-10 and beyond by progressively auditing high use sites and implementing water efficiency improvement plans through the capital works forward program (2009 – 2012).

Additionally a review of DEH sites and associated SA Water Accounts may assist in providing further reductions in 2009-10.

Table 1 - Metered Mains Water Usage 2008-09

Total as per SA Water accounts for which DEH was charged for mains water usage	124 972
Amount from above total used in parks and gardens, under Water Restrictions permit or exemption	124 685
Balance of mains water used at other metered DEH sites	287

PAPER COST AND VOLUME REPORT

DEH purchased 6409 reams of A4 paper from nine identified suppliers in 2008–09 at a total cost to DEH of \$50 625. This indicates a reduction on the 2007-08 (6804 reams) figure of 395 reams, or six percent.

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	2	4	Remove	Should be removed promptly
2	10	10	Remove as soon as practicable	Should be scheduled for removal at a practicable time
3	17	17	Use care during maintenance	May need removal during maintenance works
4	7	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	31	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 2009-10 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

Region	Park	Type
Adelaide	Hallett Cove CP	Sheeting
	Deep Creek Conservation Park	Sheeting
Kangaroo Island	Cape Willoughby	Sheeting
Murraylands	Ferries - McDonald	Sheeting
Northern & Yorke	Innes National Park	Sheeting
South East	Canunda NP	Sheeting

DEH BOARDS AND COMMITTEES

In 2008-09 the Department for Environment and Heritage provided administrative support to the following boards and committees.

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

* Independent incorporated body that has a courtesy reporting relationship with the Minister/Department

LEGISLATION ADMINISTERED BY DEH

DEH derives its functions, authorities and responsibilities through legislation committed to the Minister for Environment and Conservation and legislation that applies generally to the public sector. All legislation under the Minister's responsibility and administered by DEH is strategically 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

Animal Welfare Act 1985

Botanic Gardens and State Herbarium Act 1978

Coast Protection Act 1972

Crown Land Management Act 2009 (not yet in operation)

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 Parks and Wildlife Act 1972

National Trust of South Australia Act 1955

War Service Land Settlement Agreement Act 1945

Wilderness Protection Act 1992

Wilpena Station Tourist Facility Act 1990

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

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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 statements of the Department for Environment and Heritage for the financial year ended 30 June 2009. The financial statements comprise:

- A Statement of Comprehensive Income
- A Statement of Financial Position
- A Statement of Changes in Equity
- A Statement of Cash Flows
- Disaggregated Disclosures - Expenses and Income
- Notes to and forming part of the Financial Statements
- A Statement of Administered Comprehensive Income
- A Statement of Administered Financial Position
- A Statement of Administered Changes in Equity
- A Statement of Administered Cash Flows
- A Schedule of Expenses and Income attributable to administered activities
- Notes to and forming part of the Administered Financial Statements
- A certificate from the Chief Executive and the Director Financial Services.

The Responsibility of the Chief Executive for the Financial Statements

The Chief Executive is responsible for the preparation and the fair presentation of the financial statements in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 Statement of Administered Financial Position 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 valuation of Crown Land Property, Plant and Equipment included in the Statement of Administered Financial Position.

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 has not been ascertained, I am unable to form an opinion on the reasonableness of the values of Property, Plant and Equipment relating to Crown Land, brought to account in the Statement of Administered Financial Position.

Qualified Auditor's Opinion

In my opinion, except for the effects of the matters referred to in the preceding paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department for Environment and Heritage as at 30 June 2009, 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.



S O'Neill
AUDITOR-GENERAL
23 September 2009

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$'000	2008 \$'000
Expenses:			
Employee benefits	5	83,831	79,595
Supplies and services	6	64,802	53,160
Grants and subsidies	7	4,168	4,258
Depreciation and amortisation	8	19,911	22,023
Borrowing costs	9	-	22
Net loss from disposal of non-current assets	10	3,006	5,089
Net loss/(gain) from disposal of land held for sale	17	840	(52)
Other expenses	11	1,848	1,765
Total expenses		178,406	165,860
Income:			
Fees and charges	12	21,492	17,030
Grants and contributions	13	17,617	15,350
Interest revenue	14	133	188
Resources received free of charge	15	-	32
Net gain from disposal of financial assets	16	-	-
Other income	18	1,591	5,702
Total income		40,833	38,302
Net cost of providing services		137,573	127,558
Revenues from/(payments to) SA Government:			
Revenues from SA Government	19	132,259	129,505
Payments to SA Government	19	(6,434)	(24,900)
Total revenues from/(payments to) SA Government		125,825	104,605
Net result		(11,748)	(22,953)
Other comprehensive income:			
Changes in property, plant and equipment asset revaluation reserve	26	16,121	4,821
Total other comprehensive income		16,121	4,821
Total comprehensive result		4,373	(18,132)
The net result and comprehensive result 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
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2009**

	Note	2009 \$'000	2008 \$'000
Current assets:			
Cash and cash equivalents	20	103,408	100,565
Receivables	21	9,495	6,094
Inventories	22	1,141	1,376
Other current assets	23	436	421
Total current assets		114,480	108,456
Non-current assets:			
Receivables	21	44	36
Non-current assets held for sale	24	-	950
Financial assets	25	3	8
Property, plant and equipment	26	309,141	295,219
Intangible assets	27	2,747	1,765
Total non-current assets		311,935	297,978
Total assets		426,415	406,434
Current liabilities			
Payables	28	20,281	14,977
Employee benefits	29	9,009	7,601
Provisions	30	345	421
Current other liabilities	31	637	579
Total current liabilities		30,272	23,578
Non-current liabilities			
Payables	28	1,792	1,452
Employee benefits	29	15,037	14,421
Provisions	30	1,017	1,088
Non-current other liabilities	31	1,633	1,989
Total non-current liabilities		19,479	18,950
Total liabilities		49,751	42,528
Net assets		376,664	363,906
Equity			
Asset revaluation reserve	32	185,851	169,730
Retained earnings	32	190,813	194,176
Total equity		376,664	363,906
The total equity is attributable to the SA Government as owner			
Expenditure commitments	34		
Contingent liabilities	35		

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 2009**

		Asset Revaluation Reserve	Retained Earnings	Total
	Note	\$'000	\$'000	\$'000
Balance at 1 July 2007	32	165,661	218,732	384,393
Asset adjustments previously recognised:				
ARAMIS revisions	32	-	446	446
First-time recognition of assets errors	32	-	2,859	2,859
Asset adjustments this reporting period:				
Prior period asset errors	32	(752)	(4,679)	(5,431)
Other error corrections				
Receivable raised in error	32	-	(229)	(229)
Restated balance at 1 July 2007	32	164,909	217,129	382,038
Net result for 2007/2008	32	-	(22,953)	(22,953)
Net increment related to revaluations	32	4,821	-	4,821
Total comprehensive result for 2007/08		4,821	(22,953)	(18,132)
Balance at 30 June 2008	32	169,730	194,176	363,906
Net result for 2008/2009	32	-	(11,748)	(11,748)
Net increment related to revaluations	32	16,121	-	16,121
Total comprehensive result for 2008/09		16,121	(11,748)	4,373
Asset adjustments - First time recognition of assets	32	-	7,374	7,374
Asset adjustments - ARAMIS revisions	32	-	1,011	1,011
Total asset adjustments		-	8,385	8,385
Balance at 30 June 2009	32	185,851	190,813	376,664

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	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Cash outflows:			
Employee benefit payments		(81,381)	(78,196)
Supplies and services payments		(69,796)	(63,559)
Grants and subsidies payments		(4,383)	(4,258)
Interest paid		-	(246)
GST paid to the Australian Taxation Office		(95)	-
Other payments		(12)	(30)
Cash used in operations		<u>(155,667)</u>	<u>(146,289)</u>
Cash inflows:			
Fees and charges		21,085	20,938
Grant and contribution receipts		19,085	15,350
Interest received		142	187
GST recovered from the Australian Taxation Office		5,832	4,896
Other receipts		1,591	5,702
Cash generated from operations		<u>47,735</u>	<u>47,073</u>
Cash flows from SA Government			
Receipts from SA Government:		132,259	129,505
Payments to SA Government:		(6,434)	(24,900)
Cash generated from SA Government		<u>125,825</u>	<u>104,605</u>
Net cash provided by operating activities	33	<u>17,893</u>	<u>5,389</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,194)	(12,265)
Proceeds from sale of investments		5	-
Proceeds from sale of property, plant and equipment		139	152
Net cash used in investing activities		<u>(15,050)</u>	<u>(12,113)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(38,054)
Net cash used in financing activities		<u>-</u>	<u>(38,054)</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,843</u>	<u>(44,778)</u>
Cash and cash equivalents at the beginning of the financial year		100,565	145,343
Cash and cash equivalents at the end of the financial year		<u>103,408</u>	<u>100,565</u>

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

DEPARTMENT FOR ENVIRONMENT AND HERITAGE DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME FOR THE YEAR ENDED 30 JUNE 2009

	Activity 1: Nature Conservation		Activity 2: Public Land - Visitor Management		Activity 3: Public Land - Fire Management		Activity 4: Public Land - Stewardship		Activity 5: Coast & Marine Conservation		Activity 6: Botanic Gardens Management		Activity 7: Heritage Conservation		Activity 8: Animal Welfare		Activity 9: Agency Support Services		Activity 10: Adaptive Mgmt of the Lower Lakes and Coorong		Activity 11: Knowledge and Information		TOTAL		
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Expenses	16,394	15,637	11,747	11,504	5,412	6,225	7,941	8,187	5,768	5,053	4,061	3,828	1,559	1,695	192	181	21,205	27,285	883	-	8,669	-	83,831	79,595	
	14,168	10,608	9,959	9,639	2,312	2,250	2,982	2,871	7,486	5,076	2,297	2,189	1,391	1,254	37	26	14,285	19,247	1,864	-	8,021	-	64,802	53,160	
	1,390	1,080	57	6	30	34	290	1,133	696	433	76	82	486	684	660	580	431	226	50	-	2	-	4,168	4,258	
	8,939	9,977	8,939	9,977	110	160	209	297	308	253	99	213	191	167	-	-	481	979	1	-	634	-	19,911	22,023	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22	-	-	-	-	22	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,006	5,089	-	-	-	-	3,006	5,089
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	840	(52)	-	-	-	-	840	(52)
	28	89	1,365	846	(8)	9	-	-	-	-	38	449	17	114	-	-	402	257	-	-	6	-	1,848	1,765	
	40,919	37,391	32,067	31,972	7,856	8,678	11,422	12,489	14,258	10,815	6,571	6,761	3,644	3,914	889	787	40,650	53,053	2,798	-	17,332	-	178,406	165,860	
	Income																								
Fees and charges	2,006	1,034	9,314	8,435	1,147	1,176	2,980	3,145	25	12	75	1	736	812	5	3	1,153	2,412	2,885	-	1,166	-	21,492	17,030	
Grants and contributions	9,620	8,663	21	166	605	65	1,119	667	1,548	949	1,674	2,231	61	63	-	-	2,723	2,546	-	-	246	-	17,617	15,350	
Interest	21	33	96	136	-	-	11	12	-	-	-	-	-	-	-	-	5	7	-	-	-	-	133	188	
Resources received free of charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32	-	-	-	-	-	32	
Other income	66	38	38	4,053	111	990	51	62	-	15	53	31	3	24	-	-	1,088	489	-	-	181	-	1,591	5,702	
Total: Income	11,713	9,768	9,469	12,790	1,863	2,231	4,161	3,886	1,573	976	1,802	2,263	800	899	5	3	4,969	5,486	2,885	-	1,593	-	40,633	38,302	
Net cost of providing services	29,206	27,623	22,598	19,182	5,993	6,447	7,261	8,603	12,685	9,839	4,769	4,498	2,844	3,015	884	784	35,681	47,567	(87)	-	15,739	-	137,573	127,558	
Revenues from/(payments to) SA Government																									
Revenues from SA Government	-	-	-	-	-	-	-	-	-	-	-	-	250	250	-	-	132,009	129,255	-	-	-	-	132,259	129,505	
Payments to SA Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,434)	(24,900)	-	-	-	-	(6,434)	(24,900)	
Total: Net revenues from SA Government	-	-	-	-	-	-	-	-	-	-	-	-	250	250	-	-	125,575	104,355	-	-	-	-	125,825	104,605	
Net result	(29,206)	(27,623)	(22,598)	(19,182)	(5,993)	(6,447)	(7,261)	(8,603)	(12,685)	(9,839)	(4,769)	(4,498)	(2,594)	(2,765)	(884)	(784)	89,894	56,788	87	-	(15,739)	-	(11,748)	(22,953)	

Department for Environment and Heritage Disaggregated disclosures - assets and liabilities For the Year Ended 30 June 2009

AASB 1052 Disaggregated Disclosures requires government departments to disclose the assets deployed and liabilities incurred that are reliably attributable to each of their activities. The Department cannot currently reliably attribute assets and liabilities across activities. Hence this additional disclosure has not been made.

DEPARTMENT FOR ENVIRONMENT AND HERITAGE
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FOR THE YEAR ENDED 30 JUNE 2009

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DEPARTMENT FOR ENVIRONMENT AND HERITAGE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

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 statements are general purpose financial statements. 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*.

Except for the amendments to AASB 101 Presentation of Financial Statements (September 2007 version) including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), which the Department has early adopted, 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 2009.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and 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;
- the selection and application of accounting policies 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 these financial statements:
 - (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. The Department has elected to utilise this threshold in relation to transactions applicable to revenue and expense items. The threshold has not been applied to financial assets and financial liabilities, ie all financial assets and financial liabilities relating to SA Government have been separately disclosed;
 - (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 Statement of Comprehensive Income, Statement of Financial Position 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 Statement of Cash Flows has been prepared on a cash basis.

The financial statements have 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 statements for the year ended 30 June 2009 and the comparative information presented.

(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 statements include all the controlled activities of the Department. Transactions and balances relating to administered resources are not recognised as Departmental income, expenses, 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 Statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for Departmental items.

(d) Transferred functions

The *Public Sector Management (Abolition of Administrative Unit and Public Service Restructure) Proclamation 2008* (dated 1 September 2008) declared the transition of:

- payroll services to Shared Services SA from 4 August 2008. This transition was approved by Cabinet on 15 October 2007.
- accounts payable services to Shared Services SA from 20 October 2008. This transition was approved by Cabinet on 20 October 2007.
- financial reporting, general ledger, credit card and systems reporting to Shared Services on 9 June 2009. This transition was approved by Cabinet on 4 June 2009.

For further information on the Shared Services SA transition refer to Note 36.

(e) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 Presentation of Financial Statements and specific revised accounting standards and accounting policy statements.

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required, e.g. in preparing a single Statement of Comprehensive Income.

(f) Rounding

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

(g) 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 Statement of Financial Position.

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

(h) Events after the end of the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

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.

(i) Income

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

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

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.

All contributions received by the Department have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Resources received free of charge

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

Net gain from the 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 is 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 Activity 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 salaries and wages recoveries, sponsorships and donations, recoveries of insurance claims lodged with SAICORP and other sundry income.

(j) Expenses

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

Expenses have been aggregated 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.

Employee benefits

Employee benefits include all costs related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income 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 statements.

Grants and subsidies

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

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy and are paid directly to the Consolidated Account.

(k) 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 twelve months and more than twelve months, the Department has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

(l) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position 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 Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

(m) Receivables

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

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally receivable within 30 days after the issue of an invoice.

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.

(n) 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.

(o) Financial assets

The Department measures financial assets at historical cost.

(p) 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 Statement of Financial Position. 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 \$5,000 or greater are capitalised.

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 Statement of Financial Position as part of the aggregate value of classes of 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 Land Management Act 2009*. This land is considered to be an administered asset. Unallotted Crown land is not included in the Statement of Administered Financial Position 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 Crown Land actually included in the Statement of Administered Financial Position.

(q) Revaluation of Non Current Assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value). Revaluation of a non-current asset, 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 due for revaluation are assessed 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 3 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
1 July 2008, Valcorp Australia Pty Ltd, Mr F. Taormina, BAppSc(Val), AAPI
- Data dictionary: Plant and equipment, and Moveable Vehicles
30 June 2008, Valcorp Australia Pty Ltd, Mr F. Taormina, BAppSc(Val), AAPI
- Independent professional valuation
1 July 2008, Valcorp Australia Pty Ltd, Mr A.J. Lucas, MBA, BAppSc(Val), DipAcc, 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 Statement of Comprehensive Income, in which case the increase is recognised in the Statement of Comprehensive Income.

Any revaluation decrease is recognised in the Statement of Comprehensive Income, 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.

(r) Impairment

All non-current tangible and intangible assets are tested for indications 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.

(s) 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 Statement of Financial Position.

(t) 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:

<u>Class of Asset</u>	<u>Useful Life</u>
Property, plant and equipment:	
Buildings and improvements	1-70 years
Computing equipment	3-5 years
Furniture and fittings	5-20 years
Moveable vehicles	2-40 years
Park infrastructure	3-65 years
Plant and equipment	1-25 years
Roads, tracks and trails	3-60 years
Other	1-65 years
Intangible assets:	
Computer software	3-10 years
Other (War services leases)	45 years

(u) 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 \$5 000.

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

(v) 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.

(w) 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 twelve 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 Statement of Comprehensive Income 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 reporting 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.

(x) 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 2009 (there was no material liability recognised for financial guarantee contracts in 2008).

Whilst no liability has been recognised for financial guarantee contracts, further note disclosures relating to financial guarantees are contained at Note 35 Contingent Liabilities.

(y) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Department has entered into one or more operating leases.

Operating Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income 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.

(z) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include 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 Statement of Financial Position, 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

Details of the accounting policies that the Department has changed during 2008-09 are detailed below. In addition, details of the impact, where significant, on the Department's financial statements from new and amended Australian accounting standards that are applicable for the first time in 2008-09 are also detailed below.

Restructure of administrative arrangements

In accordance with the revised AASB 1004 Contributions, the Department records restructures of administrative arrangements as transactions with owners in their capacity as owners rather than recording these events as a revenue/expense item.

Other

The Department has early adopted the September 2007 version of AASB 101 Presentation of Financial Statements including AASB2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101). This standard requires the preparation of a Statement of Comprehensive Income and certain terminology changes.

AASB 1052 Disaggregated Disclosures requires government departments to disclose the assets deployed and liabilities incurred that are reliably attributable to each of their activities. The Department cannot currently reliably attribute assets and liabilities across activities. Hence this additional disclosure has not been made.

Except for the amendments to AASB 101 Presentation of Financial Statements, which the Department has early-adopted, the 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 period ending 30 June 2009. 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 or the financial statements of the Department.

4 Activities of the Department

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

Activity 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.

Activity 2: Public Land - 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.

Activity 3: Public Land - Fire Management

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

Activity 4: Public Land - Stewardship

Ensuring that public lands and protected areas are managed effectively.

Activity 5: Coast and Marine Conservation

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

Activity 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.

Activity 7: Heritage Conservation

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

Activity 8: Animal Welfare

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

Activity 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.

Activity 10: Adaptive Management of the Lower Lakes and Coorong

Securing the long-term future of the Coorong, Lower Lakes and Murray Mouth as a healthy, productive and resilient wetland system that maintains its international importance.

Activity 11: Knowledge and Information

Building an innovative and sustainable knowledge and information capacity through research, analysis, monitoring and coordination of information, science and technological business activities in collaboration with the Department for Environment and Heritage programs, partner organisations and the community.

The disaggregated disclosures schedule of expenses and income presents information regarding the Department's activities for the years ended 30 June 2009 and 30 June 2008.

DEPARTMENT FOR ENVIRONMENT AND HERITAGE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

5

5 Employee benefits

	2009	2008
	\$'000	\$'000
Salaries and wages	60,007	57,799
Annual leave	5,610	5,162
Long service leave	2,645	2,040
Employment on-costs - superannuation	7,854	7,117
Employment on-costs - other	4,497	4,473
Board and committees fees	47	48
Other employment related expenses	3,171	2,956
Total: Employee benefits	83,831	79,595

Employee remuneration

The table below 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 \$8.647m. (2008: \$7.562m)

The number of employees who received remuneration of \$100,000 or more during the year, falls within the following bands:

	2009	2008
	No. of employees	No. of employees
\$100,000 – 109,999	34	31
\$110,000 – 119,999	11	5
\$120,000 – 129,999	2	3
\$130,000 – 139,999	4	3
\$140,000 – 149,999	4	6
\$150,000 – 159,999	4	2
\$160,000 – 169,999	1	3
\$170,000 – 179,999	3	-
\$180,000 – 189,999	-	3
\$190,000 – 199,999	2	-
\$200,000 – 209,999	-	-
\$210,000 – 219,999	-	1
\$220,000 – 229,999	1	-
\$230,000 – 239,999	1	1
\$310,000 – 319,999	-	1
\$320,000 – 329,999	-	-
\$330,000 – 339,999	1	-
	68	59

6 Supplies and services

	2009	2008
	\$'000	\$'000
Accommodation and property management	9,031	8,911
Consultants	221	195
Contractors	4,862	4,516
Cost of goods sold	788	834
External auditors remuneration	238	214
Fee for service	17,687	10,300
General administration	4,427	3,348
Heritage advisors	541	469
Information technology & communication expenses	6,333	6,214
Minor works, maintenance & equipment	7,533	7,219
Monitoring fees	145	219
Sand replenishment	3,032	1,985
Scientific and technical services	1,904	1,309
Transportation	273	258
Travel and accommodation	1,537	1,600
Vehicle and aircraft	5,059	4,647
Other	1,191	922
Total: Supplies and services	64,802	53,160

Consultants

The number and dollar amount of consultancies paid/payable (included in Consultants expense shown above) fell within the following bands:

	2009	2008	2009	2008
	Number	Number	\$'000	\$'000
Below \$10,000	11	8	37	54
Between \$10,000 and \$50,000	5	8	103	141
Above \$50,000	1	-	81	-
Total paid/payable to consultants engaged	17	16	221	195

External auditor's remuneration

External auditor's remuneration (included in the External's auditors remuneration expense amount shown above) represents amounts paid/payable to the Auditor-General's Department for audit services. No other services were provided by the Auditor-General's Department.

	2009	2008
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	238	214
Total: External auditor's remuneration	238	214

Supplies and services provided by entities within the SA Government

The following supplies and services (included in the supplies and services expense amounts shown above) were provided by entities within the SA Government:

	2009	2008
	\$'000	\$'000
Accommodation and property management	4,869	4,696
External auditors remuneration	238	214
Fee for service	1,044	201
General administration	587	346
Total: Supplies and services provided by entities within the SA Government	6,738	5,457

7 Grants and subsidies

	2009	2008
	\$'000	\$'000
Community organisations and associations	1,438	2,462
Grant refunds: Local government	2	-
Grant refunds - Entities within the SA Government	102	34
Individuals: Heritage, fencing and other agreements	266	285
Local government	670	399
Entities within the SA Government	1,087	533
Universities	603	545
Total: Grants and subsidies	4,168	4,258

Grants and subsidies paid/payable to entities within the SA Government

The following grants and subsidies (included in the grants and subsidies amounts shown above) were provided to entities within the SA Government:

	2009	2008
	\$'000	\$'000
Grant refunds: Entities within the SA Government	102	34
State government	1,087	533
Total: Grants and subsidies paid/payable to entities within the SA Government	1,189	567

8 Depreciation and amortisation

	2009	2008
	\$'000	\$'000
Depreciation		
Buildings and improvements	3,437	4,132
Computing equipment	513	566
Furniture and fittings	404	293
Moveable vehicles	1,022	696
Park infrastructure	6,676	6,315
Roads, tracks and trails	6,787	8,750
Plant and equipment	721	713
Other	18	54
Total: Depreciation	19,578	21,519
Amortisation		
Application software	311	482
Other - War services leases	22	22
Total: Amortisation	333	504
Total: Depreciation and amortisation	19,911	22,023

Error correction - Prior period asset errors

During 2008/09 the Department determined during its normal stocktake process that a number of assets that had previously been recognised as Departmental assets were in fact not owned by the Department. In addition, the Department determined that one building and six airstrips had been incorrectly valued during 2007/08.

In accordance with AASB108, the resulting adjustments have been applied retrospectively. The effect of these adjustments on equity has been disclosed in Note 32.

The effect of the change is a reduction in the 2007-08 depreciation expense as follows:

	2008
	\$'000
Buildings and Improvements	34
Computing Equipment	-
Furniture and Fittings	-
Moveable Vehicles	-
Park Infrastructure	579
Roads, Tracks and Trails	212
Plant and Equipment	-
Other	-
	825

Changes in Useful Lives of Assets

The Department altered the useful lives of various assets in accordance with normal periodic assessment procedures. In accordance with AASB108, the resulting adjustments have been applied prospectively in the current year.

	\$'000
Buildings and Improvements	(86)
Computing Equipment	-
Furniture and Fittings	-
Moveable Vehicles	12
Park Infrastructure	(125)
Roads, Tracks and Trails	(1,383)
Plant and Equipment	(14)
Other	-
	<u>(1,596)</u>

The professional independent valuation of unique items, including buildings and park infrastructure, performed by Valcorp as at 1 July 2008, also identified assets which required estimated useful life revisions. The valuation methodology adopted by Valcorp involved the revision of acquisition dates, total useful lives and remaining useful lives. Given the valuation methodology adopted, it is impractical to quantify the impact of these revisions on depreciation expense in future years. Hence the impact of these changes has not been separately disclosed as a change in accounting estimate. The revised annual depreciation expense associated with these assets is \$841,000.

9 Borrowing costs

	2009	2008
	\$'000	\$'000
Interest on borrowings	-	22
Total: Borrowing costs	<u>-</u>	<u>22</u>

During 2007/08, the Department repaid all borrowings with the Department of Treasury and Finance.

10 Net loss from disposal of non-current assets

	2009	2008
	\$'000	\$'000
Land		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	(32)
Net gain/(loss) from disposal	<u>-</u>	<u>(32)</u>
Buildings		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(411)	(3,532)
Net gain/(loss) from disposal	<u>(411)</u>	<u>(3,532)</u>
Park infrastructure		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(938)	(1,310)
Net gain/(loss) from disposal	<u>(938)</u>	<u>(1,310)</u>
Roads, tracks and trails		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(26)	(148)
Net gain/(loss) from disposal	<u>(26)</u>	<u>(148)</u>
Moveable vehicles		
Proceeds from disposal	27	208
Less: Net book value of assets disposed	(53)	(138)
Net gain/(loss) from disposal	<u>(26)</u>	<u>70</u>
Computing equipment		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(48)	(9)
Net gain/(loss) from disposal	<u>(48)</u>	<u>(9)</u>
Furniture and fittings		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(1,384)	(16)
Net gain/(loss) from disposal	<u>(1,384)</u>	<u>(16)</u>
Plant and equipment		
Proceeds from disposal	2	-
Less: Net book value of assets disposed	(175)	(112)
Net gain/(loss) from disposal	<u>(173)</u>	<u>(112)</u>
Other assets		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	-
Net gain/(loss) from disposal	<u>-</u>	<u>-</u>
Total: Assets		
Proceeds from disposal	29	208
Less: Net book value of assets disposed	(3,035)	(5,297)
Total: Net gain/(loss) from disposal of non-current assets	<u>(3,006)</u>	<u>(5,089)</u>

Changes in Useful Lives of Assets

The Department altered the useful lives of various assets in accordance with normal periodic assessment procedures. In accordance with AASB108, the resulting adjustments have been applied prospectively in the current year.

	\$'000
Buildings and Improvements	(86)
Computing Equipment	-
Furniture and Fittings	-
Moveable Vehicles	12
Park Infrastructure	(125)
Roads, Tracks and Trails	(1,383)
Plant and Equipment	(14)
Other	-
	<u>(1,596)</u>

The professional independent valuation of unique items, including buildings and park infrastructure, performed by Valcorp as at 1 July 2008, also identified assets which required estimated useful life revisions. The valuation methodology adopted by Valcorp involved the revision of acquisition dates, total useful lives and remaining useful lives. Given the valuation methodology adopted, it is impractical to quantify the impact of these revisions on depreciation expense in future years. Hence the impact of these changes has not been separately disclosed as a change in accounting estimate. The revised annual depreciation expense associated with these assets is \$841,000.

9 Borrowing costs

	2009	2008
	\$'000	\$'000
Interest on borrowings	-	22
Total: Borrowing costs	<u>-</u>	<u>22</u>

During 2007/08, the Department repaid all borrowings with the Department of Treasury and Finance.

10 Net loss from disposal of non-current assets

	2009	2008
	\$'000	\$'000
Land		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	(32)
Net gain/(loss) from disposal	<u>-</u>	<u>(32)</u>
Buildings		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(411)	(3,532)
Net gain/(loss) from disposal	<u>(411)</u>	<u>(3,532)</u>
Park infrastructure		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(938)	(1,310)
Net gain/(loss) from disposal	<u>(938)</u>	<u>(1,310)</u>
Roads, tracks and trails		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(26)	(148)
Net gain/(loss) from disposal	<u>(26)</u>	<u>(148)</u>
Moveable vehicles		
Proceeds from disposal	27	208
Less: Net book value of assets disposed	(53)	(138)
Net gain/(loss) from disposal	<u>(26)</u>	<u>70</u>
Computing equipment		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(48)	(9)
Net gain/(loss) from disposal	<u>(48)</u>	<u>(9)</u>
Furniture and fittings		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(1,384)	(16)
Net gain/(loss) from disposal	<u>(1,384)</u>	<u>(16)</u>
Plant and equipment		
Proceeds from disposal	2	-
Less: Net book value of assets disposed	(175)	(112)
Net gain/(loss) from disposal	<u>(173)</u>	<u>(112)</u>
Other assets		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	-
Net gain/(loss) from disposal	<u>-</u>	<u>-</u>
Total: Assets		
Proceeds from disposal	29	208
Less: Net book value of assets disposed	(3,035)	(5,297)
Total: Net gain/(loss) from disposal of non-current assets	<u>(3,006)</u>	<u>(5,089)</u>

Assets transferred free of charge

The figures above include the following assets transferred free of charge to other entities:

(2008 relates primarily to assets associated with the Amazon Waterlily Pavilion transferred to the Board of the Botanic Gardens and State Herbarium).

	2009 \$'000	2008 \$'000
Buildings and improvements	-	3,500
Park infrastructure	452	731
Roads, tracks and trails	-	33
Furniture and fittings	1,364	-
Plant and equipment	106	15
Total: Assets transferred free of charge	1,922	4,279

11 Other expenses

	2009 \$'000	2008 \$'000
Bad and doubtful debts	56	4
Capital project costs not capitalised	1,771	1,725
Other	21	36
Total: Other expenses	1,848	1,765

Other expenses paid/payable to entities within the SA Government

The following other expenses (included in the other expenses amounts shown above) were paid/payable to entities within the SA Government:

	2009 \$'000	2008 \$'000
Capital project costs not capitalised	1,771	1,725
Total: Other expenses paid/payable to entities within the SA Government	1,771	1,725

12 Fees and charges

	2009 \$'000	2008 \$'000
Admissions and guided tours	5,472	4,757
Fees, levies and licences	703	747
Property rental and related income	3,502	3,421
Other property related income	323	407
Sale of goods	1,928	1,885
Sale of professional services	1,666	1,752
Sale of support services	6,913	2,082
Sale of spatial information	898	1,750
Sale of freehold titles	87	229
Total: Fees and charges	21,492	17,030

The above figures incorporate \$3m in revenue invoiced to DWLBC for provision of Support Services in relation to a feasibility study for the long term management of the Coorong, Lower Lakes and Murray Mouth.

Fees and charges received/receivable from entities within the SA Government

The following fees and charges (included in the fees and charges revenues shown above) were received/receivable from entities within the SA Government:

	2009 \$'000	2008 \$'000
Sale of support services	1,948	550
Sale of spatial information	200	439
Total: Fees and charges received/receivable from entities within the SA Government	2,148	989

13 Grants and contributions

	2009 \$'000	2008 \$'000
Commonwealth government	1,727	1,617
Grants received from administered entities	1,468	2,227
Grants received from other entities within the SA Government	13,827	10,988
Private industry and local government	595	518
Total: Grants and contributions	17,617	15,350

Grants and contributions received/receivable from entities within the SA Government

The following grants and contributions (included in the grants and contributions revenues shown above) were received/receivable from entities within the SA Government:

	2009 \$'000	2008 \$'000
Administered entities	1,468	2,227
Other entities within the SA Government	13,827	10,988
Total: Grants and contributions received/receivable from entities within the SA Government	15,295	13,215

Contributions with conditions of expenditure

Contributions which have conditions of expenditure still to be met as at reporting date total \$4.244m (2008: \$2.990m)

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 these contributions relate to:

	2009 \$'000	2008 \$'000
Resource conservation and management	4,244	2,990
	4,244	2,990

Conditions attached to these contributions include the completion of program milestones, project acquittal and other project specific requirements.

14 Interest revenue

Interest on deposit accounts - from entities within the SA Government
Interest on deposit accounts - from entities external to the SA Government
Total: Interest revenue

2009	2008
\$'000	\$'000
117	168
16	20
133	188

15 Resources received free of charge

Land and improvements
Total: Resources received free of charge

2009	2008
\$'000	\$'000
-	32
-	32

16 Net gain from disposal of financial assets

Proceeds from disposal
Less: Net book value of assets disposed
Total: Net gain from disposal of financial assets

2009	2008
\$'000	\$'000
5	-
(5)	-
-	-

17 Net (loss)/gain from disposal of land held for sale

Proceeds from disposal
Less: Net book value of assets disposed
Total: Net (loss)/gain from disposal of land held for sale

2009	2008
\$'000	\$'000
110	53
(950)	(1)
(840)	52

The above figures result from the sale of 12 parcels of land to external vendors with the remaining land transferred to Crown Lands. The net book value of assets transferred to Crown Lands was \$937,000 and the proceeds from disposal were nil.

18 Other income

Insurance recoveries
Salaries and wages recoveries
Sponsorships, donations, commissions and bequests
Other sundry revenue
Total: Other income

2009	2008
\$'000	\$'000
430	5,020
865	383
30	32
266	267
1,591	5,702

Insurance recoveries consist of monies received as a result of claims lodged with SAICORP. Several significant claims were lodged and subsequently settled during 2007/08. Insurance claims are recognised as income when a claim has been lodged with SAICORP.

Other income received/receivable from entities within the SA Government

The following other income (included in the other income revenues shown above) was received/receivable from entities within the SA Government:

	2009	2008
	\$'000	\$'000
Insurance recoveries	430	5,020
Salaries and wages recoveries	163	-
Total: Other income received/receivable from entities within the SA Government	593	5,020

19 Revenues from/(payments to) SA Government:**Revenues from SA Government:**

Consolidated appropriation
Contingency funds

Total: Revenues from SA Government:

2009	2008
\$'000	\$'000
132,009	129,445
250	60
132,259	129,505

Payments to SA Government:

Return to consolidated account
Return of surplus cash

Total: Payments to SA Government:

2009	2008
\$'000	\$'000
(84)	(18,800)
(6,350)	(6,100)
(6,434)	(24,900)

Total revenues from government consist of \$114.364m for operational funding and \$17.895m for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

20 Cash and cash equivalents

Deposits with the Treasurer
Cash on hand and imprest accounts
Total: Cash and cash equivalents

2009	2008
\$'000	\$'000
103,266	100,378
142	187
103,408	100,565

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 and can only be used in accordance with the Treasurer's or 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 Department of Treasury and Finance's 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 5.00% (2008: 6.59%). Deposits with the Treasurer of the remaining accounts earn no interest.

21 Receivables Current

	2009	2008
	\$'000	\$'000
Receivables	7,152	3,671
Less: Allowance for doubtful debts	(119)	(75)
	7,033	3,596
Accrued revenues	7	221
GST input tax recoverable	2,443	2,266
Workers compensation recoveries	12	11
Total: Receivables Current	9,495	6,094

Receivables from entities within the SA Government

The following receivables (included in the receivables shown above) were receivable from entities within the SA Government:

	2009	2008
	\$'000	\$'000
Receivables	4,064	3,304
Accrued revenues	7	172
Total: Receivables from entities within the SA Government	4,071	3,476

Receivables Non-Current

	2009	2008
	\$'000	\$'000
Workers compensation recoveries	44	36
Total: Receivables Non-Current	44	36

Movements in the allowance for doubtful debts (impairment loss):

	2009	2008
	\$'000	\$'000
Carrying amount at the beginning of the period	75	119
Increase in the allowance	57	3
Amounts written off	(13)	(47)
Carrying amount at the end of the period	119	75

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 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.

22 Inventories

	2009	2008
	\$'000	\$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	411	420
Other inventories - at cost	20	120
Total: Inventories held for distribution at no or nominal amount	431	540
Inventories held for resale - at cost		
Finished goods held for resale - at cost	710	836
Total: Inventories held for resale - at cost	710	836
Total: Inventories	1,141	1,376

23 Other current assets

	2009	2008
	\$'000	\$'000
Prepayments	434	412
Other	2	9
Total: Other assets current	436	421

24 Non-current assets held for sale

	2009	2008
	\$'000	\$'000
Land held for sale	-	950
	-	950

In 2007/08, the Department held 104 parcels of land that had been identified as surplus to requirements and therefore available for sale. A comprehensive review was completed in 2008/09, in order to identify the appropriate action for these parcels of land. This review resulted in the sale of 12 parcels of land, the proceeds of which are reflected in Note 17. There is no longer any intention to sell the remaining parcels of land, which were recorded as Crown Lands prior to being classified as held for sale. Hence the remaining parcels have been transferred back to Crown Lands. South Australian Crown Lands are administered by the Department and are reflected in the Statement of Administered Financial Position.

25 Financial assets non current

	2009	2008
	\$'000	\$'000
Equity in listed entities	3	7
Equity in unlisted entities	-	1
Total: Other financial assets non-current	3	8

26 Property, plant and equipment

	2009 \$'000	2008 \$'000
Land		
Independent valuation ⁽ⁱⁱⁱ⁾	170,966	158,827
At cost ⁽ⁱ⁾	4,084	651
Total: Land	175,050	159,478
Buildings and improvements		
Independent valuation ⁽ⁱⁱⁱ⁾	131,726	120,700
At cost ⁽ⁱ⁾	2,135	2,207
Less: Accumulated depreciation	(82,625)	(69,504)
Total: Buildings and improvements	51,236	53,403
Park infrastructure		
Independent valuation ⁽ⁱⁱⁱ⁾	165,113	130,866
At cost ⁽ⁱ⁾	5,837	4,795
Less: Accumulated depreciation	(133,919)	(96,983)
Total: Park infrastructure	37,031	38,678
Roads, tracks and trails		
Independent valuation ⁽ⁱⁱⁱ⁾	182,613	140,132
At cost ⁽ⁱ⁾	2,483	1,907
Less: Accumulated depreciation	(161,368)	(120,835)
Total: Roads, tracks and trails	23,728	21,204
Capital works in progress		
Capital works in progress ⁽ⁱ⁾	10,186	8,111
Total: Capital works in progress	10,186	8,111
Moveable vehicles		
Independent valuation ⁽ⁱⁱⁱ⁾	8,218	6,359
At cost (deemed fair value) ⁽ⁱ⁾	1,952	2,489
Less: Accumulated depreciation	(6,431)	(4,857)
Total: Moveable vehicles	3,739	3,991
Computing equipment		
At cost (deemed fair value) ⁽ⁱ⁾	4,347	4,572
Less: Accumulated depreciation	(3,455)	(3,846)
Total: Computing equipment	892	726
Furniture and fittings		
Independent valuation ⁽ⁱⁱⁱ⁾	71	71
At cost (deemed fair value) ⁽ⁱ⁾	5,752	5,353
Less: Accumulated depreciation	(2,673)	(2,303)
Total: Furniture and fittings	3,150	3,121
Plant and equipment		
Independent valuation ⁽ⁱⁱⁱ⁾	2,650	2,018
At cost (deemed fair value) ⁽ⁱ⁾	3,976	3,530
Less: Accumulated depreciation	(4,061)	(3,496)
Total: Plant and equipment	2,565	2,052
Other:		
Independent valuation ⁽ⁱⁱⁱ⁾	1,578	1,359
At cost (deemed fair value) ⁽ⁱ⁾	187	3,323
Less: Accumulated depreciation	(201)	(227)
Total: Other	1,564	4,455
Total: Property, plant and equipment	309,141	295,219

Carrying amounts of property, plant and equipment

Classes of property, plant and equipment are valued as follows:

i At cost (deemed fair value):

All assets in this class have an acquisition cost below \$1m and are deemed held at fair value pursuant to Accounting Policy Framework III.

ii At cost (acquisition cost):

This class includes one or more items that have an acquisition cost exceeding \$1m. All assets within this class are temporarily held at cost pending revaluation that occurs no later than three years from acquisition date.

iii Independent valuation:

Generic assets are valued using the Data Dictionary model. Unique assets are items which can not be categorised within the standard Data Dictionary groups. These assets are valued separately by independent professional valuers. Refer to Note 2(q) for further details.

Movement reconciliation of property, plant and equipment:

	Land	Buildings	Park infra- structure	Roads, tracks & trails	Moveable vehicles	Computing equipment	Furniture & fittings	Plant & equipment	Other	Capital work in progress	2009 Sub-total	2008 Sub-total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2009												
Carrying amount at the start of period	159,478	53,403	38,678	21,204	3,991	726	3,121	2,052	4,455	8,111	295,219	
Transfers between classes	2,325	(64)	(198)	(47)	12	-	-	790	(2,869)	51	-	
Additions	1,460	-	13	-	560	727	-	605	-	11,771	15,136	
Transfers to/(from) capital work in progress	-	382	3,136	1,242	-	-	1,816	85	-	(6,661)	-	
Transfers to intangible assets	-	-	-	-	-	-	-	-	-	(1,315)	(1,315)	
Depreciation expense	-	(3,437)	(6,676)	(6,787)	(1,022)	(513)	(404)	(721)	(18)	-	(19,578)	
Net revaluation increment/(decrement)	11,614	(165)	1,511	3,083	82	-	-	-	(4)	-	16,121	
Asset - First time recognition	173	1,179	1,371	4,476	169	-	-	6	-	-	7,374	
Disposals	-	(411)	(938)	(26)	(53)	(48)	(1,384)	(175)	-	-	(3,035)	
Aramis revisions upwards/(downwards)	-	349	134	583	-	-	1	(56)	-	-	1,011	
Capital WIP - expensed in current period	-	-	-	-	-	-	-	-	-	(1,771)	(1,771)	
Net revaluation decrement expensed	-	-	-	-	-	-	-	(21)	-	-	(21)	
Carrying amount at the end of period	175,050	51,236	37,031	23,728	3,739	892	3,150	2,565	1,564	10,186	309,141	
2008												
Carrying amount at the start of period	158,352	50,189	43,866	28,349	3,166	973	2,207	1,975	2,361	9,931		301,369
Transfers between classes	-	-	(46)	-	-	-	-	46	-	-	-	-
Additions	328	-	6	-	300	328	-	522	2,013	10,790	14,287	
Transfers to/(from) Capital WIP	-	4,421	3,467	916	800	-	1,223	58	-	(10,885)	-	-
Depreciation expense	-	(4,132)	(6,315)	(8,750)	(696)	(566)	(293)	(713)	(54)	-	(21,519)	
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 period	159,478	53,403	38,678	21,204	3,991	726	3,121	2,052	4,455	8,111		295,219

27 Intangible assets

	2009 \$'000	2008 \$'000
Computer software		
Internally developed computer software - at cost (deemed fair value)	7,725	6,410
Less: Accumulated amortisation	(5,903)	(5,592)
Total: Computer software	1,822	818
Other		
Revenue stream (War services freehold leases) - At cost (deemed fair value)	1,000	1,000
Less: Accumulated amortisation	(75)	(53)
Total: Other	925	947
Total: Intangible assets	2,747	1,765

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.

Intangible asset movement reconciliation schedule:

	Computer software \$'000	Revenue stream \$'000	2009 Sub-total \$'000	2008 Sub-total \$'000
2009				
Carrying amount at the start of the period	818	947	1,765	
Additions - transfers from capital work in progress	1,315	-	1,315	
Depreciation expense	(311)	(22)	(333)	
Carrying amount at the end of the period	1,822	925	2,747	
2008				
Carrying amount at the start of the period	1,300	969		2,269
Depreciation expense	(482)	(22)		(504)
Carrying amount at the end of the period	818	947		1,765

28 Current payables

	2009	2008
	\$'000	\$'000
Accruals	645	1,048
Creditors	17,758	12,524
Employee benefit on-costs	1,878	1,405
Total: Current payables	20,281	14,977

Current payables to entities within the SA Government

The following payables (included in the payables shown above) were payable to entities within the SA Government:

	2009	2008
	\$'000	\$'000
Accruals	260	300
Creditors	3,606	2,002
Employee benefit on-costs	1,878	1,405
Total: Current payables to entities within the SA Government	5,744	3,707

Non-current payables

	2009	2008
	\$'000	\$'000
Employee benefit on-costs	1,792	1,452
Total: Payables Non-Current	1,792	1,452

Non-current payables to entities within the SA Government

The following payables (included in the payables shown above) were payable to entities within the SA Government:

	2009	2008
	\$'000	\$'000
Employee benefit on-costs	1,792	1,452
Total: Non-current payables to entities within the SA Government	1,792	1,452

Employment on-costs

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has changed to 45% (2008: 35%). The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$0.256m and employee benefit expense of \$0.256m.

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.

29 Employee benefits current

	2009	2008
	\$'000	\$'000
Accrued Salaries and Wages	2,082	1,514
Annual Leave	5,319	4,981
Long Service Leave	1,608	1,106
Total: Employee benefits current	9,009	7,601

Employee benefits non current

	2009	2008
	\$'000	\$'000
Long Service Leave	15,037	14,421
Total: Employee benefits non current	15,037	14,421

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 (2008: 6.5 years). In addition, the actuarial assessment performed by the Department of Treasury and Finance also revised the salary inflation rate down from 4.5% in 2008 to 4.0% in 2009. The net effect of the change in the current financial year is a decrease in the annual leave liability of \$0.027m and employee benefits expense of \$0.033m.

30 Provisions current

	2009	2008
	\$'000	\$'000
Provision for Workers Compensation	345	421
Total: Provisions Current	345	421

Provisions non current

	2009	2008
	\$'000	\$'000
Provision for Workers Compensation	1,017	1,088
Total: Provisions Non-Current	1,017	1,088

Provision movement:

Carrying amount at the beginning of the period	1,509	1,304
Unwinding of discount and effect of change in the discount rate	(147)	205
Carrying amount at the end of the period	1,362	1,509

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.

31 Current other liabilities

	2009	2008
	\$'000	\$'000
Lease incentive	328	328
Unearned revenue	139	117
Other	170	134
Total: Current other liabilities	637	579

Current other liabilities payable to entities within the SA Government

The following current other liabilities (included in current other liabilities shown above) were payable to entities within the SA Government:

	2009	2008
	\$'000	\$'000
Unearned revenue	-	83
Total: Current other liabilities payable to entities within the SA Government	-	83

Non-current other liabilities

	2009	2008
	\$'000	\$'000
Lease incentive	1,568	1,896
Unearned revenue	65	93
Total: Non-current other liabilities	1,633	1,989

Non-current other liabilities payable to entities within the SA Government

The following non-current other liabilities (included in non-current other liabilities shown above) were payable to entities within the SA Government:

	2009	2008
	\$'000	\$'000
Unearned revenue	65	93
Total: Non-current other liabilities payable to entities within the SA Government	65	93

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 2008	169,730	194,176	363,906
Asset adjustments - First-time recognition of assets: ⁽ⁱ⁾			
Land	-	173	173
Buildings and improvements	-	1,179	1,179
Park infrastructure	-	1,371	1,371
Roads, tracks and trails	-	4,476	4,476
Moveable Vehicles	-	169	169
Plant and equipment	-	6	6
Sub-total: First time recognition of assets errors	-	7,374	7,374
Asset adjustments - ARAMIS revisions ⁽ⁱⁱ⁾	-	1,011	1,011
Net result for the financial year	-	(11,748)	(11,748)
Net increment/(decrement) related to revaluations: ⁽ⁱⁱⁱ⁾			
Land	11,614	-	11,614
Buildings and Improvements	(165)	-	(165)
Park Infrastructure	1,511	-	1,511
Roads, Tracks and Trails	3,083	-	3,083
Moveable Vehicles	82	-	82
Other	(4)	-	(4)
Sub-total: Net increment/(decrement) related to revaluations	16,121	-	16,121
Balance at 30 June 2009	185,851	190,813	376,664

⁽ⁱ⁾ First-time recognition of assets

Physical inspections of fixed assets during the year identified a number of pre-existing assets that were not recognised, in error, in prior reporting periods. These assets have been recognised for the first time in the current year.

⁽ⁱⁱ⁾ ARAMIS revisions

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

⁽ⁱⁱⁱ⁾ Revaluation of assets - professional valuation process undertaken

During the year the Department revalued items of property, plant and equipment due for revaluation in accordance with its three year revaluation cycle. In addition, management applied its discretion in revaluing certain items early to provide more accurate information. 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.

	Asset Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2007	165,661	218,732	384,393
Adjustments - Error corrections (previously recognised)			
Asset adjustments - ARAMIS revisions: ⁽ⁱ⁾			
Buildings	-	129	129
Infrastructure	-	223	223
Roads	-	94	94
Sub-total: Depreciation errors	-	446	446
Asset adjustments - First-time recognition of assets errors: ⁽ⁱⁱ⁾			
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
Sub-total: Error corrections (previously recognised)	-	3,305	3,305
Adjusted balance 1 July 2007	165,661	222,037	387,698
Adjustments - Error corrections (this reporting period)			
Asset adjustments - Prior period asset errors:			
Buildings and improvements ⁽ⁱⁱⁱ⁾	(752)	-	(752)
Buildings and improvements ^(iv)	-	(214)	(214)
Park infrastructure ^(v)	-	(2,830)	(2,830)
Park infrastructure ^(iv)	-	(173)	(173)
Roads, tracks and trails ^(iv)	-	(1,462)	(1,462)
Sub-total: Asset adjustments - Prior period asset errors	(752)	(4,679)	(5,431)
Other error corrections: ^(vi)			
SAICORP receivable raised in error	-	(229)	(229)
Sub-total: Other error corrections	-	(229)	(229)
Sub-total: Error corrections (this reporting period)	(752)	(4,908)	(5,660)
Restated balance 1 July 2007	164,909	217,129	382,038
Net result for the financial year:			
Deficit per prior year financial statements	-	(23,760)	(23,760)
Wildlife Conservation Fund inventory adjustment ^(vii)	-	(18)	(18)
Depreciation reduction - prior period asset corrections ^{(iii) (iv) (v)}	-	825	825
Sub-total: Net result for the year per financial statements	-	(22,953)	(22,953)
Net increment/(decrement) related to revaluations:			
Land	596	-	596
Buildings and improvements	6,047	-	6,047
Park infrastructure	(2,051)	-	(2,051)
Roads, tracks and trails	(194)	-	(194)
Moveable Vehicles	381	-	381
Plant and equipment	(93)	-	(93)
Other	135	-	135
Sub-total: Net increment/(decrement) related to revaluations	4,821	-	4,821
Balance at 30 June 2008	169,730	194,176	363,906

(i) ARAMIS revisions

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

(ii) First-time recognition of assets

Physical inspections of fixed assets during the year identified a number of pre-existing assets that were not recognised, in error, in prior reporting periods. These assets have been recognised for the first time in the current year.

(iii) Asset adjustments - prior period asset error - Cleland Administration Building

During the financial year the Department determined that a building had been incorrectly double counted. This resulted in an over-valuation of buildings of \$0.752m.

(iv) Asset adjustments - prior period asset errors

During the year the Department determined that certain assets did not belong to the Department. This resulted in an over-valuation of \$1.849m in the classes of Buildings and Improvements, Park Infrastructure, and Roads, Tracks and Trails.

(v) Asset adjustments - prior period asset error - Airstrips

During the year the Department determined that airstrips had been incorrectly valued using a square metre approach rather than a linear metre approach. This resulted in an over-valuation of Park Infrastructure of \$2.830m.

(vi) SAICORP receivable

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

(vii) Inventory adjustment

During the financial year, the Department determined that a small amount of Inventory held within the Wildlife Conservation Fund had been incorrectly valued. This resulted in an over-valuation of \$0.018m.

33 Cash flow reconciliation

	2009 \$'000	2008 \$'000
Reconciliation of cash and cash equivalents		
Cash at year end as per:		
Cash and cash equivalents disclosed in the Statement of Financial Position	103,408	100,565
Cash and cash equivalents disclosed in the Statement of Cash Flows	103,408	100,565
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	17,893	5,389
Add/(less):		
Cash flows from government	(132,259)	(129,505)
Cash flows to government	6,434	24,900
Add/(less) non-cash items:		
Depreciation and amortisation	(19,911)	(22,023)
Assets received free of charge	-	32
Assets written-off	(1,792)	(1,779)
Net loss from disposal of non-current assets	(3,006)	(5,089)
Net (loss)/gain from disposal of non-current assets held for sale	(840)	52
Movement in assets and liabilities		
Increase/(decrease) in receivables	3,409	(92)
Increase/(decrease) in inventories	(235)	(16)
Increase/(decrease) in other assets	15	(216)
(Increase)/decrease in payables	(5,702)	1,985
(Increase)/decrease in employee benefits	(2,024)	(1,335)
(Increase)/decrease in provisions	147	(205)
(Increase)/decrease in other liabilities	298	344
Net cost of providing services	(137,573)	(127,558)

34 Expenditure commitments

	2009 \$'000	2008 \$'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	4,466	3,799
Later than one year but not later than five years	14,769	11,902
Later than five years	2,350	3,499
Total: Operating lease commitments	<u>21,585</u>	<u>19,200</u>

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 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	585	436
Total: Capital commitments	<u>585</u>	<u>436</u>

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	3,183	3,088
Later than one year but not later than five years	7,383	10,008
Total: Remuneration commitments	<u>10,566</u>	<u>13,096</u>

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

35 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 2009 is \$nil (2008: \$325,000) as the loan has been fully extinguished during the year.

36 Transferred functions

In September 2006, the South Australian Government announced a shared services initiative to streamline and simplify internal corporate and business support services to deliver savings. In late 2007, State Cabinet approved the shared services model developed by the Shared Services Reform Office for the creation of Shared Services SA in the Department of Treasury and Finance.

The business services of South Australian Government Agencies are transferring to Shared Services SA in a series of transition programs known as Tranches. In most cases, these services transition in the current state with the current employees, who have been providing these services within the Agencies. Cabinet approved Tranche 1 services on 15 October 2007, which comprised Accounts Payable, Accounts Receivable and Payroll Services.

The next Tranche of services to transition was approved by Cabinet on 8 December 2008 and comprised of certain financial services, ICT services and Support, Contract Services and Purchase card administration.

As part of this reform, the Department's payroll function transitioned to Shared Services SA on 4 August 2008.

Accounts Payable services transitioned to Shared Services SA on 20 October 2008.

General Accounting, External Reporting, Cash Management, Fixed Assets, Financial Systems Support, Tax Compliance and Purchase Card services transitioned to Shared Services SA on 9 June 2009.

20 employees from the Department's Business Services Directorate, budget funding of \$0.101m and the following assets and liabilities were transferred to Shared Services SA.

	Tranche 1		Tranche 2	
	Group 1	Group 2	Group 1	
	Aug 2008	Oct 2008	Jun 2009	
	\$'000	\$'000	\$'000	
Cash	110	57	235	
Total Assets	110	57	235	
Employee benefits	(110)	(57)	(235)	
Total Liabilities	(110)	(57)	(235)	
Total net assets transferred	-	-	-	

Net assets transferred by the Department as a result of the administrative restructure were at the carrying amount. The net assets transferred were treated as a distribution to the Government as owner.

37 Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during the 2008/09 financial year were:

South Australian National Parks & Wildlife Council

James J A
Lewis M M
Ogle G R
Nicholls M F
Russell V J
Jackson R
Flemming A I (Appointed 09/04/09) *
Yates K *

South Australian Heritage Council

Brine J M C
Garnaut C M
Donaldson R T
O'Connell M B
Owens L W
Marsland M P (Resigned 23/11/08)
Staniforth M
Wigg C A

South Australian Heritage Council Register Committee

Bell P G
Burke H D (Appointed 03/04/09)
Brine J M (Appointed 03/04/09)
Donovan P F (Resigned 20/05/09)
Klenke A T (Appointed 03/04/09)
Leydon G J
Marsden S E
McDougall K
Queale M W
Wigg C A
Taylor R J (Resigned 28/02/09)
Savva M (Appointed 03/04/09) *

Witjira National Park Board of Management

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

Adelaide Dolphin Sanctuary Advisory Board

Andrews D (Appointed 29/01/09)
Bossley M
Daly J D (Resigned 24/11/08)
Crocker L (Resigned 24/11/08)
Cugley J A (Appointed 01/07/08)
Ditter S (Appointed 29/01/09)
Gibbs S
Harbison I (Resigned 28/11/08)
Higgins-Desbiolles B (Appointed 29/01/09)
Holt P
Kavina C
Wilson D (Resigned 24/11/08)
Watts T

Kangaroo Management Reference Group (KMRG)

Ackland T M
Barrington D P
Johnson D (Deputy)
McBride M (Deputy)
Pfitzner D B
Cooley G *
Lindner D
Johns GR *
Mould J *
Vickery F *

Ngaut Ngaut Conservation Park Co-management Committee

Campbell I M
Campbell I L
Hutchinson C

Coorong & Lower Lakes RAMSAR Taskforce

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

**Vulkathunha-Gammon Ranges National Park
Cooperative Management Committee**
Coulthard C
Coulthard J
Coulthard P (nee McKenzie P)
Coulthard R
Anderson M (Deputy)
Tree S (Deputy)

Animal Welfare Advisory Committee
Allery L
Hazel SJ *
Kidman S
Peters M D
Robb G
Noonan D E *
Starick W J

ALB Steering Group
Foreman G
Roberts I
Iasiello W

Wilderness Advisory Committee
Barker S
Bills C
Lesslie R
Whalen M

Wildlife Ethics Committee
McGrath K R
Peters M D
Pullen F M
Taylor L U
Boardman W *
Johnson L *
Manning B (Appointed 30/10/08) *
Schultz D (Appointed 30/10/08) *
West C *

Marine Parks Council of SA
Agius P (Resigned 22/01/09)
Coleman P S
Grady M
Lindsay H
Owen P
Pyke C
Stehr H
Watts T
Cheshire A *

* Denotes nil remuneration

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

	2009	2008
	No. of employees	No. of employees
\$nil	16	9
\$1 - \$9,999	86	74
	102	83

Board members are not solely members of one Department for 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 \$52,000 (2008: \$61,000).

During the 2008/09 financial year, members of the Board were paid superannuation of \$1,000 (2008: \$1,000).

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.

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members.

38 Events subsequent to reporting date

There are no known events after balance date that affect these financial statements 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".

Statement of Financial Position line item	Note number	2009		2008	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	20	103,408	103,408	100,565	100,565
Receivables	21	9,539	9,539	6,130	6,130
Financial assets	25	3	3	8	8
Financial liabilities					
Payables	28	22,073	22,073	16,429	16,429

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 21 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)	Overdue for < 30 days	Overdue for 30–60 days	Overdue for > 60 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2009					
Not impaired					
Receivables	5,870	3,381	158	11	9,420
Financial assets	3	-	-	-	3
Impaired					
Receivables	-	-	-	119	119
2008					
Not impaired					
Receivables	5,606	236	125	88	6,055
Financial assets	8	-	-	-	8
Impaired					
Receivables	-	-	-	75	75

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		
	< 1 year	1-5 years	Carrying amount
	\$'000	\$'000	\$'000
2009			
Financial assets			
Cash and cash equivalents	103,408	-	103,408
Receivables	9,495	44	9,539
Financial assets	-	3	3
<i>Total financial assets</i>	112,903	47	112,950
Financial liabilities			
Payables	20,281	1,792	22,073
<i>Total financial liabilities</i>	20,281	1,792	22,073
2008			
Financial assets			
Cash and cash equivalents	100,565	-	100,565
Receivables	6,094	36	6,130
Financial assets	-	8	8
<i>Total financial assets</i>	106,659	44	106,703
Financial liabilities			
Payables	14,977	1,452	16,429
Borrowings	-	-	-
Other financial liabilities	-	-	-
<i>Total financial liabilities</i>	14,977	1,452	16,429

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 South Australian Heritage Fund

The South Australian Heritage Fund (formerly the "State Heritage 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.

Statement of Comprehensive Income for the Year Ended 30 June 2009

	2009 \$'000	2008 \$'000
Expenses		
Grants and subsidies	141	214
	<u>141</u>	<u>214</u>
Income		
Other income	-	23
	<u>-</u>	<u>23</u>
Net cost of providing services	<u>141</u>	<u>191</u>
Revenues from SA Government	250	250
Net result	<u>109</u>	<u>59</u>

Statement of Financial Position as at 30 June 2009

	2009 \$'000	2008 \$'000
Current assets		
Cash	356	218
Receivables	-	35
	<u>356</u>	<u>253</u>
Total assets	<u>356</u>	<u>253</u>
Current liabilities		
Payables	29	35
	<u>29</u>	<u>35</u>
Total liabilities	<u>29</u>	<u>35</u>
Net assets	<u>327</u>	<u>218</u>
Equity		
Retained earnings	327	218
Total: Equity	<u>327</u>	<u>218</u>

Statement of Changes in Equity for the Year Ended 30 June 2009

	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2007	159	159
Net result for 2007/2008	59	59
Balance at 30 June 2008	218	218
Net result for 2008/2009	109	109
Balance at 30 June 2009	<u>327</u>	<u>327</u>

Statement of Cash Flows for the Year Ended 30 June 2009

	2009 \$'000	2008 \$'000
Cash flows from operating activities		
Cash outflows		
Grants and contributions	(112)	(195)
Total: Cash used in operations	<u>(112)</u>	<u>(195)</u>
Cash inflows		
Other revenues	-	23
Total: Cash generated from operations	<u>-</u>	<u>23</u>
Cash generated from SA Government	250	250
Net cash provided by operating activities	<u>138</u>	<u>78</u>
Cash at the beginning of the financial year	218	140
Cash at the end of the financial year	<u>356</u>	<u>218</u>

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF ADMINISTERED COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$'000	\$'000
Expenses:		
Employee benefits	319	317
Supplies and services	1,089	1,634
Grants and subsidies	5,874	25,620
Depreciation and amortisation	2,268	2,782
Other expenses	127	5
Total: Expenses	9,677	30,358
Income:		
Fees and charges	955	923
Grants and contributions	138	97
Interest revenue	113	175
Resources received free of charge	2,862	4,279
Net gain from disposal of non-current assets	8,372	9,726
Other income	1,393	1,422
Total: Income	13,833	16,622
Net surplus/(cost) of providing services	4,156	(13,736)
Revenues from/(payments to) SA Government		
Revenues from SA Government	4,646	23,517
Payments to SA Government	(10,984)	(12,964)
Total: Revenues from/(payments to) SA Government	(6,338)	10,553
Net result	(2,182)	(3,183)
Other comprehensive income		
Changes in property, plant and equipment asset revaluation reserve	3,962	5,724
Total: Other comprehensive income	3,962	5,724
Total comprehensive result	1,780	2,541

The net result and comprehensive result 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
STATEMENT OF ADMINISTERED FINANCIAL POSITION
AS AT 30 JUNE 2009**

	2009 \$'000	2008 \$'000
Current assets		
Cash and cash equivalents	4,963	7,854
Receivables	510	347
Inventories	154	149
Total current assets	5,627	8,350
Non-current assets		
Receivables	32	106
Property, plant and equipment	80,804	77,203
Total non-current assets	80,836	77,309
Total assets	86,463	85,659
Current liabilities		
Payables	102	277
Other current liabilities	796	1,385
Total current liabilities	898	1,662
Non-current liabilities		
Payables	70	105
Total non-current liabilities	70	105
Total liabilities	968	1,767
Net assets	85,495	83,892
Equity		
Asset revaluation reserve	46,905	42,943
Retained earnings	38,590	40,949
Total equity	85,495	83,892

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

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF ADMINISTERED CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Asset Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2007	37,219	44,116	81,335
Asset adjustments previously recognised:			
First-time recognition of assets	-	12	12
Error corrections this reporting period:			
Asset adjustments this reporting period	-	(2)	(2)
Other	-	6	6
	-	-	
Restated balance at 1 July 2007	37,219	44,132	81,351
Net result for 2007/08	-	(3,183)	(3,183)
Net increment related to revaluations	5,724	-	5,724
Total comprehensive result for 2007/08	5,724	(3,183)	2,541
Balance at 30 June 2008	42,943	40,949	83,892
Net result for 2007/08	-	(2,182)	(2,182)
Net Increment related to revaluations	3,962	-	3,962
Total comprehensive result for 2008/09	3,962	(2,182)	1,780
Asset adjustments - First-time recognition of assets	-	10	10
Asset adjustments - Aramis revisions	-	(187)	(187)
Total asset adjustments for 2008/09	-	(177)	(177)
Balance at 30 June 2009	46,905	38,590	85,495

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

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF ADMINISTERED CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009 \$'000	2008 \$'000
Cash flows from operating activities		
Cash outflows		
Employee benefits payments	(321)	(332)
Supplies and services	(1,886)	(2,098)
Grants and subsidies payments	(5,874)	(25,620)
Other payments	2	(4)
Cash used in operations	<u>(8,079)</u>	<u>(28,054)</u>
Cash inflows		
Fees and charges	857	457
Grant and contribution receipts	138	97
Interest received	122	171
Other receipts	1,393	1,422
Cash generated from operations	<u>2,510</u>	<u>2,147</u>
Cash flows from/(to) SA Government		
Receipts from SA Government	4,646	23,517
Payments to SA Government	(10,984)	(12,964)
Net cash flows from/(to) SA Government	<u>(6,338)</u>	<u>10,553</u>
Net cash provided by / (used in) operations	<u>(11,907)</u>	<u>(15,354)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(69)	(23)
Proceeds from sale of property, plant and equipment	9,085	10,880
Net cash provided by / (used in) investing activities	<u>9,016</u>	<u>10,857</u>
Net increase / (decrease) in cash and cash equivalents	<u>(2,891)</u>	<u>(4,497)</u>
Cash and cash equivalents at the beginning of the financial year	<u>7,854</u>	<u>12,351</u>
Cash and cash equivalents at the end of the financial year	<u><u>4,963</u></u>	<u><u>7,854</u></u>

DEPARTMENT FOR ENVIRONMENT AND HERITAGE

NOTES TO AND FORMING PART OF THE ADMINISTERED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Administered items of the Department for Environment and Heritage

(a) Reporting entities and strategic context

The activities of the administered items are:

Board of the Botanic Gardens and State Herbarium

The 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
- Staff from the Department 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 of South Australia. 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 therefore been reflected in the Administered Financial Statements.

Crown Lands

Crown Lands is comprised of an account established by the Treasurer of South Australia to record receipts and payments associated with the sale of Crown land and other surplus South Australian government land and property. The net revenues from these sales are returned to the Department of Treasury and Finance's Consolidated Account.

Ministerial Other Payments

This includes payments approved by the Minister for Environment and Conservation, such as grant payments to Zoos SA. Grants and contributions in 2007/08 included a one-off grant of \$18.9m made to Zoos SA for a new entrance and underwater fairy penguin enclosure.

Special Acts Allocation

This activity comprises salary and allowance payments 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 the Department of Treasury and Finance pursuant to the *Public Finance and Audit Act 1987*. The financial activities of Administered Items that do not have their own deposit account 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 Financial Statements.

(c) Administered items' summary of significant accounting policies

The Administered Financial Statements detail the sum of the individual administered items' revenues, expenses, assets, liabilities, changes in equity and cash flows. As such the principles of consolidation have not been applied in preparing the financial statements as the definition of an economic entity has not been satisfied. Accordingly, transactions 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 Land Management Act 2009*. This land is considered to be an administered asset. Unallotted Crown land is not included in the Statement of Administered Financial Position 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 Crown Land, actually included in the Statement of Administered Financial Position.

Administered Items also 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 Statement of Administered Financial Position consists of assets belonging to the Botanic Gardens and State Herbarium (\$57.678m) and Crown Lands (\$23.126m).

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 Statement of Administered Comprehensive Income 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.

**DEPARTMENT FOR ENVIRONMENT AND HERITAGE
SCHEDULE OF EXPENSES AND INCOME ATTRIBUTABLE
TO ADMINISTERED ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2009**

	2009					2008				
	Botanic Gardens and State Herbarium	Crown Lands	Minister's Other Payments	Special Acts Allocation	Total	Botanic Gardens and State Herbarium	Crown Lands	Minister's Other Payments	Special Acts Allocation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses:										
Employee benefits	77	-	-	242	319	82	-	-	235	317
Supplies and services	253	836	-	-	1,089	247	1,383	4	-	1,634
Grants and subsidies	1,469	3	4,402	-	5,874	2,226	132	23,262	-	25,620
Depreciation and amortisation	2,258	10	-	-	2,268	2,772	10	-	-	2,782
Other expenses	127	-	-	-	127	10	(5)	-	-	5
Total: Expenses	4,184	849	4,402	242	9,677	5,337	1,520	23,266	235	30,358
Income:										
Fees and charges	938	17	-	-	955	822	101	-	-	923
Grants and contributions	138	-	-	-	138	97	-	-	-	97
Interest revenue	113	-	-	-	113	175	-	-	-	175
Resources received free of charge	1,925	937	-	-	2,862	4,279	-	-	-	4,279
Net gain from disposal of non-current assets	(235)	8,607	-	-	8,372	(8)	9,734	-	-	9,726
Other income	1,393	-	-	-	1,393	1,422	-	-	-	1,422
Total: Income	4,272	9,561	-	-	13,833	6,787	9,835	-	-	16,622
Net surplus/(cost) of providing services	88	8,712	(4,402)	(242)	4,156	1,450	8,315	(23,266)	(235)	(13,736)
Revenues from/(payments to) SA Government										
Revenues from SA Government	-	-	4,402	244	4,646	-	-	23,267	250	23,517
Payments to SA Government	-	(10,984)	-	-	(10,984)	-	(12,964)	-	-	(12,964)
Total: Revenues from/(payments to) SA Government	-	(10,984)	4,402	244	(6,338)	-	(12,964)	23,267	250	10,553
Net result	88	(2,272)	-	2	(2,182)	1,450	(4,649)	1	15	(3,183)
Other comprehensive income										
Changes in property, plant and equipment asset revaluation reserve	2,774	1,188	-	-	3,962	3,794	1,930	-	-	5,724
Total: Other comprehensive income	2,774	1,188	-	-	3,962	3,794	1,930	-	-	5,724
Total comprehensive result	2,862	(1,084)	-	2	1,780	5,244	(2,719)	1	15	2,541

The net result and comprehensive result are attributable to the SA Government as owner.

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

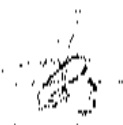
Department for Environment and Heritage

Certification of the Financial Statements

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

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant *Australian Accounting Standards*;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the Department for Environment and Heritage as at 30 June 2009 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 statements have been effective throughout the reporting period.



Allan Holmes
Chief Executive

20 September 2009



Rob Denton-Brown
Director, Financial Services

23 September 2009



Department
for Environment
and Heritage



Government
of South Australia