

Department of
Environment and
Natural Resources

Annual Report

1 July 2011 to
30 June 2012



Government
of South Australia

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GPO Box 1047
ADELAIDE SA 5001**

Telephone +61 (8) 8204 9000
Facsimile +61 (8) 8204 9334
Internet: www.environment.sa.gov.au

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Report prepared by:
Governance and Planning Branch
Climate Change and Strategy Directorate
Department of Environment, Water and Natural Resources
(formerly Department of Environment and Natural Resources)

Copies of the report can be obtained from:
Telephone +61 (8) 8204 1910
Email: dewnrinformation@sa.gov.au
Internet: www.environment.sa.gov.au

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Government of South Australia

**Department of Environment,
Water and Natural Resources**

28 September 2012

Hon Paul Caica MP
Minister for Sustainability, Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Chief Executive

Level 9 Chesser House
91-97 Grenfell Street
Adelaide SA 5000

GPO Box 1047
Adelaide SA 5001
Australia

Ph: +61 8 8204 9323
Fax: +61 8 8204 9321

www.environment.sa.gov.au

Dear Minister

I am pleased to present the Department of Environment and Natural Resources Annual Report for the financial year 1 July 2011 — 30 June 2012. This report has been prepared in accordance with the requirements of the *Public Sector Act 2009*, the *Public Sector Regulations 2010*, 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

Over the course of this year, the Department of Environment and Natural Resources (DENR) has continued to evolve in response to the environmental challenges facing our state. We have also continued to build on the efforts of previous years, bringing the community to the centre our endeavours and our hopes for a sustainable and prosperous South Australia.

A key way that communities have been given a larger stake in the management of natural resources in our state has been through the integration of the staff of natural resources management (NRM) boards with regional DENR staff that began last year. We have been working hard to promote the role of NRM boards as representatives of the community, with a focus on building respect and trust between government and community across South Australia.

But it is not just about making DENR more open to the community. The community is also taking a larger role in delivering our work as an organisation.

From the management of the public land estate, where cooperative arrangements with traditional owners are bringing unique opportunities to DENR and communities, to the volunteers, community groups, non-government organisations and industry that help us revegetate native species, improve national park facilities and develop state-wide policies, the community is ever more integral to ensuring the environment is conserved, valued and enjoyed, and natural resources are used sustainably in South Australia.

This is never more true than at a time of tightening budgets. As an organisation we have had to respond by reducing some services, finding efficiencies and adopting more effective ways of working, and I'd like to take this opportunity to commend our workforce on not losing faith or confidence in the department's purpose and vision during these tougher times.

Economic pressure has also made our work more difficult as the environment becomes less valued in the struggles of daily life. At the same time, climate change looms larger, yet our society has not confronted the significance of this threat to our way of life.

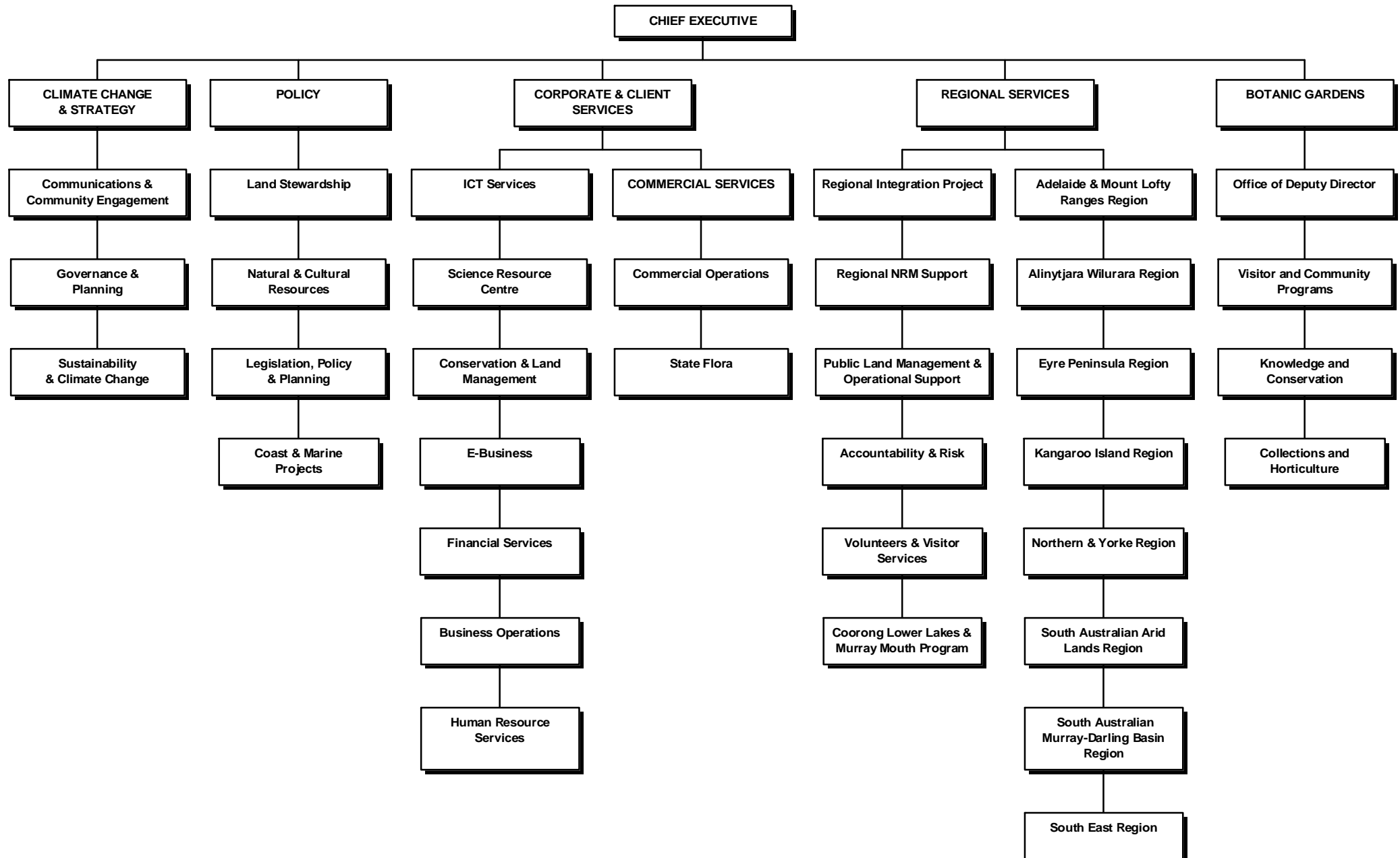
It is in this context we must remember that it is the environment that sustains us and provides our essential life support, its natural resources give us our prosperity, and it defines us through our landscape and place.

This report outlines the many achievements made by the department as it continues to do its best for all South Australians.

I acknowledge the contributions made by all of the hard working people associated with the department. I thank Minister Caica for his confidence and guidance. I also thank my portfolio colleagues, Scott Ashby, Campbell Gemmell and Vaughan Levitzke, for their support.

Allan Holmes
CHIEF EXECUTIVE

Organisational Structure (as at 30 June 2012)



ABOUT DENR

The Department's vision *is a sustainable and prosperous South Australia where natural resources are used wisely and a healthy environment is understood to be the basis of a good quality of life.*

The Department of Environment and Natural Resources (DENR) is responsible for managing our natural resources sustainably, including the State's public land, national parks and reserves, marine parks, botanic gardens and the coastline, along with nature conservation, heritage conservation. DENR also implements whole of Government climate change and sustainability strategies and policies, and in partnership with other agencies coordinates fire management activities across the State's public land.

DENR supports the State's eight regional Natural Resources Management (NRM) boards, and a range of other statutory boards and committees.

Achieving co-management of protected areas through engagement and support to Aboriginal people and communities in the management of traditional lands is a key objective, including involving the community and volunteers in projects to improve the condition of the environment and natural resources and our cultural assets.

GOVERNANCE STATEMENT

DENR's governance arrangements are derived from its legislative framework, Corporate Plan, directorate and regional business and branch plans, boards and committees and accountability and compliance systems.

DENR provides support to a number of advisory and decision-making boards and committees established under legislation committed to the Minister for Sustainability, Environment and Conservation.

The Department underwent organisational changes during 2011-12 as a result of machinery of government changes announced in October 2011. The transition of the Sustainability and Climate Change portfolio from the Department of the Premier and Cabinet brought conservation of the environment, management of natural resources, and climate change mitigation and adaptation policy together.

DENR also amalgamated the Corporate Services and Client Services directorates with the incorporation of Commercial Services, to become Corporate and Client Services Directorate to merge internal services and centralised external service arrangements.

Appropriate structures, systems and processes are in place to guide departmental decisions, and to ensure that DENR undertakes its duties and obligations in an ethical, responsible and professional manner. DENR aspires to be a well-run organisation that makes sound decisions.

The Environment and Conservation Portfolio

DENR is responsible to the Minister for Sustainability, Environment and Conservation and is one of the agencies within the Environment and Conservation portfolio. The other agencies are the Department for Water, the Environment Protection Authority and Zero Waste SA.

- [The Department for Water](#) aims to ensure that there are sufficient and sustainable water resources in South Australia for our health, our economy, our environment and our lifestyle.
- [The Environment Protection Authority](#) seeks to achieve a clean, healthy and valued environment that supports social and economic wellbeing for all South Australians now and in the future.

- Zero Waste SA works to eliminate waste or its consignment to landfill and advance the development of resource recovery and recycling based on an integrated strategy for the State.

On 29 May 2012, the Minister announced that the Department for Water and the Department of Environment and Natural Resources will amalgamate on 1 July 2012, to become the Department of Environment, Water and Natural Resources.

ORGANISATIONAL STRUCTURE

DENR's organisational structure comprises six directorates (each led by an Executive Director) grouped by function. All directorates work with the eight regions to implement the directions set by the DENR Corporate Plan. The departmental budget is allocated on a directorate basis.

An illustration of DENR's organisation structure as it existed on 30 June 2012 is provided on page 3.

Climate Change and Strategy Directorate

The Climate Change and Strategy Directorate is responsible for the strategic direction and positioning of DENR, the development of organisational capability and the evaluation and reporting of its performance. The Directorate supports the Chief Executive and Minister in their roles as leaders and ambassadors for the Department, in managing cross-government relations, and in leading the communication between DENR and the public. The Directorate is also responsible for implementing the Government's climate change commitments in South Australia, and leading the Government's programs for positioning the economy to respond to climate change. The Directorate works internally to produce the Corporate Plan and coordinate its translation into business plans, to ensure appropriate governance and risk management systems are in place and to manage internal DENR communications.

The Directorate's key roles include:

- Support the Chief Executive, the Minister and the DENR Executive.
- Set the strategic direction for DENR and help the Department align activity to the corporate direction.
- Develop DENR's culture and capacity to deliver the Corporate Plan and to be a highly professional department.
- Establish DENR's governance and accountability framework and tools for whole-of-department reporting, internal reporting and evaluation.
- Leading the development and implementation of the Government's climate change and sustainability policies.

Policy Directorate

The Policy Directorate provides policy advice to advance the Government's environmental and natural resources management priorities and support its statutory responsibilities. This includes developing policy that guides decision-making at the agency, regional, state and national levels.

The Policy Directorate has an integral role in assisting DENR to meet its Corporate Plan goals by providing policy leadership, development and advice across the agency.

The Directorate's responsibilities include:

- Developing, reviewing and evaluating the effectiveness of policy to deliver the Government's environmental and natural resource management priorities.
- Developing procedural policy that provides direction for on-ground implementation (including procedures, guidelines and plans) and providing policy advice on current and emerging issues to other directorates, DENR Executive, the Minister and the State Government.
- Influencing state and national land-use planning and development policy and reform.
- Contributing to broader state, national and international policy agendas.
- Supporting and providing advice to statutory bodies and committees, including Ministerial Committees.

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

Corporate and Client Services Directorate

The Corporate and Client Services Directorate supports the Department's environment and conservation responsibilities by providing advice, information and transactional services to government and the public providing corporate services and operates significant commercial sites and activities within the Department.

The Directorate's responsibilities include:

- Financial management and business analysis.
- Procurement and records management services.
- Project, asset lease and facility management support.
- Human resource services.
- Ensuring science and research underpins policy development and decision-making about conservation; including taxonomic, genetic and ecological.
- Developing a flexible and sustainable ICT model and improving information sharing and knowledge building.
- Providing transactional services to our stakeholders and the community.
- Managing commercial sites, products, user pays services, tour operators and retail outlets at key sites, including sales of DENR's publications, brochures and printed materials.

Regional Services Directorate

The Regional Services Directorate works with the regional Natural Resources Management (NRM) boards to provide integrated environmental and natural resources services, including management of public land (parks, reserves and Crown lands).

The Directorate has four primary roles:

- Engaging the community and supporting NRM boards to deliver eight regional NRM plans.
- Managing Crown lands, national parks and reserves, including conservation and volunteer activities, fire management and the provision of visitor facilities and services.

- Co-managing national parks and reserves with Aboriginal people and communities.
- Implementing the long-term plan for the Coorong, Lower Lakes and Murray Mouth.

Botanic Gardens Directorate

The Botanic Gardens Directorate manages and promotes the Botanic Gardens and State Herbarium as a cultural and scientific institution, focussing on plants, people and culture, and encouraging its use for public enjoyment and recreation. The Botanic Gardens has a significant role in development of sustainable urban landscapes, providing environmental education and community awareness of the importance of plants and contributes to habitat restoration through *ex situ* seed conservation programs.

The Botanic Gardens Directorate supports the Board of the Botanic Gardens and State Herbarium, linking conservation, science and education programs with DENR objectives. The Executive Director holds the statutory position of Director, Botanic Gardens and State Herbarium under the *Botanic Gardens and State Herbarium Act 1978*.

The Directorate has five primary roles:

- Develop and manage the State's premier botanical collections and displays.
- Enable and influence the community and government to minimise the ecological footprint of public and private landscapes.
- Advance community understanding of the relationship between plants, people, gardens and human health and wellbeing.
- Advance the scientific understanding and conservation of biodiversity.
- Continually engage with different communities to learn from and to inspire one another and to encourage greater social inclusion and community development.

DENR STRATEGIC DIRECTION

The DENR *Corporate Plan 2010-2014* sets the strategic directions for DENR, defines the organisational characteristics and the values that DENR seeks to foster, and list priorities for 2010-2014.

DENR's Corporate Plan sets three goals:

- The environment is conserved and natural resources are used sustainably.
- The environment is valued and enjoyed.
- The environment is integral to development decisions.

The Plan also contains organisational development roles and priorities which address the corporate and administrative functions required to support the delivery of the three goals.

The DENR Corporate Plan is implemented through annual directorate business and branch/regional plans that detail actions required to deliver the goals, roles and priorities in the Corporate Plan and their associated budgets and resources.

DENR's strategic directions, as set out in the DENR Corporate Plan are also informed by government priorities, the State Natural Resources Management (NRM) Plan and, for regional activities, the regional NRM plans prepared for the eight NRM regions in South Australia.

DENR's Strategic Priorities

The strategic priorities for the Department during 2011-12 were:

- Develop policy and provide advice to advance the Government's environmental and natural resource management priorities.
- Revise and approve the State Natural Resources Management plan.
- Reform natural resource management and delivery arrangements in South Australia.
- Support the Government's marine parks project including preparation of the marine park management plans.
- Implement *Securing the future: A long-term plan for the Coorong, Lower Lakes and Murray Mouth*.
- Develop and implement the *People and Parks* visitor strategy.
- Manage fire across the landscape and implement a prescribed burning program.
- Promote the development of green infrastructure and sustainable urban landscapes together with community awareness of habitat restoration through conservation programs.
- Lead the development and implementation of whole-of-government climate change activities and sustainability strategies and policies.
- Improve the management and sharing of environmental information.
- Increase participation in nature conservation activities.

DENR's strategic and corporate priorities are delivered through the Department's programs and sub-programs. Commentary against strategic priorities is included in the program reports.

SOUTH AUSTRALIA'S STRATEGIC PLAN

The Department was lead agency for the following SASP targets in 2011-12:

Target 59 – Greenhouse gas emissions reduction

Achieve the Kyoto target by limiting the State's greenhouse gas emissions to 108% of 1990 levels during 2008-2012, as a first step towards reducing emissions by 60% (to 40% of 1990 levels) by 2050 (baseline: 1990).

Target 62 – Climate change adaptation

Develop regional climate change adaptation plans in all State Government regions by 2016 (baseline: 1990).

Target 69 – Lose no species

Lose no native species as a result of human impacts (baseline: 2004).

Target 70 – Sustainable land management

By 2020, achieve a 25% increase in the protection of agricultural cropping land from soil erosion and a 25% improvement in the condition of pastoral land (baseline: 2002-03 and 2005-06 respectively).

Target 71 – Marine biodiversity

Maintain the health and diversity of South Australia's unique marine environments.

Target 72 – Nature conservation

Increase participation in nature conservation activities by 25% by 2015 (baseline: 2010).

Progress towards each lead target is included in the program reports.

The Department also supports the delivery of these additional public sector targets:

Target 50 – People with disability:

Increase by 10% the number of people with a disability employed in South Australia by 2020.

Target 52 – Women:

Have women comprising half of the public sector employees in the executive levels (including Chief Executives) by 2014 and maintain thereafter.

Target 53 – Aboriginal employees:

Increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2% by 2014 and maintain or better those levels through to 2020.

LEGISLATIVE STRUCTURE

DENR is an 'administrative unit' (usually referred to as a department or agency) within the South Australian Government as described in the *Public Sector Act 2009* (SA). DENR is required to comply with relevant administrative legislation that applies to departments including:

Administrative legislation

- *Acts Interpretation Act 1915* (SA)
- *Administrative Arrangements Act 1994* (SA)
- *Crown Proceedings Act 1992* (SA)
- *Copyright Act 1968* (Cth)
- *Development Act 1993* (SA)
- *Disability Discrimination Act 1992* (Cth)
- *Equal Opportunity Act 1984* (SA)
- *Freedom of Information Act 1991* (SA)
- *Occupational Health, Safety and Welfare Act 1986* (SA)
- *Ombudsman Act 1972* (SA)
- *Privacy Act 1988* (Cth)
- *Public Finance and Audit Act 1987* (SA)
- *Public Sector Act 2009* (SA)
- *Public Sector (Honesty and Accountability) Act 1995* (SA)
- *State Procurement Act 2004* (SA)
- *State Records Act 1997* (SA)
- *Whistleblowers Protection Act 1993* (SA)

Legislation administered by DENR

DENR derives its functions, authorities and responsibilities through legislation committed to the Minister for Sustainability, Environment and Conservation and legislation that applies generally to the public sector. The following legislation was administered by DENR during 2010-11:

- *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*
- *Crown Rates and Taxes Recovery Act 1945*
- *Dog and Cat Management Act 1995*
- *Heritage Places Act 1993*
- *Historic Shipwrecks Act 1981*
- *Lands for Public Purposes Acquisition Act 1914*
- *Marine Parks Act 2007*
- *National Parks and Wildlife Act 1972*
- *National Trust of South Australia Act 1955*
- *Native Vegetation Act 1991*
- *Natural Resources Management Act 2004*
- *Pastoral Land Management and Conservation Act 1989*
- *Climate Change and Greenhouse Emissions Reduction Act 2007*
- *Wilderness Protection Act 1992*
- *Wilpena Station Tourist Facility Act 1990*

DENR BOARDS AND COMMITTEES

In 2011-12 DENR provided administrative support to the following boards and committees.

Adelaide Dolphin Sanctuary Advisory Board	Adelaide and Mount Lofty Ranges NRM Board
Adelaide's Living Beaches Steering Committee	Alinytjara Wilurara NRM Board
Animal Ethics Committee –Wildlife ¹	Eyre Peninsula NRM Board
Animal Welfare Advisory Committee	Kangaroo Island NRM Board
Board of the Botanic Gardens and State Herbarium	Northern and Yorke NRM Board
Coast Protection Board	Premier's Climate Change Council
Consultative Committee – Adelaide	SA Arid Lands NRM Board
Consultative Committee – Kangaroo Island	SA Murray-Darling Basin NRM Board
Consultative Committee – Murraylands	South East NRM Board
Consultative Committee – Northern and Yorke	Ngaut Ngaut Conservation Park Co-Management Committee
Consultative Committee – South East	Pastoral Board
Consultative Committee – The Outback	South Australian Heritage Council
Consultative Committee – West	South Australian Heritage Council Register Committee
Dog and Cat Management Board	Scientific Working Group
Flinders Ranges National Park Co-Management Board	South Australian National Parks and Wildlife Council
General Reserves Trust	Vulkathunha-Gammon Ranges National Park Co-Management Board
Kangaroo Management Reference Group	Wilderness Advisory Committee
Maralinga Lands Unnamed Conservation Park Board	Witjira National Park Board of Management
Marine Parks Council of South Australia	Yandruwandha Yawarrawarrka Parks Advisory Committee
Marine Park – Local Advisory Groups	
Native Vegetation Council and Subcommittees	
Natural Resources Management (NRM) Council and Subcommittees	

¹ Other Animal Ethics Committees exist that are administered by other bodies pursuant to the Animal Welfare Act 1985

PROGRAM STRUCTURE

In 2011-12, DENR managed its business through three programs and related sub-programs. This annual report summarises each program's progress in 2011-12 and lists the 2012-13 targets.

Program	Sub-program
1. Natural Resource Stewardship	1.1. Policy 1.2. Regional Delivery 1.3. Client Services
2. Strategy, Climate Change and Sustainability	
3. Botanic Gardens	

Program 1: Natural Resource Stewardship

Aims to conserve natural systems and ensure the sustainable use of natural resources. It includes policy development, land-use decision making and delivery of the Government's environment and natural resources management agenda across the State.

Sub-program 1.1: Policy

The Policy sub-program provides policy advice, including the development, review and evaluation of the effectiveness of policies and legislation, to advance the Government's environmental and natural resource management priorities. This contributes to broad state, national and international policy agendas, including through support and advice to statutory bodies and committees, including ministerial committees.

This sub-program supports statutory responsibilities through policy development, including:

- *policy that guides decision-making at the agency, regional, state and national levels;*
- *influencing state and national land-use planning and development policy and reform; and*
- *developing operational policies, guidelines and plans that provide direction for on-ground implementation.*

HIGHLIGHTS

- Supported the Government's marine parks project by undertaking consultation with key stakeholders to inform the preparation of draft marine park management plans.
- Commenced construction of Adelaide's Living Beaches sand transfer infrastructure.
- Supported the NRM Council in the revision and release of the State Natural Resources Management Plan.
- Provided advice on the protection of Arkaroola from mining, leading to the enactment of the *Arkaroola Protection Act 2012* and nomination of Arkaroola for State and National Heritage listing.
- Finalised *Conserving Nature 2012–2020: A Strategy for Establishing a System of Protected Areas in South Australia*.

- Finalised *People and Parks: A Visitor Strategy for South Australia's National Parks, Marine Parks and Reserves*.
- Convened the first Peak Environmental Bodies forum comprising the Chairs of the state-wide legislative policy boards and committees, to enable integrated and holistic advice on strategic directions and key issues in the natural resources and environment sectors, and to facilitate opportunities to better connect people and ideas.
- Established co-management arrangements with traditional owners over Flinders Ranges National Park, Gawler Ranges National Park and Lake Gairdner National Park.
- Drafted the Kangaroo Conservation and Management Plan for South Australia 2013-17 in consultation with the Kangaroo Management Reference Group.
- Led South Australia's input into COAG Environmental Regulatory Reforms in conjunction with the Department of the Premier and Cabinet.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Develop policy and provide advice to advance the Government's environmental and natural resource management priorities

The South Australian Government was successful in protecting the conservation values of Arkaroola from mining by establishing the Arkaroola Protection Area under the *Arkaroola Protection Act 2012*, which came into operation in April 2012. Arkaroola has also been nominated for National Heritage listing.

A strategic framework for the establishment of protected areas on public and private lands in South Australia culminated in the release of *Conserving Nature 2012 – 2020: a strategy for establishing a system of protected areas in South Australia*. The Strategy will guide the future establishment of parks and reserves in priority areas of South Australia.

Revise and approve the State Natural Resources Management Plan

"Our Place. Our Future. State Natural Resources Management Plan South Australia 2012-2017" was launched by the Minister for Sustainability, Environment and Conservation on 5 June 2012. This plan sets a vision to care for the land, water, air and sea that sustain us, and provides direction and guidance to NRM boards, government agencies and other organisations involved in natural resources management.

Adelaide's Living Beaches

To protect coastal properties and infrastructure, and maintain the amenity of Adelaide's Beaches, Adelaide's coastline is managed in accordance with Adelaide's Living Beaches Strategy. The development of sand transfer infrastructure is a key element of the Strategy. The sand transfer project includes the installation of five pumping stations from the Torrens Outlet to Kingston Park, a total of nine kilometres of sand-slurry pipelines, and 16 sand discharge locations to the beach. Construction commenced in March 2012, and the completion and commissioning of the sand transfer infrastructure component of the Strategy is on schedule to be completed in 2012-13.

A dune buffer standard of twice that required to withstand a 1-in-100 year storm was maintained for all vulnerable areas along the metropolitan coast by carting 135 000 cubic metres of sand and other measures. A dredging program at Holdfast Shores (Glenelg) and Adelaide Shores (West Beach) ensured that both harbours were navigable for boats throughout the year.

Heritage Conservation

In collaboration with the Hawke Centre and the South Australian Heritage Council, the Minister for Sustainability, Environment and Conservation presented volunteers with a range of awards and certificates for their contribution to identifying, conserving and maintaining South Australia's heritage. In May 2012, the Minister launched the SA Heritage Council's three year program 'Heritage in your hands', with the theme for 2012 being 'A migrant's tale'.

Develop and implement the People and Parks visitor strategy

The *People and Parks: A Visitor Strategy for South Australia's National Parks, Marine Parks and Reserves* was finalised during 2011-12. Implementation of the Strategy will involve the development of projects to facilitate appropriate tourism and commercial activities in parks. Development of a multi-day walk in the parks of Kangaroo Island has already commenced as part of one of the suite of actions in the Strategy.

Implement No Species Loss

A mid-term review of 'No Species Loss – a nature conservation strategy 2007-2017' commenced in 2011-12. The review will document the achievements of the Strategy and highlights to date and identify gaps and opportunities for the future. The draft document has undergone targeted consultation with broader consultation on the final directions to take place in 2012-13.

Significant effort went into recovery plans during 2011-12, which provide a framework for government agencies and key interest groups to plan and coordinate their efforts to conserve threatened species and/or threatened ecological communities.

A total of 364 of the State's 487 listed endangered and vulnerable plant and animal species have recognised recovery plans or action plans, with conservation activities occurring for around 225 of these species. Highlights included an ongoing increase in the number of South Australian glossy black cockatoos on Kangaroo Island and black-footed rock-wallabies (known as 'warru' by Anangu, the traditional owners of the Anangu Pitjantjatjara Yangkuntjatjara Lands).

In 2011-12, systematic monitoring for changes in native vegetation condition using satellite imagery has continued. This work has resulted in the detection of a number of unauthorised clearances that led to successful prosecutions under the *Native Vegetation Act 1991*. Civil actions undertaken against landowners who have illegally cleared have resulted in areas of native vegetation being placed under a Heritage Agreement and protected in perpetuity.

The systematic assessment of the status of the State's plant and animal species continued, with the assessment of species of the South East region completed and the Arid Lands and northern Alinytjara Wilurara region commenced.

As part of an ongoing commitment to protecting important coastal environments and providing better protection to valuable land and wildlife in South Australia, Cape Blanche and Searcy Bay Conservation Parks near Streaky Bay were proclaimed in February 2012, adding to the protected areas estate.

Sustainable land management

DENR works with the agricultural industry organisations to undertake partnership projects. In 2011-12, projects were developed in conjunction with Eyre Peninsula, Northern and Yorke and South Australian Murray Darling Basin NRM Boards, Ag Excellence Alliance, South Australian No-Till Farmers Association, and the Agricultural Bureau of South Australia to increase the protection of agricultural land from erosion. The projects encouraged the adoption of improved farming practices to prevent erosion, including no-till seeding, retention of stubble residues, improved grazing management and planting perennial pastures and fodder shrubs. Joint funding arrangements to implement the projects were developed through the 'Sustainable Dryland Agriculture Initiative' conducted by DENR.

The partnership projects have contributed to a 21 per cent improvement in the protection of agricultural land from erosion since 2003, the baseline year. This improvement demonstrates the benefits of collaborative partnerships between government agencies, NRM Boards and industry, and the growing desire by farmers to reduce the risk of erosion and adopt more sustainable farming practices.

During 2011-12, DENR also worked with the South Australian Arid Lands NRM Board to conduct property management programs with pastoralists to encourage best practice pastoral land management. The programs enable pastoralists to improve their understanding and management of their properties, often covering several thousand square kilometres.

Marine biodiversity

The South Australian Government continued to consult with key stakeholders, including the commercial and recreational fishing sectors, Marine Parks Council of South Australia and the Government's Scientific Working Group to inform the development of draft management plans, with zoning arrangements, for each of the State's 19 marine parks.

Eighty four high-level conservation areas were recommended, representing approximately 6 per cent of State waters. In most instances, the recommended areas were closely aligned with advice received from the State's 14 Local Advisory Groups, with 70 per cent of the recommended areas suggested by the Groups.

These priority areas for conservation were reflected in the Government's proposal for marine park sanctuary zones, which was released for public preview on 27 April 2012.

Nature Conservation

NatureLinks, which is now a component of the State Government's No Species Loss Nature Conservation Strategy and SASP Target 72 of increasing participation in nature conservation, has been further implemented with project partners, and has progressed through the development of an NRM Alliance Action Plan.

The Plan, developed in collaboration with nine non-government organisations, provides recommendations to further improve communications, shared ownership and partnership arrangements. The on-ground delivery of NatureLinks with project partners received a major funding boost from the Australian Government's Biodiversity Fund in May 2012. The allocation of this funding will support community based on-ground action projects to restore and enhance biodiversity, and establish significant areas of carbon storage.

In 2011-12, the Trans-Australia Eco-Link (TAEL), a joint initiative between the Northern Territory and South Australian Governments, was recognised at the national level with the release of the Draft National Wildlife Corridors Plan by the Australian Government. The Plan aims to establish a national network of wildlife corridors and lists potential national corridors, including NatureLinks and TAEL. This plan will help guide future investment by the Australian Government through the Biodiversity Fund and Caring for our Country programs.

A key achievement of the TAEL was an increase in the level of environmental property planning and management across pastoral properties in northern South Australia.

Aboriginal lands – native title

Aboriginal participation in park management continued to increase with the establishment of co-management arrangements with traditional owners over Flinders Ranges National Park, Gawler Ranges National Park, Lake Gairdner National Park and Wabma Kadarbu Mound Springs Conservation Park. There are now 12 parks with some level of formal Aboriginal involvement in their management. Aboriginal participation is achieved through co-management agreements under the *National Parks and Wildlife Act 1972* or Indigenous Land Use Agreements (ILUA) under the *Native Title Act 1993* (Commonwealth).

KEY CHALLENGES AND INITIATIVES FOR 2012-13

Implementation of the State NRM Plan will require significant commitment and collaboration with stakeholders. Implementation of the ten state-wide priorities to improve the system will require an adaptive approach and practical solutions. For example, to improve monitoring, evaluation and reporting on natural resource conditions will include the implementation of a new NRM Reporting Framework.

There will continue to be wildlife interactions with human activities, including in the marine environment, such as aquaculture. A state-wide approach to policies and implementation plans to manage wildlife interactions with humans will require a mixture of community based solutions. A “living with wildlife” approach to promote positive attitudes towards understanding of wildlife conservation will continue to be encouraged.

DENR will continue to identify opportunities to integrate heritage policy with the priorities outlined in the 30-Year Plan for Greater Adelaide. This will involve increased collaboration with the South Australian Heritage Council, other government agencies and the community to ensure better planning policy outcomes for the State’s cultural heritage within South Australia.

Responding to the COAG environmental regulatory reforms will provide opportunity to maintain high environmental standards whilst reducing duplication and unnecessary processes. South Australia has agreed to work with the Australian Government to accredit relevant State environmental assessment and approval processes under the Commonwealth’s *Environment Protection and Biodiversity Conservation Act 1999*. Developing this agreement and working through the implementation with other government agencies will assist to streamline environmental approvals in the State.

Local Advisory Groups and key stakeholders have made a significant contribution to the development of 19 draft marine park management plans through the provision of zoning advice. Public review of the draft plans in 2012-13 will now test the proposals developed by government using that early input.

TARGETS

- Develop and release South Australia’s marine park draft management plans for state-wide public consultation, analyse submissions received and finalise marine park management plans.
- Complete and commission Adelaide’s Living Beaches sand transfer infrastructure.
- Implement ‘Our Place. Our Future. State Natural Resources Management Plan South Australia 2012-2017’.
- Release the review of “No Species Loss” strategy for broader consultation.
- Develop a Seals and Aquaculture policy in conjunction with partners and stakeholders.
- Finalise the Kangaroo Conservation and Management Plan for South Australia 2013-17.
- Work with the South Australian Heritage Council to review heritage values in Port Adelaide as a case study and pilot initiative to support owners to adaptively re-use heritage places.
- Seek the proclamation of the 900 000 hectare Nullarbor Wilderness Protection Area and advise on amendments to the *Wilderness Protection Act 1992* to provide for co-management of wilderness protection areas.
- Work with Ngarrindjeri to establish co-management arrangements for the Coorong National Park.
- Advise on amendments to the *National Parks and Wildlife Act 1972* to create a new type of protected area, the Private Reserve.
- Work with stakeholders to prepare strategic management plans for the Arkaroola Protection Area, Flinders Ranges National Park, Gawler Ranges National Park, and Lake Gairdner National Park.

- Facilitate the development of bilateral agreements for the State to be accredited to undertake the Commonwealth's assessment and approval functions under the Environment Protection and Biodiversity Conservation (EPBC) Act.

Sub-program 1.2: Regional Delivery

Provides integrated environmental and natural resources services, including management of public land (parks, reserves and Crown lands) and support for regional Natural Resources Management (NRM) boards.

HIGHLIGHTS

- Facilitated natural resource management (NRM) in South Australia by developing the NRM Board Leadership Development Framework to improve capacity of regional NRM boards to lead regional NRM, connect to community and create partnerships for NRM delivery.
- Created an integrated regional delivery service by amalgamating NRM board staff and DENR Regional Services staff under a single integrated workforce.
- As part of \$23.1 million funding announced in June 2011 to help protect the State against the ongoing risk of bushfire, the following fire management activities were delivered:
 - Developed a *Code of Practice for Fire Management on Public Land in South Australia* in association with ForestrySA, SA Water and the South Australian Country Fire Service.
 - Assisted the South Australian Country Fire Service and landowners in responding to significant fire activity in the northern pastoral areas of the State, which affected more than 1.8 million hectares.
 - Continued DENR's prescribed burning program to reduce fuels in strategic locations across the high-risk areas of the State, along with the development of risk-based fire management plans, which now cover approximately 49 per cent of reserves managed by DENR.
- Completed upgrades at Seal Bay, Kangaroo Island, including the refurbishment of the Visitor and Information Centre, and continued the Belair National Park upgrade with construction at the Main Oval and Gums Oval precincts finalised.
- Allocated \$1.6 million to 117 projects involving 99 community and non-government organisations across the State to carry out local land care, coast care and water care projects.
- Executed the \$136 million Coorong, Lower Lakes and Murray Mouth (CLLMM) Recovery Project agreement from 2011-12 to 2015-16.
- Entered into a long-term service agreement to the value of \$4.79 million with the Ngarrindjeri Regional Authority to support the delivery of the CLLMM Ngarrindjeri Partnerships Agreement.
- Supported a wide range of community volunteers including 117 Friends of Parks groups, 4 400 volunteers contributing to the State NRM Program funded projects, and 4 000 volunteers for the Million Trees Program which established 200 000 local native plants at over 50 habitat restoration sites across public land throughout Greater Adelaide.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Reform natural resource management and delivery arrangements in South Australia

The State Government has initiated a significant program of reform to further improve the State's NRM system of servicing South Australians. Under a new approach, the Department, in partnership with NRM boards will work towards the integrated delivery of environment and natural resource management services, with the aim of strengthening the strategic role of the boards in leading, connecting and delivering NRM throughout

the regions. A new set of governance arrangements are being implemented which will support the boards with delivering on-ground works, and provide a greater focus on strategic outcomes in the future for the State.

The 'one-stop-shop' interface for regional NRM services has been realised with the creation of a single integrated workforce including the appointment of eight Regional Managers and 32 regional management team leaders to support NRM boards and DENR. Regional staff across the State are now working in new integrated teams. The single service delivery portal has been further achieved by connecting NRM boards and regional staff to the State Government ICT network providing enhanced information management services and alignment of NRM and DENR business plans.

Development of the NRM Board Leadership Framework, a capacity building initiative for board members is one initiative designed to support the repositioning by clarifying and strengthening the role of regional NRM boards.

Due to collaboration with non-government organisations across the environment sector, the Department was successful in obtaining a significant increase in funding from the competitive rounds of Australian Government's Caring for our Country program which provides investment in NRM across our regions. In August 2011, the Commonwealth announced \$12.6 million base-level funding to the eight regional NRM boards for environmental protection and sustainable agriculture projects that meet the criteria determined by the Caring for our Country Business Plan. A total of \$12.2 million was provided by the State Government towards the State NRM Funding Program to complement the Caring for our Country investment.

Manage fire across the landscape and implement a prescribed burning program

Despite challenges in spring (2011) from persistent rainfall, which promoted extensive grass fuels in arid and semi-arid areas and slowed curing rates in agricultural areas, DENR's Fire Management Program successfully completed 80 prescribed burns, treating approximately 15 563 hectares of DENR-managed land. The area treated is a significant increase from the 2010-11 program. DENR also assisted with the delivery of both ForestrySA and SA Water prescribed burning programs through the Mount Lofty Ranges, Southern Flinders and South East Fire Cooperatives, taking the total combined area treated on public lands across the State to 16 470 hectares from 101 prescribed burns.

A plan to manage bushfire risk in and around Cape Gantheaume on Kangaroo Island was adopted for implementation, bringing the total number of fire management plans to 14; covering approximately 49 per cent of DENR-managed reserves across the State. The South Para Fire Management Plan has progressed in partnership between DENR, ForestrySA, SA Water and CFS as an example of the collaborative arrangement promoted by the *Code of Practice for Fire Management on Public Land in South Australia*. Another three plans are in development for reserves in the central Eyre Peninsula, Northern Flinders Ranges, and the Alinytjara Wilurara region.

Ecological Fire Management Guidelines are in development for all fire-prone vegetation types that occur in agricultural areas of South Australia. These Guidelines outline the role of fire in the environment as well as the approaches available for its management to maintain and enhance biodiversity. The ecological fire regimes recommended will provide South Australian land managers with guidance on appropriate fire regimes for the protection of biodiversity.

Implement securing the future: a long-term plan for the Coorong, Lower Lakes and Murray Mouth

DENR and the Ngarrindjeri Regional Authority entered into a \$4.79 million long-term service agreement to support the delivery of the Coorong, Lower Lakes and Murray Mouth (CLLMM) Ngarrindjeri Partnerships project. The Ngarrindjeri Regional Authority will lead the delivery of the project which seeks to establish the foundation for long-term support of Ngarrindjeri participation in natural and cultural resource management. Approximately 740 000 locally native plants were planted by community groups, Ngarrindjeri people and

commercial planters, with 20.9 kilometres of fencing, and 30 water points installed. Regional groups and communities were engaged to carry out large scale works focussing on removal of identified priority regional weeds.

The Meningie Lakefront Habitat Restoration Project progressed in 2011-12, with the completed installation of viewing platforms and bank stabilisation, as well as planting approximately 20 000 native plants to provide enhanced lakefront ecology and improved amenity for the local community, Ngarrindjeri and visitors to the region.

Ecological and acid sulfate soil monitoring and research activities continued to support and assess management decisions for the CLLMM site. Monitoring of environmental indicators has provided insights into the ecological effect of low flows, its 'recovery' and its short-term resilience.

A number of investigations have been undertaken to inform a decision regarding the progression of the South East Flows Restoration Project, including the preferred flow path, hydrological modelling to determine yield and determination of environmental water requirements for downstream wetlands. Modelling was also undertaken to determine future salinity levels in the Coorong South Lagoon, and inform the implementation of a range of management actions to foster recovery of the Coorong ecology.

Construction of the environmental regulator on the Chowilla Game Reserve funded by the Murray Darling Basin Authority has recommenced, with DENR working with SA Water and Department for Water (DFW) to ensure the \$61 million project is completed by 2013. DENR is also working with DFW to deliver the \$7.2 million Katfish Floodplain Project element of the Riverine Recovery Project.

Develop and implement the People and Parks Visitor Strategy

Visitor experience was enhanced in the Adelaide and Mount Lofty Ranges Region due to upgrades within Cleland Conservation Park and Belair National Park. This included the construction in the Deep Creek Conservation Park, of three kilometres of Heysen Trail from Tapanappa lookout to the Deep Creek waterfall. An extension to the walking trail network in Morialta Conservation Park, and improved way-finding signs was also installed.

Visitor experiences in Kangaroo Island Region were enhanced through upgrades to Seal Bay Conservation Park and reinstatement works at Flinders Chase National Park. These works will continue in 2012-13, and on completion will see the upgrade of boardwalks and viewing platforms at Seal Bay, and the full reinstatement of viewing platforms and interpretative materials on the Platypus Waterholes Walk at Flinders Chase.

Volunteers play a huge role in making our parks and open public spaces more enjoyable through their enormous contribution. More than 5 600 Friends of Parks volunteers contributed 18 000 days to work on more than 400 projects across the State. This equates to a monetary value of \$3.8 million or 70 full time equivalent staff. Significant projects included the construction of the Western Link Trail by the Friends of Sturt Gorge Recreation Park, and the propagation of 4 000 sand dune plants by the Friends of Moana Sands. The Friends of Belair National Park were recognised during their 25th anniversary celebrations, and was awarded an Outstanding Achievement Award.

The Campground Host program was revitalised this year, with 28 new volunteers joining the program. Hosts volunteer their time and are stationed in National Parks where they are often the first point of contact for visitors. Their main role is to assist ranges in greeting campers and helping them settle in and enjoy their park experience.

Lead the development and implementation of whole-of-government climate change and sustainability strategies and policies

Monitoring and reporting on River Murray Forest sites continued. River Murray Forest is a State Government initiative from 2006 to establish native trees and shrubs for biodiversity and carbon sequestration outcomes.

About 900 hectares has been planted, and is meeting both biodiversity and carbon requirements. A further 557 hectares has been planted and is at varying stages of infill planting to bring these up to requirements.

In 2011-12, the Department undertook a climate change study of Nullarbor Regional Reserve, mulloway surveys and monitoring in the region in the Alinytjara Wilurara (AW) Region, employing Aboriginal communities and volunteer groups. The Yalata Community played an important part in providing support and insight in the cultural significance of the region. The Nullarbor Monitoring project was a partnership program between DENR, the AW NRM Board and the Australian Government aimed at beginning a long-term monitoring program which could highlight the changes to the environment since the area was first surveyed in the early 1980s. The primary outcome of the Nullarbor Monitoring Project was that it will now form part of a regular work program through a partnership between DENR, AW public lands and Yalata Partners to implement No Species Loss (SASP Target 69).

Understanding of Aboriginal culture

DENR is responsible for a number of projects which involve significant interactions with Aboriginal people to enable on-ground delivery of DENR/NRM outcomes and facilitate gaining further understanding of Aboriginal culture. The combination of Aboriginal culture and contemporary science has been seen through the Warru Recovery Project, Kanpi Nyapari community caring for country project, implementation of the AW Regional Fire Management Plan and of the DENR Far West Coastal Management Plan through the Yalata Community.

The Riverland Aboriginal Learning on Country program was established, with the employment of four Aboriginal trainees to provide them with accredited conservation and land management training. Works undertaken include assisting with a major Pig Control Program on Chowilla Game reserve, installing reserve signage and undertaking protection works (exclusion fencing) at Hogwash Bend, and fencing of dams at Dangali Wilderness Protection Area as part of the Riverland Biosphere project.

Implement No Species Loss

On 9 December 2011, the Minister for Sustainability, Environment and Conservation launched the State Warru Recovery Plan for endangered black-footed rock-wallabies known as 'Warru' by Anangu, traditional owners of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. Actions included in the plan are already in place which is having a positive impact with Warru numbers bouncing back, including two reintroductions of Warru into APY Lands. This program not only supports the no species loss target, it also provides significant employment opportunities for Anangu in natural resource management in the APY Lands.

The 20th Anniversary of the Bounceback program, based in the iconic Flinders Ranges, was marked during 2011-12. This program has addressed much of the historical damage caused by early pastoral practices and subsequent high numbers of pest animals. The loss of natural habitats and competition from pest animals saw a subsequent decline in the populations of native animals. The Bounceback program, with a focus on controlling rabbits, foxes, cats and goats, together with invasive pest plants has resulted in a dramatic recovery of the Yellow Footed Rock Wallaby population throughout the Flinders Ranges. These agile animals are now found in areas where they have not been seen in living history.

Volunteer contribution across South Australia significantly supports achieving no species loss targets. As part of supporting the work of our volunteers, a Volunteer Management Framework was developed. The Framework will help improve community capacity, by ensuring the safety and training of our volunteers across the broad spectrum of environmental and NRM volunteering.

During the year a number of projects to protect threatened species and habitat have been undertaken throughout the State including:

- Approximately 10 500 threatened small-bodied native fish (two species nationally endangered, and four species listed as endangered under State legislation) were successfully reintroduced back into the Coorong, Lower Lakes and Murray Mouth site.

- The Living with Wildlife policy, which is included in the No Species Loss strategy, has been supported through providing support to councils to manage the impacts of little corellas, providing expertise on the Grey Headed Flying Fox Advisory Group, and contributing to the pilot project to develop a decision framework for a state-wide approach to koala management.
- Habitat reconstruction through the South Australian Urban Forests - Million Trees Program continued to establish 200 000 local native plants to buffer remnant vegetation, and increase the extent of habitat on reserves and other public land throughout the Greater Adelaide Open Space System.
- The Northern and Yorke Region provided coordination support to five threatened species recovery teams as part of population monitoring and threat abatement work for Spiny Daisy, Spalding Blown Grass, Pygmy Bluetongue Lizard, North Lofty Block Threatened Orchids, and Northern and Yorke declining woodland birds.
- The DENR Kangaroo Island Region delivered three key projects focussing on threatened species management, including implementing the Glossy Black Cockatoo Project, the Threatened Plant Species Habitat Restoration Project, and the Eastern Plains Fire Trial Research Burn at Beyeria Conservation Park.

Nature Conservation

DENR continued its partnership with the Alinytjara Wilurara NRM Board to meet key East meets West NatureLinks targets around Aboriginal employment in landscape scale natural resource management. The partnership between DENR and AW NRM Board continued implementing the Warru Recovery Plan and AW Regional Fire Management Plan.

The Cape Border to Barossa NatureLinks project developed a biodiversity mapping tool for the Adelaide Hills Wine Region to assist with implementation of the Informing Biodiversity Conservation and Regional Recovery Plan documents, and inform the development of the Environmental Management Plan for the Adelaide Hills Wine Region. This project also involved a partnership arrangement with the Mental Health Coalition to promote the health benefits of volunteering and being in nature. Restoration opportunities within parks were also mapped, including on some Crown land for both revegetation and weed management opportunities.

In 2011-12, volunteer groups were supported in projects through grants such as NRM Community Grants, Volunteer Support Grants, training and in-kind contributions from DENR regions.

Volunteer Support Rangers investigated and implemented new initiatives for engaging volunteers. Public talks were held throughout Greater Adelaide in conjunction with the Backyards for Wildlife Program to promote the Million Trees Program and to raise awareness, improve understanding and increase participation in biodiversity conservation.

In 2011-12, a number of biodiversity projects across the State were undertaken through the support of volunteers to achieve improved conservation of high value biodiversity assets on private and public land. Works include weed control in high value remnant vegetation and wetland areas, and environmental restoration works. Awareness about biodiversity was also promoted through community events and educational activities which increase community capacity and landholder participation, and build knowledge and skills of private landholders and community volunteers.

KEY CHALLENGES AND INITIATIVES FOR 2012-13

The focus of regional integration will shift from implementation into routine business. Central to the integration process, the following challenges and initiatives for the 2012-13 year have been identified:

- Facilitating NRM boards as strategic leaders of NRM who connect to community, and create partnerships for NRM delivery.
- Launching natural resources centres in each of the regions as a place for the community, industry and government to connect on NRM issues.
- Finalising integration of whole-of-government business and information services.
- Roll out of the NRM board leadership capacity-building framework.
- Improving community communication and engagement with improved support for local government, farmers, Aboriginal communities and non-government organisations through the delivery of NRM programs.

A broad suite of biodiversity conservation projects contributing to the No Species Loss strategy will be implemented across all eight regions, as well as regional projects implementing the NatureLinks and Tans-Australia Eco-Link actions, including landscape scale habitat restoration project on reserves.

Community engagement and volunteer NRM activities will continue to be supported through the NRM Community Grants Program funding in 2012-13.

Partnership frameworks will be facilitated with key stakeholders that will mobilise positive working relationships, build trust and deliver positive NRM outcomes. The foundation will be laid for systematic support for environmental volunteers across South Australia to ensure their safety, recognise their efforts and align their work to DENR programs

The Fire Management Program will be delivered through five key focus areas: prevention (risk modification); preparedness (readiness); response to bushfires as required; recovery, with debriefs and reviews conducted after each prescribed burn and bushfire operation; and research (information and analysis) resulting in the latest research being incorporated into operation practice.

A key target for the CLLMM Recovery Project in 2012-13 will be significantly increased propagation, from approximately 350 000 plants in 2011-12 to a minimum of 940 000 plants in 2012-13. An associated challenge will be engaging new landholders to fence off areas of land for restoration. Considerable lakeshore and revegetation fencing has already been undertaken and the challenge lies in obtaining sufficient landholder uptake to continue this process.

High salinity in Lake Albert remains a major concern for the local community with the uncertainty of flows to be received by the site (timing and volume) also a key consideration in the implementation of many of the CLLMM Recovery Project management actions. This will include investigating ways to improve Lake Albert management and the development of a scoping study on the future management of Lake Albert water quality and the Narrung Narrows.

Continued modelling and investigations will help determine the best combination of actions to be implemented to help restore the Coorong, including the South East Flows Restoration Project and the South Lagoon Salinity Reduction Scheme.

Innovative and creative engagement with the Coorong, Lower Lakes and Murray Mouth Community Advisory Panel will be further developed to ensure that South Australia gets the best involvement, information and feedback possible from the community.

The AW region will work with Aboriginal communities to implement pastoral monitoring program for APY Lands, and will develop Memorandum of Understandings with APY, Maralinga Tjarutja and Yalata in order to continue to provide significant Aboriginal employment in NRM through implementation of No Species Loss and the AW NRM Plan.

TARGETS

- In 2012–13 DENR's Fire Management Program will:
 - continue with the prescribed burning program on DENR-managed land, including five per cent treatment in high fire risk areas.
 - Commence development of two fire management plans for Dudley Peninsula on Kangaroo Island and the Northern Flinders Ranges.
 - Finalise development of the Fire Management Database as part of the National Disaster Mitigation Program to improve DENR's capacity to capture and report on fire management activities across the State.
 - Finalise a strategic assessment of DENR fire policy and procedures under the *Environment Protection and Biodiversity Conservation Act 1999*.
- Deliver regional NRM services through partnership arrangements, integrated business plans and support systems, and providing a community focus for integrated NRM at the local level through natural resources centres.
- Upgrade of interpretation information and displays, and upgrade of car park and additional access paths at Seal Bay, Kangaroo Island, and plan for and complete various upgrades throughout Belair National Park.
- Develop a volunteer strategy linked to regional NRM plans.
- Allocate \$2 million to community groups and non-government organisations as part of the NRM community grants scheme.
- In 2012–13 the CLLMM Recovery Project will:
 - Undertake a re-vegetation program that includes the propagation and planting of at least 940 000 plants both commercially and with the assistance of community nurseries and community groups. The re-vegetation program also aims to erect up to 40 km of revegetation fencing and install ten water points, as well as undertake an integrated pest control program that underpins revegetation activities and engages the community.
 - Investigate engineering proposals to reduce salinity levels in the Coorong South Lagoon.
 - Build community capacity in the region by supporting Ngarrindjeri partnerships with ongoing input to the Recovery Project through the Community Advisory Panel, and continue to support the Lakes Hubs at Milang and Meningie with the aim of improving the knowledge, understanding and stewardship of the site within the community.
 - Monitoring and research activities will continue to inform and update the ecological character description for the site and initial development of a site operations manual.
 - Develop fishway designs for the barrages in conjunction with SA Water and Murray-Darling Basin Authority.
 - Complete removal of Narrung Bund and Clayton and Currency Creek Regulators.

Sub-program 1.3: Client Services

Provides scientific knowledge and environmental and natural resources information that aids decision-making; makes information and knowledge easy to find, understand and use; and provides a range of scientific and other centralised services to the public and government.

HIGHLIGHTS

- Participated in the establishment of a spatial data sharing agreement with State Government agencies who are members of the Resource and Infrastructure Cluster ICT Governance Group through the Spatial Data Sharing Initiative (SDSI). A technical infrastructure upgrade was undertaken, through which DENR contributes datasets for the SDSI data hosting environment to enable sharing of one 'single point of truth' of information for access across government agencies.
- Implemented online transactional systems to improve self-service outcomes for DENR customers through the purchase of park passes, emergency service mapbooks and associated products.
- Implemented a maritime heritage register information system to improve information access for staff and streamline delivery to the community.
- Partnered with the University of Adelaide to jointly appoint the Chief Botanist/HBS Womersley Chair of Systematic Botany, to provide leadership in the development of the collections, systematics and research programs for the State Herbarium of South Australia.
- Launched the website of the State Herbarium's online publications, including the Flora of South Australia, to improve accessibility of information to the community.
- Completed the integration of ICT connectivity services for the eight NRM boards.
- Developed a methodology for assessing the number of visitors to national parks with the Australian Bureau of Statistics to support the *People and Parks: A Visitor Strategy for South Australia's National Parks, Marine Parks and Reserves*.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Reform natural resources management delivery arrangements in South Australia

During 2011-12, Client Services supported two key elements of the regional natural resources management integration project to meet its key outcomes, namely:

- creating a clear identity through a single face for the environment and natural resource management services; and
- an integrated workforce.

Now that all eight regions have been connected to the State Government ICT network, the regional work force can now communicate using standard government email, share information and access other whole-of-government services. The Natural Resources Centres are currently being launched, with ICT support now provided centrally through the DENR ICT service centre.

Improve our business processes

The Enterprise Business Information Strategy (EBIS) provides cost-effective and suitable investment strategies for the Department's information technology systems, whilst ensuring suitable governance of information. In 2011-12, a business transformation project commenced which provides DENR the tools to deliver services more effectively through business support outcomes.

Improve the management and sharing of environmental information

The NRM Research and Innovation Network administered by DENR has been operational since February 2011. The Network is a tool for information sharing where partnerships between users and providers of NRM science and research are fostered and strengthened. The Network aims to be a “one stop shop” where managers and researchers can share information at the intersections of NRM research and innovation. The Network is a partnership between South Australian Government NRM agencies and South Australian research institution: the University of Adelaide; University of South Australia; and Flinders University. As one of its communication tools, the Network produces a bi-monthly online newsletter with a distribution of approximately 7 000 people working across NRM regions, in both research and on-ground management. A website which collates all research outputs across the South Australian research sector is nearing completion. Aside from communication tools, the Network provides a much used facilitation service, matching the skills of researchers with the needs of natural resource managers.

Collaborative arrangements with Department for Water (DFW) were established for the acquisition and update of water course and water body data sets over prescribed areas of South Australia. The project commenced in October 2011, and the capture of surface water data sets in the Southern Fleurieu Peninsula, Kangaroo Island, and Northern and Yorke regions are now complete.

Sea level rise analysis to inform vulnerability assessments for policy development in conjunction with the Coastal Protection Board continued. An analysis of hazard areas within development zoning in coastal regions was also undertaken to inform policies and potential amendments to coastal development zones.

DENR is an active partner in the Terrestrial Ecosystem Research Network, an Australian Government Program which aims to establish the necessary cooperative and data frameworks for a national, collaborative approach to ecosystem infrastructure and research. All DENR environmental project metadata has been incorporated into the Australian National Data Service to enable access to research institutions to a collection of resources on their website.

Work is underway for the State Herbarium to establish a digital library of all plant type specimens that are faced with extinction for online access by the wider scientific community, and members of the public. This will include up to 900 plant type specimens from the collections as part of an international and national Herbaria initiative, funded through Council of Heads of Australian Herbaria.

The State Herbarium continued to work with NRM partners and Department of Primary Industries and Resources of South Australia in regional landscape surveillance for new weed threats through on-ground weeds surveillance. The State project also provides community capacity building and training. During the year, 26 new weed species were recorded for South Australia, including over 100 new records of weeds in regions where they were previously unknown.

Manage fire across the landscape and implement a prescribed burning program

The Client Services Sub-program continued to work collaboratively across government to provide improved data and quality information to public and private sector customers. A spatial data sharing arrangement has been implemented to support the fire cooperatives responsible for joint agency fire management business on State Government land. The maintenance and delivery of topographic spatial data continued to support various stakeholders and the public, including for inclusion in the Emergency Services map book series.

The state-wide baseline fire layers were comprehensively maintained and delivered to provide proposed prescribed burn boundaries and fire history spatial information. This information also supports the development of regional fire management plans for managing bushfire risk.

In 2011-12, the bushfire incident mapping support service was utilised for a number of significant bushfires including incidents at Moomba Complex, the Simpson Desert, the Gawler Ranges, the Flinders Ranges and Wirrabara. The service assisted with managing many prescribed burns including at Deep Creek Conservation Park.

Lead the development and implementation of whole-of-government climate change and sustainability strategies and policies

As part of a number of projects to support implementation of the State Government's commitment to climate change activities, researching the development of native woody biomass crop, fodder shrub and carbon sequestration industries are undertaken in collaboration with the Future Farm Industries Cooperative Research Centre. During 2011-12, regular maintenance of the Future Farm Industries Cooperative Research Centre core research site at Monarto was completed. Maintenance will continue during 2012-13, including further reviews of plants for field trial sites across the State.

Surveys of soil protection and soil condition in croplands across the State were successfully conducted during 2011-12, and will continue during 2012-13.

Heritage Conservation

Under the *Heritage Places Act 1993*, the South Australian Heritage Fund Grants program allocates \$250 000 per annum of grants in two categories: up to \$25 000; and up to \$10 000. In 2011-12, 34 grants were awarded, to assist private and local government owners of State heritage places with ongoing conservation. Grants are provided on a 'matching' basis, with owners matching the money provided from the SA Heritage Fund, either dollar for dollar or through 'in-kind' work. There were 53 applications for 2012-13 seeking grants from the \$250 000 annual fund.

Nature Conservation

During 2011-12, work progressed to develop methods and analysis of foundational information for the Trans Australia EcoLink (TAEI) project, with the Witjira stony plains pilot study area now complete. This incorporated analysis of rainfall/drought and hydrologic influences over recent decades and a full set of conceptual state and transition models for a variety of environmental settings. Final reports have been developed and will be finalised in 2012-13. The work will continue until October 2012, which will include presentation at the 17th Biennial Australian Rangeland Society Conference, and the submission of a journal paper to the Australian Rangeland Journal.

Landscape assessment documentation and reports have been completed for the Adelaide and Mount Lofty Ranges, South Australian Murray Darling Basin and the Northern and Yorke natural resources management regions. Development of a Landscape Assessment Framework for the Eyre Hills IBRA sub-region is underway, and outcomes will be reported on and discussed with regional partners during 2012-13.

KEY CHALLENGES AND INITIATIVES FOR 2012-13

Major work will be undertaken in 2012-13 to merge the ICT infrastructure and systems of DENR and the Department for Water to ensure a single, consolidated approach to ICT in the new Department of Environment, Water and Natural Resources. The NRM integration will enable all staff at NRM business sites to have full access to government enterprise business systems.

The Client Services Sub-program will continue to review current and future service delivery requirements to achieve the sustainable provision of services to government, DENR and the community. The review focuses on innovative solutions to deliver better business outcomes by providing efficiency of services at a lower cost, while improving the public's experience.

Client Services will continue focussing on spatial information requirements for DENR's fire program, in preparation for the 2012-13 fire danger season.

TARGETS

- Improve the efficiency and delivery of business support operations involving:
 - Management and sharing of information and knowledge across government agencies.
 - Electronic transactional service to internal and external clients, including the efficient workflow automation for paper and email based processes.
 - Commercial transactional services for external clients.
- Undertake technical ICT upgrades and projects to improve business functionality to ensure systems run effectively and are cost effective, including:
 - Upgrade the fire management database to meet the increasing business needs of the DENR fire management program, to deliver a web-based 'single point of truth' for all bushfire and prescribed burning information for DENR-managed land, including planning, resource tracking and spatial capture of fire areas.
 - Implement a new electronic data records management system for DENR and the Environment Protection Authority to improve functionality for staff.
 - Complete the ICT natural resources management integration connectivity of all NRM business sites to enable full access to government enterprise business systems for staff.
 - Roll-out the Microsoft Windows 7 Operating System and the Microsoft Office 2010 productivity suite.
 - Continue the Service Oriented Architecture Proof of Concept work to improve business applications in DENR. This work builds on migration of all significant business applications within this architecture over the next three years.
 - Complete the upgrade of Cognos Business Intelligence and reporting system, DENR's main financial database.
- Adopt the DENR NRM Reporting Framework for the State NRM Plan, develop relevant indicators for reporting on targets including environmental, social and economic and produce a pilot report card for the State NRM Plan.

Program 2: Strategy, Climate Change and Sustainability

The Strategy, Climate Change and Sustainability program provides strategic direction and positioning of DENR, the development of organisational capability and the evaluation and reporting of performance. It supports the Chief Executive and Minister in their roles as leaders and ambassadors for the Department in managing cross-government relations and overall communication. It has a leading role in the development and maintenance of governance and risk management frameworks across the department. It is responsible for leading the development and implementation of whole-of-government climate change and sustainability strategies and policies, and coordinates state government input to key national and international climate change initiatives.

HIGHLIGHTS

- Developed a suite of interactive consultation tools on the DENR website, which allows the Department to engage with the community more effectively online. They include areas for discussion, submissions and news; a document library; and a quick poll facility. Online consultations so far have included a new play-space for Belair National Park and Tomato Tales (an ongoing discussion about growing tomatoes between the Botanic Gardens and the public).

- Initiated new media, communication and branding arrangements to support the effective delivery of integrated environment and natural resource services in the regions.
- Engaged park visitors using the new ParkSA Facebook site, and launched a marketing campaign encouraging people to visit Cleland Wildlife Park.
- Ran three free public *Stirring the Possum* events to engage the community and the corporate sector in creating a sustainable South Australia.
- Completed a legislative review of the *Climate Change and Greenhouse Emissions Reduction Act 2007*.
- Developed a draft Climate Change Adaptation Framework, to assist communities, businesses and individuals to minimise the negative impacts of climate change and to identify and benefit from opportunities.
- Implemented projects under the Building Innovation Fund including a feasibility study into building-integrated photovoltaic options for commercial building facades, installation of indirect evaporative cooler air-conditioning technology and installation of a tri-generation engine with a revised heating plant and hot water coils in the air-conditioning system.
- Undertook preparatory work for the Department's High Performance Framework review in 2012-13.
- Developed a grants management framework that provides direction and guidance so that DENR manages and administers grants in an efficient, effective and ethical manner as well as providing a coordinated and organisation-wide approach to grant management.
- Implemented a delegations toolkit which provides guidance on the preparation and use of delegations and financial authorisations by agency staff, and by the boards and committees supported by DENR.
- The development of governance arrangements between the regional NRM Boards and DENR.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Reform natural resources management delivery arrangements in South Australia

A critical component of the Minister's agenda for NRM reform was integrating the delivery of environment and natural resource services in regions, to provide a 'one-stop-shop' for regional communities on NRM issues. The Strategy Program assisted this process by developing a new branding strategy for the integrated regional service, as well as media and communications systems and protocols to support the new arrangements. Strategy worked closely with the Regional Integration Project Team and regional staff to ensure the brand reflected regional priorities and was understood and supported, and to develop a vision for how natural resources centres in each region would look and how they might operate.

Develop and implement the People and Parks visitor strategy

Strategy was involved in a series of projects to encourage all people, particularly young people, to experience the natural environment, especially national parks, to increase their understanding of nature, their fitness and their wellbeing. These included the three-day Womad EARTH-STATION festival, where the new ParkSA brand and the winning designs from the 2011 Art of Nature T-shirt competition were showcased, the development of the ParkSA Facebook site, and a marketing campaign encouraging people to visit Cleland Wildlife Park.

Public interest in and debate on the environment was raised by running three *Stirring the Possum* events on the topics of: 'The Environment in 2020'; 'The Age of Humans'; and 'Connecting with Country'. The events attracted a total audience of more than 1 000 people along with associated media coverage.

Lead the development and implementation of whole-of-government climate change and sustainability strategies and policies

The program is responsible for the Building Innovation Fund which assists in demonstrating innovative ways to reduce the carbon footprint of existing commercial buildings, and to encourage the adoption of emerging low carbon solutions by the South Australian property sector. The four year \$2 million program, established in 2008-09, provided grants for both capital works and feasibility studies to universities, not-for-profit associations and owners of private office buildings, hotels and shopping centres. The final round of funding under the program was completed in 2012.

Sector agreements were established by the program pursuant to the *Climate Change and Greenhouse Emissions Reduction Act 2007*. These are formal, co-operative arrangements between State Government and specific industry sectors, or regional areas to facilitate action on climate change on a voluntary basis for the purpose of recognising, promoting or facilitating strategies to meet targets set under the Act. The South Australian Government is a party to 15 agreements with various industry sectors and regional bodies covering sectors as diverse as urban development, the technology industries, tertiary education and regional development. Regional Sector Agreements being developed will support the implementation of the Climate Change Adaptation Framework for South Australia which is currently being finalised.

As part of a review of the draft Climate Change Adaptation Framework, the Program assisted with the coordination of a series of regional consultation forums. The purpose of the Framework is to address the need for greater coordination of adaption activity across State Government, research institutions, industries and communities. Feedback sought from the events is being incorporated into the Framework which will be finalised in 2012-13.

The program continued to support the Premier in his capacity as Co-Chair of the States and Regions Alliance, a role that South Australia has held since 2008. This group of over 50 sub-national governments is committed to accelerating action on climate change. Members of this Alliance have continued to meet on a regular basis at the Climate Leader Summit to report on their activities and make tangible commitments to tackle climate change.

The South Australian Government, through DENR, is also a contributing member of the EV20 which is an international initiative to accelerate the global deployment of plug-in electric vehicles, with the aim of accelerating the global uptake of electric vehicles by 2020. This initiative provided input into the Low Emission Vehicle Strategy released on 22 June 2012 by the Department for Planning, Transport and Infrastructure.

Premium food and wine from our clean environment

The Strategy, Sustainability and Climate Change Program has coordinated DENR's contributions to the State Government's *Premium food and wine from our clean environment* priority. The program contributed to establishing the overall direction of the priority through membership on the Senior Officers Group, and helped to identify and develop linkages between effective natural resources management and the value of our premium food and wine sector. The program also collaborated with other government agencies to develop communications and community engagement strategies for the priority.

Greenhouse emissions reduction and climate change adaptation

The Strategy, Sustainability and Climate Change program is responsible for implementing the South Australian Government's commitments of climate change activities, and has lead responsibility for SASP Targets – T59: *Greenhouse emissions reduction* and T62: *Climate change adaptation*.

The most recent South Australian data on progress against SASP Target 59 shows that in 2009-10, net greenhouse gas emissions in South Australia were 6 per cent or 1.9 million tonnes lower than the revised 1990 baseline. Accordingly, South Australia is on track to meet the target of restricting emissions levels on average to less than 35 million tonnes of CO₂-e from 2008 to 2012. For SASP Target 62, two regions in the State have

already completed integrated vulnerability assessments, and a further four regions have commenced their assessments. Other regional assessments will be pursued during 2012-13.

The program also continued to monitor the ongoing implementation of Tackling Climate Change: South Australia's Greenhouse Strategy 2007-2020. A detailed report is on page 49.

KEY CHALLENGES AND INITIATIVES FOR 2012-13

The main challenge in 2012-13 will be establishing a shared strategic direction and strategic priorities for the new Department of Environment, Water and Natural Resources resulting from the amalgamation of the Department for Water (DFW) and DENR, and supporting these new strategic settings with effective communications and community engagement plans.

Developing the new Department's community engagement capacity will be critical if we are to make the transition to a truly community-centric organisation.

The focus of community engagement will be on supporting regional staff and regional NRM boards to enable their communities to achieve desired environmental, water and NRM outcomes. Involving the community in the development of government policies and programs will also be important.

The South Australian Government is committed to progress the Climate Change Adaptation Framework which will assist communities, businesses and individuals to minimise the negative impacts of climate change.

Coordination work will continue on the development of eight regional Annual Implementation Plans for 2013-14. The plans will detail the responsibilities, targets and reporting arrangements of Regional Managers for delivery of environment and natural resources management services on behalf of the regional NRM boards and the Department.

TARGETS

- Guide the implementation of the new media, communication and branding arrangements for the integrated environmental, water and NRM services.
- Develop a community engagement framework and toolkit to support the new Department and the regional NRM boards in engaging effectively with the South Australian community.
- Integrate DENR, DFW and NRM website content to provide single points of contact for communities in each region to access environment and NRM information, and allow this information to be delivered more effectively and efficiently. This includes developing a mobile phone friendly version of the Department's website.
- Support the Department's input to the Government's premium and clean food priority through collaborating with other government agencies on communications and community engagement strategies and key messages.
- Commence formal implementation of the Climate Change Adaptation Framework.
- Develop and implement further regional agreements under the climate change legislation.
- Implement outcomes of the section 21 review of *Climate Change and Greenhouse Emissions Reduction Act 2007*.
- Develop and implement the DENR grants management IT system across the agency.
- Review, with a view to aggregating, the department's planning, reporting and evaluation framework with the NRM framework.
- Develop a governance toolkit for boards and committees that are supported by DENR.

Program 3: Botanic Gardens

Management of the Botanic Gardens of Adelaide as a collections-based cultural and scientific institution, linking plants, people and culture and encouraging its use for conservation, education, tourism, recreation and cultural events. The program has a lead role in promoting the development of green infrastructure and sustainable urban landscapes, providing environmental and horticultural education and community awareness of the importance of plants and contributing to habitat restoration through seed conservation programs.

HIGHLIGHTS

- Commenced construction of the First Creek Wetland project in the Adelaide Botanic Garden with primary earthworks and infrastructure nearing completion and full project finalisation, including landscape works and interpretation, scheduled for mid-2013.
- On 22 July 2011, the western entrance of the Adelaide Botanic Garden and the newly completed Garden of Health were officially opened.
- Developed the Green Infrastructure program plan and evaluation strategy for a three-year project for delivering strategic outcomes for healthy and vibrant communities through engaging state and local government, industry and community stakeholders.
- Completed the Kitchen Garden concept plan, project plan and evaluation framework, and delivered workshops in partnership with community organisations and local government.
- Progressed the Australian Horticultural Centre of Excellence business plan in partnership with TAFE SA, and commenced training of selected staff in Certificate IV Training and Assessment to enable delivery of 'centre of excellence' training.
- Approximately 30 000 students participated in formal school education programs, including representation from over 100 disadvantaged schools. In addition, 85 per cent of school students undertaking Aboriginal cultural programs were taught by an Indigenous cultural instructor.
- Fifty nine per cent of South Australia's scheduled threatened native plant species are now effectively conserved in the Botanic Gardens Seed Conservation Centre seed bank.
- A partnership was established with the Diggers Club through commencement of the Diggers Garden Shop in the Adelaide Botanic Garden, providing the community a direct link with kitchen garden initiatives.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Development of First Creek wetlands

Ecological knowledge and environmental reconciliation have been embedded within the interpretive plan for the First Creek Wetland development, with indigenous plant use and the relationship to wetland plants highlighted in specific areas. Representatives of the Indigenous community have provided input to the development of interpretative storyboards and content for the development.

Management and use of water in an efficient and effective manner is critical for the future of South Australia. The Botanic Gardens continues to demonstrate efficient management, use and application of water while maintaining plant collections and landscapes of high recreational and aesthetic appeal. The First Creek Wetland and Aquifer Storage and Recovery project will demonstrate to the community, efficient water management and provide an outstanding interpretive and educational experience connecting people, water and plants. Significant progress has occurred on construction of the wetland with installation of landscaping and interpretative components to be completed in the coming year.

Develop and implement the People and Parks visitor strategy

The Botanic Gardens of Adelaide has expanded partnerships to deliver the Kitchen Gardens, Green Infrastructure and South Australian Seed Conservation Centre, and continued to build a strong volunteer base including Helping Hands at Wittunga Botanic Garden and the successful Mount Lofty Botanic Garden blitzes.

Approximately 50 000 school students have utilised the Botanic Gardens through both formal and informal plant-based learning programs. World Environment Day attracted more than 2 000 school students to a planned environmental program. Disadvantaged schools are specifically targeted to participate in special events with the support of a Department for Education and Child Development Education Officer.

The Botanic Gardens of Adelaide continues to have a high visitor and advocacy rating with a 96 per cent recommendation level measured through an annual visitor survey, with an approximate 1.8 million visitors enjoying the three gardens each year.

Staff and industry capacity to manage horticultural programs, such as the Green Infrastructure project and Kitchen and Community Gardens, is enhanced through the initiative to establish a leading Centre of Excellence in Horticulture Training in partnership with TAFE SA. The Australian Centre of Excellence in Horticulture will provide an innovative resource locally, nationally and regionally. Opportunities have already been investigated with the National Parks Board, Singapore, to implement training partnerships for government and industry.

The opening of the Garden of Health has provided an important new educational resource for students, the public and health and medical practitioners. The Garden of Health demonstrates the importance of plants to society, both historically and in modern society, as well as providing sources of a large proportion of raw materials for beneficial medicinal compounds forming the basis of medical treatment.

DENR, through the Botanic Gardens, has taken the lead role to build on the success of the Sustainable Landscapes Project through establishing a Green Infrastructure Project and strategic framework which will guide landscape design principles and directions for urban open space and development. The project was developed in partnership with the Department of Planning, Transport and Infrastructure, Integrated Design Commission, Local Government Association, and the Urban Renewal Authority.

The Green Infrastructure program champions the importance of urban green space, to reinforce the values and services provided by Green Infrastructure and to deliver agreed priorities with partners across government. The Green Infrastructure concept, within the context of the *30-Year Plan for Greater Adelaide*, supports the State Government initiatives of *Creating a vibrant city* and *Safe communities healthy neighbourhoods*.

Implement No Species Loss

The Seed Conservation Centre is currently holding, in secure storage, 59 per cent of South Australia's listed rare and threatened native plant species. Opportunities for utilising seeds that are stored in the seed bank for restoration and revegetation purposes continue to be explored within regions. Sixty eight seed collections were made during 2011-12, with 26 of the plant species collected being new to the Seed Conservation Centre Seed Bank. Of the new plant species collected and now represented in the seed bank, 12 are listed as rare or threatened under the *National Parks and Wildlife Act 1972*. A focus for the year has been on the Murray River floodplain flora. The seed collections made through the year continue to be systematically tested to determine viability and germination rates before being entered into low temperature storage in the seed bank.

Partnerships are an important element in helping to ensure conservation of the South Australian flora, and Santos Limited provide continued support for the seed conservation program. A restoration technologies research project with Iluka Resources Limited focused on a mine site in Yellabinna Regional Reserve which provides research findings for the development of landscape restoration techniques for degraded environments. Additional partnerships are being pursued that will provide support for South Australian flora conservation and landscape restoration.

Understanding of Aboriginal culture

Indigenous plant knowledge continues to be incorporated into community and schools education programs. Aboriginal Food and Plant Trail guided walks to public visitors at the Botanic Gardens are provided by Indigenous guides, who are also engaged to work with children during school holiday program activities. Approximately 85 per cent of students undertaking the Aboriginal Plant Use trail utilised an Indigenous cultural instructor as guide.

KEY CHALLENGES AND INITIATIVES FOR 2012-13

Maintaining security of the valuable living collections and displays is a continued focus for the Botanic Gardens. Concern has been highlighted following significant impact through arson across the Garden and damage to important old and well established plant collections. Many of the plants and collections within the Botanic Gardens are difficult, if not impossible, to replace due to rarity in their natural habitats and in cultivation.

Community support groups for the Mount Lofty and Wittunga Botanic Gardens have been formed to promote local community needs and aspirations. The Botanic Gardens is continuing to engage with these support groups to retain high level community involvement and support and to identify collaborative opportunities.

Increasing accessibility of the Gardens' collections through interpretation, education and exhibitions and through presentation of public facilities is of high importance to meet community expectations and satisfaction.

Building opportunities for a strong volunteer base, and enhancing the capacity of volunteers to work with the Botanic Gardens, will continue to be a focus.

A colony of grey-headed flying fox established in the Botanic Park presents an ongoing challenge to manage this threatened species in a sensitive manner but with due consideration of the severe and damaging impact to the valuable and historical tree collections, as well as negative impact on garden users, visitors and commercial activity.

TARGETS

- Completion of the First Creek Wetlands project, including planting of wetland plant species and landscape elements, and implementation of the education and interpretative components.
- Continue focus on the collection, study and long-term storage of South Australian plant species with 60 per cent of threatened South Australian native plant species conserved in long-term conservation storage in the Botanic Gardens Seed Conservation Centre.
- Complete the master plan for Wittunga Botanic Garden and prioritise recommendations.
- Commence the Australian Horticultural Centre of Excellence with nationally accredited programs recognised by industry and specialist courses for horticultural professionals and the general public.
- Implement a volunteer strategy to develop volunteer programs that provide opportunities and foster broad community support.

- Stage eight major cultural events in the Botanic Gardens of Adelaide.
- Continue a risk management strategy for Botanic Garden trees in addition to a planting and replacement program to preserve the Botanic Gardens mature trees canopy, with a minimum of 50 new trees planted.
- Maintain a high level of participation in plant-based learning through schools and community education programs.
- Complete a Class 1 Disability Access Trail at Mount Lofty Botanic Garden for enhanced visitor accessibility.

ABORIGINAL RECONCILIATION STATEMENT

DENR recognises South Australia's Aboriginal people as the traditional custodians of the State's lands, water, plants and animals, commonly known as country.

We observe that country is central to the social, cultural and spiritual lives of Aboriginal people.

We acknowledge the damage done to Aboriginal people and society, individually and collectively, through colonisation, settlement and displacement.

We will endeavour to repair the damage, and where that is not possible, to reconcile the past. We will build respectful and honest relationships through our work and develop a better awareness of Aboriginal history, knowledge and culture. We will ask and listen, before we act.

Every day, we will work with Aboriginal people to conserve and manage our environment and natural resources.

Agenda

DENR has a significant number of interactions with Aboriginal communities in carrying out our business, which occur through a range of means including:

- on-ground delivery of DENR/NRM business;
- consulting and working with Traditional Owners for DENR/NRM business;
- cooperative management arrangements;
- Native Title resolution;
- Alinytjara Wilurara NRM Board; and
- projects in partnership with Aboriginal communities such as the Coorong, Lower Lakes and Murray Mouth (CLLMM) program's Ngarrindjeri Partnerships, and a wide range of projects in partnership with Anangu Pitjantjatjara Yankunytjatjara (APY), Yalata and Maralinga Tjarutja.

In addition, DENR employs a number of Aboriginal staff which aims to increase the Aboriginal workforce, and to ensure the organisation provides genuine opportunities for Aboriginal staff to participate, prosper and progress.

In turn, developing cultural competencies, acknowledging and harnessing what can be learned from Traditional Ecological Knowledge are recognised as the focus to carry out DENR's daily business.

DENR's Corporate Plan outlines the intent and where to place efforts in Reconciliation to have them coordinated in a more strategic way.

The DENR Reconciliation agenda for 2011-12 has included the following actions:

- The DENR Reconciliation Committee was reconstituted as a Committee of the Executive, and includes senior Aboriginal staff to provide leadership for DENR's strategic directions. The Committee supports the development and implementation of initiatives that help DENR achieve the State Government's reconciliation objectives.
- The DENR Reconciliation Council was established and made up of interested staff to promote reconciliation action throughout the Department. The Council drives DENR's reconciliation activities and monitors the implementation of the DENR Reconciliation Action Plan.

- The Corporate and Client Services Directorate has responsibility for Aboriginal support, employment and training as well as providing leadership for Aboriginal engagement and reconciliation within the agency.
- Work is continuing to promote the value of Traditional Ecological Knowledge, and coordinate the development of culturally appropriate mechanisms for its application and protection.

DENR 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

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

DENR, in conjunction with the Alinytjara Wilurara Natural Resources Management Board (AW NRM) help support committees to determine how the State's natural resources are managed in the Alinytjara Wilurara region; about 107 000 square kilometres in northwest South Australia, approximately 28 per cent of the State. Of particular note is the work being carried out with regional communities looking after key wildlife, and water planning for the future. DENR also works with APY to support their desire for a sustainable, organic pastoral industry.

Other alliances include DENR'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 (Warru) recovery project, and a number of programs focussed on the cultural and ecological importance of surface water, such as soaks and rock holes.

The AW NRM Board is also working closely with both the Yalata and Oak Valley Communities to provide contract funding in line with the Community Business Plans to enhance local employment opportunities.

In September 2012, the Department through the AW Region will support over 50 Aboriginal women from the Western Desert to camp on the Mamungari Conservation Park. This will be the largest cultural gathering of Aboriginal women in this region for many years. The outcomes from this gathering will be fed into the Management Plan for the Mamungari Conservation Park.

The Kuka Kanyini project, which was directly managed by DENR for many years, is being formally transferred to APY Land Management as the governing body for the Region. Funding will now flow directly to APY through the Federal Government's Working on Country program providing a more sustainable funding base. AW Region will continue to work in partnership with APY to ensure high level ecological advice supports the project's efficiency.

The CLLMM program has been working closely with the Ngarrindjeri community to address ecosystem collapse in the CLLMM region due to drought. The CLLMM Ngarrindjeri Partnerships Project funds the Ngarrindjeri Regional Authority (NRA) to build their core capacity to support the community to participate in the CLLMM program, and progress Ngarrindjeri long-term caring for country aspirations.

Aboriginal groups and communities were engaged in the development of marine plans and marine parks through 34 separate engagement contacts with Aboriginal communities or their representatives across South Australia. This provides opportunities for Aboriginal communities to be engaged in the Marine Parks program.

The Great Australian Bight Marine Park (GABMP) has an agreement with Yalata Community Incorporated for on the ground works for the GABMP. There are Mirning, Wirangu and Yalata representatives on the Great Australian Bight Marine Park Consultative Committee who provide advice to management. Mirning People have also been involved with beach clean ups.

Heritage and Native Title

Work has progressed to support the DENR Corporate Plan priority to facilitate the co-management of more protected areas, and engage and support Aboriginal people and communities in the management of their traditional lands.

Ten Cooperative Management Agreements (CMAs) have been created with local Aboriginal groups. The CMAs relate to the:

- Mamungari Conservation Park with Maralinga Tjarutja and Pila Nguru;
- Vulkathunha-Gammon Ranges National Park and Flinders Ranges National Park with the Adnyamathanha Traditional Lands Association;
- Ngaut Ngaut Conservation Park with the Mannum Aboriginal Community Incorporated;
- Witjira National Park with the Irrwanyere Aboriginal Corporation, Coongie Lakes National Park with the Yandruwandha Yawarrawarrka Traditional Land Owners Corporation;
- Lake Gairdner National Park and Gawler Ranges National Park with the Gawler Ranges Aboriginal Corporation;
- Wabma Kadarbu Mound Springs Conservation Park with the Arabana Aboriginal Corporation; and
- Proposed Breakaways Conservation Park with the Antakirinja Matuntjara Yankunytjara Aboriginal Corporation.

Some of these agreements also facilitate advice over an additional seven parks. These are Ediacara Conservation Park, Bimbowrie Conservation Park, Black Rock Conservation Park, Yalpara Conservation Park, Elliot Price Conservation Park, Lake Eyre National Park and Lake Gilles Conservation Park.

A CMA has also been entered into over an area north of Coober Pedy with the Antakirinja Matuntjara Yankunytjara (Aboriginal Corporation) and the District Council of Coober Pedy. That arrangement will also have an advisory role over the Tallaringa Conservation Park.

Negotiations are also advanced over the Coorong National Park with the Ngarrindjeri People.

Under these arrangements, traditional knowledge and contemporary park management skills contribute to both park management and reconciliation.

South Australia is subject to 23 native title claims that are intrinsically linked to all Crown land under DENR management including parks. DENR is involved in negotiations over these claims with the Attorney-General's Department, which is the lead negotiator on behalf of the South Australian Government.

The DENR Aboriginal Heritage Strategy fosters cooperation between Aboriginal communities and the Department's field staff in protecting Aboriginal cultural heritage on parks and Crown land, and ensures field staff are trained in native title and Aboriginal heritage issues.

Communications

The DENR Aboriginal Partnerships Team provides policy advice and develops strategic initiatives and programs for cooperative management of natural and cultural heritage.

DENR recognises the interests of Aboriginal people, acknowledging their profound connection to land and communities across the State. This recognition has taken the form of the 'Welcome to Country Protocol' (a written or spoken expression of acknowledgment of Aboriginal peoples' connection with the land).

The Kungun Ngarrindjeri Yunnan Agreement (KNYA) was signed in 2009 between the NRA and the South Australian Government. The KNYA establishes a consultation and negotiation framework aimed at supporting Ngarrindjeri participation in natural and cultural resource management. DENR leads the implementation of the agreement on behalf of the State. The CLLMM program has developed a DENR Cultural Knowledge procedure, and it is delivered to staff managing contracts containing the Ngarrindjeri Cultural Knowledge clause.

Employment and Training

As at 30 June 2012, Aboriginal people were identified as 3.03 per cent of DENR's workforce, exceeding South Australia's Strategic Plan target of two per cent. Aboriginal employees are represented across ASO1 – ASO7 levels and equivalent.

As part of DENR's Reconciliation Plan, the Department continued to implement its Aboriginal Workforce Strategy. Highlights during 2011-12 include a one day network event for over 30 Aboriginal employees from around the State, and creating employment pathways for Aboriginal students into future employment through secondary and tertiary scholarships.

These employment pathways include involvement in the Gavin Wanganeen Indigenous Scholarship in partnership with the University of South Australia, and an Indigenous Cadetship at Cleland Wildlife Park in partnership with the National Indigenous Cadetship Support Program. Other opportunities for career pathways include partnerships with Rostrevor College and Para West Adult Campus, to support indigenous students to complete Certificate II in Conservation and Land Management. The Para West Students come from the South Australian Aboriginal Sports Training Academy, which partners with Rio Tinto and the Port Adelaide Football Club to form the Power Cup.

Other employment opportunities include DENR's partnerships with the Working on Country program which employs three Aboriginal Rangers in the Gawler Ranges, and four Rangers in the South East region. DENR also partners with the Aboriginal Learning on Country Program with four trainees employed in the Murray Darling Basin region.

The CLLMM program has facilitated Ngarrindjeri employment and training activities since 2009. CLLMM funding agreements have supported the NRA to employ up to 15 full-time Ngarrindjeri employees since late 2009, with associated accredited training.

FINANCIAL COMMENTARY

Financial Overview

The Department of Environment and Natural Resources (DENR) aims for a sustainable and prosperous South Australia where natural resources are used wisely and a healthy environment is understood to be the foundation of our quality of life.

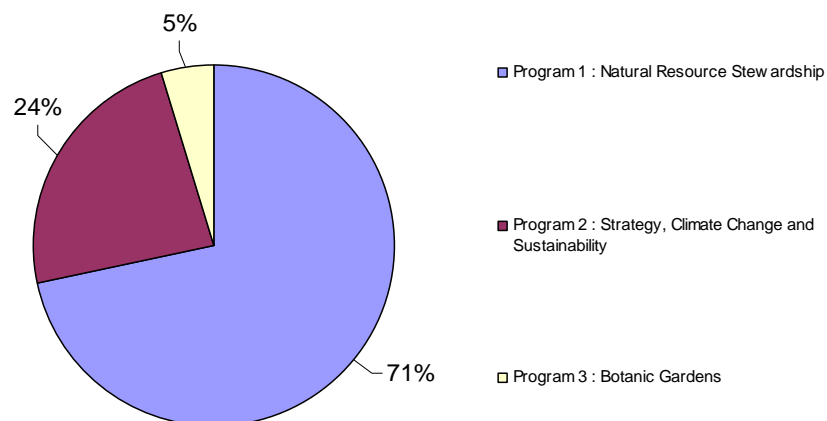
With effect from the 1 July 2011 the department's program structure was re-aligned to three core programs, which are as follows:

- Natural Resource Stewardship;
- Strategy, Climate Change and Sustainability;
- Botanic Gardens.

The audited DENR financial statements are published on the department's internet site www.environment.sa.gov.au. The following report makes comparison between the budget, as tabled in Parliament in June 2011, as part of the 2011-12 Agency Statements, and an abridged version of the actual financial statements as at 30 June 2012. The abridged report is formatted to include the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; and Statement of Changes in Equity.

The budget does not reflect changes made during the financial year by the Department of Treasury and Finance, approved through Cabinet Submissions or new externally funded projects commissioned. Material variances arising from these changes will be reported in the enclosed variance analysis.

Program Expenditure



Actual Expenditure by Program

The three major programs in terms of actual expenditure are Natural Resource Stewardship (71 per cent), Strategy, Climate Change and Sustainability (24 per cent) and Botanic Gardens (5 per cent).

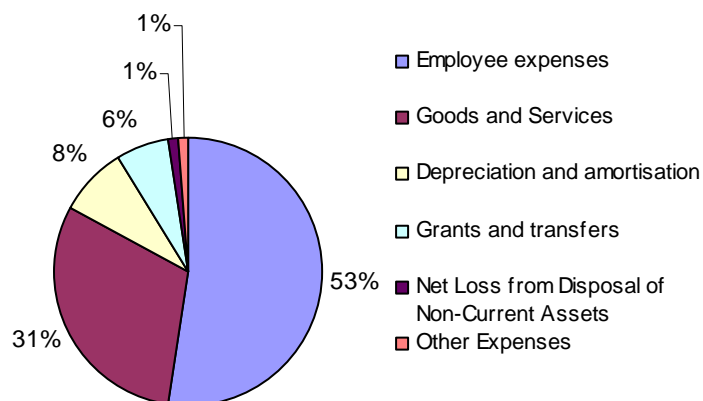
Income Statement

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2012

	Budget 2011-12 (\$'000)	Actual 2011-12 (\$'000)
Operating expenses	176 717	206 505
Operating revenues	50 226	63 364
Net cost of providing services	126 491	143 141
Revenues from Government	126 491	127 018
Net Result	-	(16 123)
Other Comprehensive Income		26 925
Total Comprehensive result	-	10 802

The actual comprehensive result was a net surplus of \$10.802 million. This includes \$26.925 million as a result of a revaluation of property, plant and equipment in accordance with the three year revaluation cycle.

Operating Expenditure

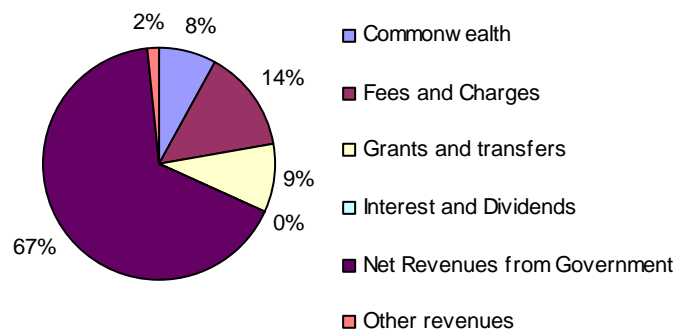


Actual Operating Expenditure by Program

Operating expenses were approximately \$29.8 million higher than expected, largely as a result of:

- unbudgeted additional expenditure relating to Lower Lakes and Coorong projects (\$12.7 million). Funding was provided post original budget;
- additional one-off expenditure relating to TVSP payments funded from Treasury contingencies (\$4.4 million);
- unbudgeted additional expenditure relating to the change in the methodology for calculating Long Service Leave (\$3.7 million) as approved by Treasury;
- an increase in expenditure relating to projects funded by external parties (\$3.2 million);
- unbudgeted expenditure resulting from the accounting treatment associated with the reclassification of expenditure of budgeted capital to operating expenditure in line with the departments capitalisation policies (\$2.3 million);
- unbudgeted expenditure relating to the capitalisation of prior period capital projects (\$1.8 million) (non cash expense); and
- unbudgeted expenditure relating to the transfer of The Office of Sustainability and Climate Change from the Department of the Premier and Cabinet on 1 January 2012 post original budget (\$1.6 million).

Operating Revenues



Actual Operating Revenue

Operating revenue was approximately \$13.1 million higher than expected, largely as a result of:

- additional revenue relating to Lower Lakes and Coorong projects (\$8.3 million);
- an increase in revenue relating to projects funded by external parties (\$3.7 million); and
- unbudgeted revenue relating to the cost recovery from the Departments administered entities (\$1.2 million)

Net revenue from government was approximately \$0.5 million higher than budget for 2011-12 as a result of:

- an increase in appropriation relating to TVSP payments funded from Treasury contingencies (\$5.4 million);
- an increase in appropriation relating to the transfer of The Office of Sustainability and Climate Change from the Department of the Premier and Cabinet on 1 January 2012 post the original budget (\$1.7 million);
- an increase in appropriation for the upgrade of the Heysen Trail (\$1.1 million)
- an increase in appropriation relating to a number of Native title agreements reached post original budget (\$1.0 million); and

This is offset by:

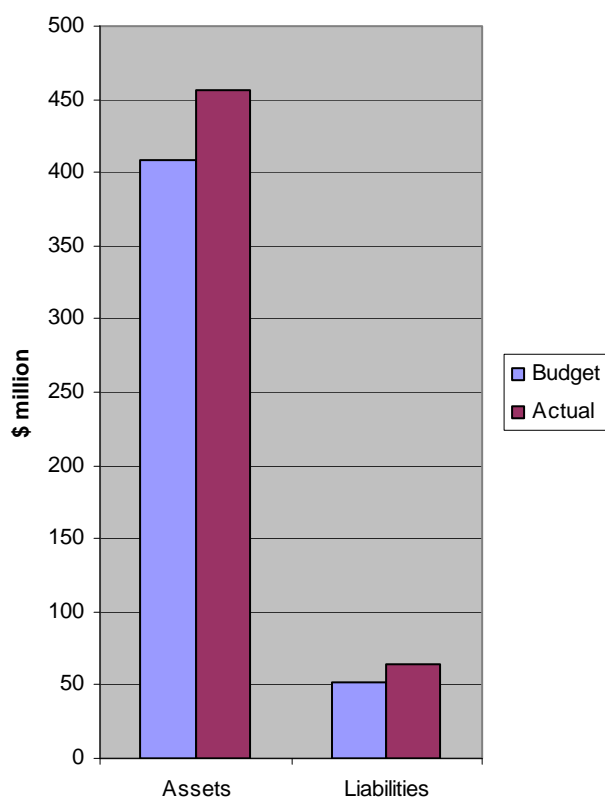
- a reduction in appropriation relating to the Adelaide Living Beaches project that was approved for carryover into future years (\$8.0 million); and
- a reduction in appropriation relating to the re-profiling of the River Murray Forrest project (\$0.9 million).

SUMMARY STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2012

	Budget 2011-12 (\$'000)	Actual 2011-12 (\$'000)
Current assets	82 963	97 957
Non-current assets	325 199	357 914
Total assets	408 162	455 871
Current liabilities	26 635	37 720
Non-current liabilities	25 215	26 412
Total liabilities	51 850	64 132
Net assets	356 312	391 739
Equity	356 312	391 739
Equity at 30 June 2011	-	373 199
Surplus/(deficit) for the year	-	10 802
Net Increment for Asset First time recognition	-	4529
Net Increment for Asset Valuation adjustments	-	3480
Net Assets received from Administrative Restructure	-	(271)
Equity	356 312	391 739

Net Assets and Equity is approximately \$35.4 million higher than budget.

Assets and Liabilities



	Budget 2011-12 (\$'000)	Actual 2011-12 (\$'000)
Cash flows from operating activities:		
Payments	152 805	188 315
Receipts	50 226	67 719
Cash flows from Government	126 419	127 018
Net cash provided by operating activities	23 912	6 422
Cash flows from investing activities:		
Payments	37 872	30 378
Receipts	-	44
Net cash used in investing activities	37 872	30 334
Cash flows from financing activities:		
Payments	-	-
Receipts	-	-
Net cash provided by financing activities	-	-
Net increase (decrease) in cash held	(13 960)	(23 912)
Cash at 1 July 2011	87 908	95 116
Cash at 30 June 2012	73 948	71 204

Current Assets for the department are \$15 million higher than budget, primarily due to increase in receivables (\$17.8 million) offset by a decrease in cash balances (\$2.7 million).

Non Current Assets are \$32.7 million higher than budget, primarily due to the revaluation of Property, Plant and equipment.

Current Liabilities are \$11million higher than budget primarily due to above budget payables. Non Current Liabilities are \$1.2 million higher than budget primarily due to higher employee entitlements.

Cash Flow Statement

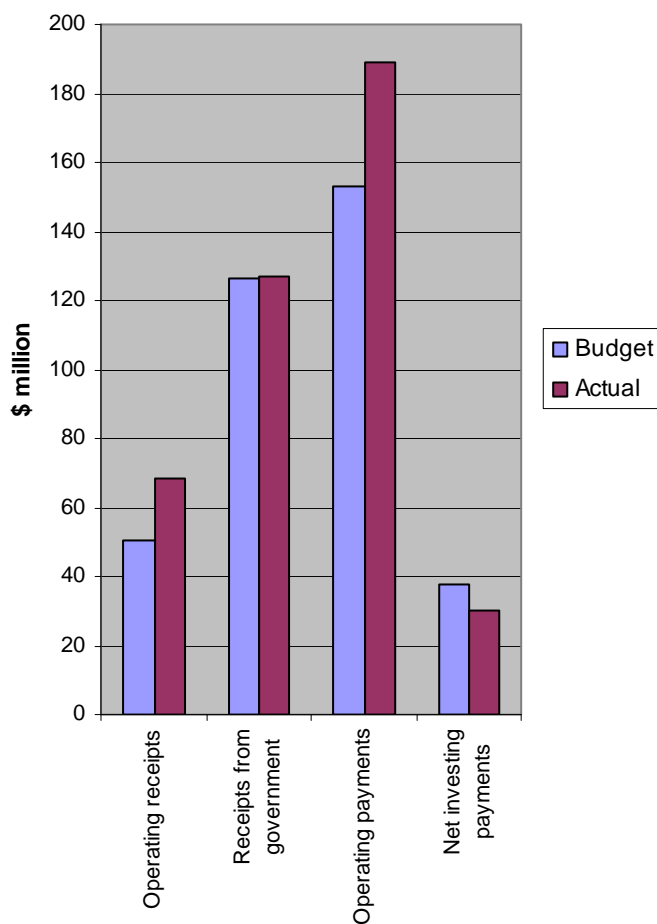
SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

The Department's budget provided for a net decrease of cash of \$14 million. The actual result was a decrease of \$24 million.

The operating cash decrease of \$17.5 million is explained, in general, by the same influences that impacted the Income Statement.

The offsetting investing cash increase of \$7.5 million is primarily due to expenditure on the Adelaide Living Beaches project being deferred to 2011-12 .

Cash Receipts and Payment



APPENDICES

Public Lands and Coastal Conservation

SPECIAL CIRCUMSTANCE SALES UNDER THE *CROWN LAND MANAGEMENT ACT 2009*

Pursuant to section 25(3) of the *Crown Land Management Act 2009*, details of Crown Land that has been sold without a market process or for less than market value, due to special circumstances justifying private sale or lower purchase values, must be set out in the annual report.

Perpetual Leases

A number of perpetual leases still exist within the State. Many of these leases have been traded for near market value, meaning that a similar price is being paid to purchase a Crown perpetual lease as to purchase a freehold title. The Report of the Select Committee on the *Crown Lands (Miscellaneous) Bill 2002* recommended that these lessees in certain areas be required to convert their leases to a freehold title if the lessee sold their lease.

Under this arrangement, lessees were issued a title for their agreed purchase price being:

Single Perpetual Lease	\$6 000 or twenty times the annual rent whichever is the greater, except where a lower purchase price is fixed PLUS documentary fees.
Multiple Perpetual Leases	\$6 000 for up to 4 leases; \$1 200 for each additional lease in the application up to 10, \$900 for each between 10-20 and \$600 for any lease above 20 or Twenty times the rent, whichever is the greater PLUS documentary fees.
War Service	The purchase price nominated in the lease (or portion commensurate with the area for a partial surrender) PLUS documentary fees.
Waterfront Land	Purchase is conditional on the lessee handing back waterfront land held under the lease and arranging survey of an adequate waterfront reserve. Due to the loss of land and survey costs, the purchase price is reduced to \$1.

The following leases have been issued Certificate of Title in this manner:

LAND DESCRIPTION	MARKET VALUE	CONSIDERATION
Sections 444 and 576 Hundred of Baker	\$500 000	\$17 220
Section 298 Hundred of Hutchison	\$245 000	\$6 022
Allotments 100 and 101 FP 55168	\$46 000	\$6 000

LAND DESCRIPTION	MARKET VALUE	CONSIDERATION
Allotments 2 and 5 DP85958 and Allotments 3 and 4 DP85985	\$63 000	\$1
Section 24 Hundred of Caralue	\$265 000	\$6 000
Section 23 Hundred of Caralue	\$173 000	\$6 000
Section 85 Hundred of Gordon	\$9 400	\$6 000
Section 131 Chaffey Irrigation Area	\$67 000	\$6 000
Sections 767 and 768 Hundred of Mobilong	\$98 000	\$6 000
Sections 735 and 736 Hundred of Bookpurnong	\$151 000	\$4 350
Section 159 Hundred of Gordon	\$50 000	\$6 000
Allotment 50 DP79007	\$315 000	\$9 607
Section 31 Hundred of Boonerdo	\$260 000	\$6 000
Sections 19 and 78 Hundred of MacGillivray	\$1 250 000	\$19 484
Sections 308, 309, 310 and 312 Hundred of Wonoka	\$3 125	\$6 000
Sections 321, 322, 323, 324, 325 and 326 Hundred of Wonoka	\$39 000	\$6 000
Section 31 Hundred of Boonerdo	\$260 000	\$6 000
Section 636 Hundred of Younghusband	\$1 000	\$6 000
Allotment 50 DP 87507 and Section 72 Hundred of Pendelton	\$660 000	\$6 000
Section 139 Hundred of Spence	\$27 836	\$1 025 000
Allotment 102 DP 40022	\$15 206	\$315 000
Sections 20, 21 and 22 Hundred of Yantanbie	\$380 000	\$6 000
Section 446 Hundred of Penola	\$870 000	\$15 110
Sections 13, 14 and 42 Hundred of Paisley	\$47 000	\$7 901

LAND DESCRIPTION	MARKET VALUE	CONSIDERATION
Sections 30 and 33 Hundred of Paisley, Allotments 10 and 11 and Allotment comprising Pieces 8 and 9 in the area named Paisley	\$890 000	\$1
Allotment 111 DP80987	\$690 000	\$6 000
Section 137 Hundred of Robe	\$1 200 000	\$6 000
Section 293, Hundred of Hutchison	\$530 000	\$17 816
Sections 90, 107 and 111 Hundred of MacGillivray	\$1 045 000	\$37 686
Sections 4, 89 and 112 Hundred of MacGillivray	\$980 000	\$30 035
Sections 64 and 65 Hundred of Ramsay	\$57 000	\$6 000
Sections 352, 354, 355, 356 and 1034 Hundred of Waikerie	\$520 000	\$7 200
Section 795 Hundred of Waikerie	\$49 000	\$6 000
Allotment comprising Pieces 20 & 21 DP 86605	\$62 000	\$1
Section 72 Hundred of Newland	\$255 000	\$6 709
Section 281 Hundred of Waitpinga and Allotment 2 DP 76971	\$215 000	\$6 000
Section 93 Hundred of Wanilla	\$1 325 000	\$18 578
Section 107 Hundred of Wanilla	\$550 000	\$16 880
Sections 75, 76 and 84 Chaffey Irrigation Area	\$205 000	\$2 000
Allotment 1 DP 88864 and Allotments 2, 3 and 4 DP 88864	\$168 000	\$6 000
Section 103 Hundred of Seymour	\$78 000	\$6 000
Allotment 54 FP 35982	\$109 000	\$6 000

Note: the nominated Market Value was taken from the Valuer-General's site value.

In the 2011-2012 financial year, there have been no other properties that have been sold without a market process or for less than market value due to special circumstances.

Reporting under the *National Parks and Wildlife Act 1972*

National Park Fees and Charges

Pursuant to section 13(1) of the *National Parks and Wildlife Act 1972*, the annual report of the Department must include information on the aggregated amount of monies collected from entrance fees, camping tours and various agreements in relation to reserves under that Act.

Aggregated totals of revenue from fees and charges for 2011-12 are categorised below:

REVENUES FROM FEES AND CHARGES	2012 \$'000
Admissions and guided tours	6 661
Fees, levies and licences	70
Property rental and related income	1 327
Sale of goods	1 730
Camping accommodation and equipment hire	1 229
Total	11 017

Assessment of conservation status under the Act

Pursuant to section 13(2) of the *National Parks and Wildlife Act 1972*, every second annual report of the Department must include an assessment of the desirability of amending Schedules 7 to 10 under that Act.

The Department is currently part-way through a region-by-region assessment of the conservation status of the State's vascular plants and vertebrate animals using internationally-and nationally-applied assessment criteria. Following the completion of these regional assessments, a state-wide review of those species identified as threatened will need to be undertaken to inform revision and amendment of the Threatened Species Schedules (Schedules 7, 8 and 9) of the *National Parks and Wildlife Act 1972* at a broader scale of biogeographical regions within NRM regions. These reviews will also help inform decisions about the need to amend schedule 10 (Unprotected Species) of the Act.

Tackling Climate Change

Report against Tackling Climate Change: South Australia's Greenhouse Strategy – Draft for Consultation with Premier's Climate Change Council 2011-12

South Australia's Greenhouse Strategy, Tackling Climate Change, is a framework for all of South Australia's greenhouse targets and commitments to be met in a comprehensive and coordinated way.

As stated in the Strategy, a progress report on Tackling Climate Change is to be tabled in Parliament as part of the Department's Annual Report. The key 2011-12 achievements in progressing the Strategy are listed below.

KEY HIGHLIGHTS

The Commonwealth Department of Climate Change and Energy Efficiency reports South Australia's net greenhouse gas emissions, including Land Use and Land Use Change and Forestry (LULUCF) and emissions associated with electricity flows between States/Territories, were 30.4 million tonnes of CO₂-e in 2010.

South Australia's 2010 net greenhouse gas emissions were 6 per cent lower than the 1990 baseline. The increase in renewable energy production has helped reduce the greenhouse gas intensity of electricity consumed in South Australia by 28 per cent since 2000.

1. GOVERNMENT LEADERSHIP

❖ *The goal is for South Australia to lead the nation in tackling climate change.*

South Australia has built a national and international reputation for climate change leadership. South Australia is a party to a number of high-level intergovernmental agreements on climate change.

Actions

STATE, NATIONAL AND INTERNATIONAL ENGAGEMENT

1.1 The Premier's Climate Change Council has provided advice to the Minister for Sustainability, Environment and Conservation regarding:

- Review of the *Climate Change and Greenhouse Emissions Act 2007*;
- Environmental Upgrade Finance for Greening South Australia's Building Stock; and
- Drafted advice on Facilitating Climate Smart Precincts;

1.2 In 2011-12, the State Government entered into sector agreements (under the *Climate Change and Greenhouse Emission Reduction Act 2007*) with:

- Land Management Corporation (now the Urban Renewal Authority), signed 27 September 2011;
- Water Industry Alliance, signed 27 September 2012; and
- Yorke and Mid North Region, signed 27 September 2012.

Also, the Vocational Education and Training Sector Agreement was extended for a further four years.

1.3 Sector agreements have stimulated a range of innovative projects including a carbon calculator for waste collection vehicles developed by the Waste Management Association.

- 1.4 South Australia provided a submission to the Productivity Commission inquiry on Barriers to Climate Change Adaptation in March 2012 and actively contributed to national climate change mitigation and adaptation policy development through the Council of the Australian Governments.
- 1.5 In 2011, First Minister Alex Salmond of Scotland received the South Australian International Climate Change Leadership Award in recognition of his international leadership and achievements in reducing greenhouse gas emissions.
- 1.6 In June 2012, the Climate Group Clean Revolution Leadership Summit was held in Rio de Janeiro to coincide with the United Nations Conference on Sustainable Development (Rio +20). South Australia was represented at these events by the Minister for Sustainability, Environment and Conservation who also co-chaired the General Assembly of the State and Regions Alliance on behalf of the Premier.

GOVERNMENT BUILDINGS AND ENERGY USE

- 1.7 The South Australia's Strategic Plan (SASP) includes Target 61: to improve the energy efficiency of Government buildings by 30% from 2000-01 levels by 2020, with an interim target of 25% by 2014. Since 2000-01, the South Australian Government has achieved a 17.3 per cent overall energy efficiency improvement in its (owned and leased) buildings.
- 1.8 The South Australia Government has also endorsed a new framework for energy efficiency in government buildings. This includes guidelines which will assist government agencies to assess potential energy efficiency investments on a sound business case basis.
- 1.9 The Government continued to install solar panels in all new and substantially refurbished Government owned and operated buildings in accordance with the Solar Panels for Government Buildings policy introduced in July 2010. Solar panels have been installed in new hospital buildings, police stations and educational facilities since the introduction of the policy.
- 1.10 From 1 July 2011, the Government mandated the installation of water efficient taps and showerheads in new government owned buildings and substantial refurbishments. The policy has resulted in 4 star WELS² rated showerheads and 5 star WELS rated basin and sink taps being installed in the majority of new building works.
- 1.11 The State Government continued administering the Australian Government's National Solar Schools Program (NSSP) offering eligible schools to install renewable energy systems, rainwater tanks, solar hot water systems and other energy efficient fixtures. To date, 127 public schools have completed NSSP projects of a total value of \$6.2 million. A further 147 projects of a total value of \$3.5 million are nearing completion.
- 1.12 The State Government has continued to purchase a minimum of 20 per cent accredited GreenPower™ for its operations. The State Government has also committed to meeting 50 per cent of the Government's own electricity needs from GreenPower™ from 1 July 2014.

² Water Efficiency Labelling and Standards

GOVERNMENT VEHICLE FLEET

- 1.13 The South Australian Government has established a target to reduce the emissions intensity of the State Government Fleet by 10% by 2014-15 against the 2009-10 baseline delivered through smaller cars, petrol-electric hybrid and diesel vehicles. Two electric cars were introduced into the Government Fleet in 2011.

2. CLIMATE CHANGE ADAPTION

❖ *The goals are:*

- *for South Australia to be equipped to the best of its ability to adapt to climate change and capture opportunities;*
- *for South Australia's natural resources sector and ecosystems to be managed sustainably with optimum resilience and capacity to adapt to climate change.*

Much of the Government's adaptation work is at the early stages of assessment, modelling and information dissemination. Monitoring and evaluation of response strategies developed on the basis of this information will be undertaken in the future. This work is guided by South Australia's Climate Change Adaptation Framework.

Government's adaptation activities aim to increase the climate resilience of the State's natural resources to improve the productivity of primary production. Other actions such as increasing biodiversity, protecting water resources and creating wildlife corridors further improve the adaptive capacity of our ecosystems.

Actions

ADAPTATION ACTION LEADERSHIP AND COORDINATION

- 2.1 The State Government has developed a Climate Change Adaptation Framework for South Australia. A draft of the Framework was released for consultation in December 2010 and the extensive community consultation process finished in March 2011.
- 2.2 A regional agreement with the Yorke and Mid North Region was finalised, a climate change impact assessment has been completed, and the region commenced its adaptation planning process.
- 2.3 Climate change impact assessments have also been commenced in Murray and Mallee, Western Adelaide, Southern Adelaide and Eyre Peninsula regions.
- 2.4 Provisional mapping of Primary Production Priority Areas has been released to twelve Greater Adelaide Region Councils for review.
- 2.5 Under the South Eastern Australia Program a draft report on "Climate Change Vulnerability Assessment for Four Key Commercial Fisheries in South-East Australia" was completed.
- 2.6 The South Australian Government continued to fund the Coastal Management Program which delivers coastal vulnerability assessments and protection strategies through government funded council works.

PRIMARY PRODUCTION AND ECOSYSTEMS – improving adaptive capacity of ecosystems by increasing biodiversity, creating wildlife corridors and eradicating pests. Improving primary production systems through improved decision making, pest control and evaluating soil carbon opportunities.

- 2.7 Under the Government's weed control program SE NRM and Forests Pest Management network were charged with coordinating and improving pest plant and animal control on the forest estate and providing timely response to pest management threats arising from climate change.
- 2.8 The South Australian Government worked with farmers and growers on assessing and managing heat stress in cereals, and assessing impacts and adaptation options for cherries.
- 2.9 SARDI and the Grains Research and Development Corporation continued to undertake research aimed at overcoming barriers to adoption of minimum tillage, as a carbon sequestration measure.
- 2.10 The State Government provided assistance for the Commonwealth to visit South Australia and to consult with interested landholders and government agencies on the Carbon Farming Initiative.
- 2.11 The Government supported the evaluation of potential carbon sequestration rates in woody carbon crops and development of improved cultivars of fodder shrubs as part of the partnership with the Future Farm Industries CRC.
- 2.12 The State Government continued supporting a Landscape Analysis project evaluating climate resilient perennial vegetation systems for application in dryland agriculture.
- 2.13 The South Australian Government continued to fund the Transect for Environmental Monitoring and Decision Making (TREND) project in conjunction with the University of Adelaide. This project will assist in providing the state with a climate change early warning system and a legacy of long term monitoring. The TREND website was also launched (www.trendsa.org.au).
- 2.14 A partnership with CSIRO was agreed to deliver the South Australian component of the National Soil Carbon Research Program.
- 2.15 The Government commenced a mid-term review of the No Species Loss Strategy.
- 2.16 Recovery Planning efforts for threatened species and ecological communities in South Australia continued to identify and prioritise objectives and actions to assess threatening processes such as climate change.
- 2.17 Targeted climate change focused research projects have been undertaken that deal with the aquatic and marine environs, including identifying climate change adaptation strategies to inform wetland and floodplain management along the River Murray in South Australia.
- 2.18 The South Australian and Northern Territory Governments are each contributing \$1.8 million to establish the Trans-Australia Eco-Link. Evaluation of the potential for carbon biosequestration in rangeland landscapes has been completed.
- 2.19 NatureLinks and the Trans-Australia Eco-Link (TAEI) were recognised at the national level with the release of the Draft National Wildlife Corridors Plan by the Australian Government.
- 2.20 Significant Commonwealth Caring for our Country and Biodiversity Fund grants were announced for projects across the State. South Australia received \$47million from round one of the Biodiversity Fund with 49 successful applications across NRM boards, governments and private organisations.
- 2.21 The revised State NRM Plan Our Place. Our Future. State Natural Resources Management Plan South Australia 2012-2017 was released in June 2012. The Plan recognises the importance of improving the capacity of individuals and the community to respond to climate change.

WATER

- 2.22 The South Australian Government has released initial technical reports of its assessments of the impacts of climate change on water resources in South Australia, including an assessment of climate change risk ratings for all of South Australia's significant groundwater and surface water resources.
- 2.23 On 5 July 2011, the Minister for Water released the Stormwater Strategy, a high-level 'road map' for the future of stormwater management in South Australia.
- 2.24 Significant progress is being made implementing Water for Good's 94 actions since the release of the Strategy in June 2009, in particular in the areas of water supply diversification and the adoption by Parliament of the *Water Industry Act 2012*. Water for Good aims to manage the ramifications of greater climate variability, and climate change.
- 2.25 In mid 2011, the Adelaide Desalination Plant commenced producing secure and climate independent water for the Greater Adelaide region. Construction is expected to be completed by late 2012 and the plant will be powered by 100 per cent renewable energy.

EMERGENCY MANAGEMENT

- 2.26 Hazard plans have been developed for the 10 state emergency hazards identified by the State Emergency Management Committee, including those vulnerable to climate change.
- 2.27 The South Australian State Emergency Service incorporated temperature triggers for extreme heat arrangements using the results of the study into temperature triggers of adverse health effects during severe heat episodes.
- 2.28 Eleven Zone Emergency Management Committees have been established based on the new State regional boundaries. The Committees have received funding in 2010-11 under the Natural Disaster Resilience Program to undertake emergency management planning that includes consideration of climate change impacts.
- 2.29 At the end of 2011, the first State Flood Risk Assessment for South Australia was prepared, using the National Emergency Risk Assessment Guidelines.

HEALTH

- 2.30 Public health activities were undertaken in relation to heat waves, risk factors, elderly population and mental health consumer policy.
- 2.31 Four research programs relating to health effects in relation to heat waves have been completed in 2011-12.

3. SUSTAINABLE LIVING

- ❖ *The goal is for the South Australian community to be leaders in reducing greenhouse gas emissions and adapting to climate change in a way that promotes social equity and health.*

Household response to climate change can be measured to some extent by South Australia's Strategic Plan (SASP) Target 60 to increase the energy efficiency of dwellings by 15% by 2020, with a milestone of 10% by 2014. The South Australian Planning Strategy, particularly the 30-Year Plan for Greater Adelaide, and the National Strategy on Energy Efficiency (NSEE) provide important policy context for progress in this sector.

Actions

PROMOTING ENERGY EFFICIENCY IN BUILDINGS AND APPLIANCES

- 3.1 The Residential Energy Efficiency Scheme continued to operate in South Australia obliging gas and electricity retailers to install energy saving measures to households, with a certain proportion of measures delivered to low-income households as a condition of their license.
- 3.2 South Australia continued to promote low-emission water heaters for new and replacement units. The Government has worked closely with the plumbing industry to resolve concerns about consumer and industry compliance with the water heater requirements.
- 3.3 The Government implemented amendments to the *Energy Products (Safety and Efficiency) Act 2000*, which took effect on 10 May 2012, to extend the scope of the Minimum Energy Performance Standards (MEPS) to cover products powered by gas and other energy sources. New revised MEPS were introduced in 2011-12 for air conditioners, lighting, new types of existing product classes and gas water heaters.
- 3.4 The South Australian Government continued to provide an Energy Advisory Service.
- 3.5 The Government provided Home Energy Toolkits to assist householders.
- 3.6 The Government provided free one day energy training courses to community volunteers under the Energy Friends program.
- 3.7 The Energy Partners Program worked across South Australia to provide organisations with materials and advice to help their clients to manage their energy use and costs.
- 3.8 The Government continued to mandate energy efficiency of buildings through national measures and state-based requirements delivered through the Building Code of Australia (BCA).
- 3.9 Coming into effect on 1 May 2012, the South Australian Government introduced a state based cool roofs requirement for commercial buildings into the Building Code of Australia. Cool roofs reflect the sun's energy away from the roof's surface and this reduces the amount of energy needed to cool a building in summer.
- 3.10 The South Australian Parliament amended the Solar Feed-in Scheme in June 2011. In total, approximately 134 000 approvals to connect a solar system to the grid were granted as at 30 November 2011.
- 3.11 The Government's Solar Hot Water Rebate Program provided just over 900 rebates to low income households in 2011-12 at a cost of just over \$450 000.
- 3.12 The Government continued to support the SA Water H₂O_{ME} Rebate Scheme to encourage South Australian households to achieve greater water savings inside and outside the home. During 2011-12, there were 32 256 rebate applications processed worth over \$5.8 million.
- 3.13 2011-12 saw the updating of the Housing SA Design Guidelines for Sustainable Housing and Liveable Neighbourhoods. The guidelines have led to improved sustainability performance across all new and upgraded Housing SA stock.

3.14 The Government manages an off-grid Renewable Remote Power Generation Program (RRPGP), which is jointly funded with the Commonwealth and currently delivers energy audits and energy efficient appliances and technologies for remote communities.

PROMOTING LOW EMISSION TRAVEL CHOICES – delivering behaviour change programs to encourage greater use of less carbon intensive travel modes such as walking, cycling and public transport.

3.15 The Government continued to deliver a range of safer, greener and more active community travel programs aimed to inspire innovative action in travel and transport by leading South Australians to engage in behaviour change that improves well-being and reduces the impact on the environment. The following actions were achieved in 2011-12:

- New partnership projects aimed at travel behaviour change were established with the Naracoorte Lucindale Council and the Prospect Council.
- The Government finalised TravelSMART Households project within the City of West Torrens (7 500 households) and commenced delivery of the Inner North East TraveSMART Households project in Prospect and the surrounding suburbs (22 000 households).
- Eight local government councils committed to the Way2Go program in 2011-12 and an Active Travel resource was developed for schools and communities. This is now available on the Way2Go website.
- Smarter travel @ work Program established relationships with various South Australian Government and Adelaide City Council workplaces in the Adelaide CBD. 20 workplaces were enlisted to begin the program from 2012-13.
- The Government continued to support communities through the Community Grants Program to deliver a wide range of travel behaviour change initiatives. Funding applications closed on 23 March 2012 and around \$46 000 was distributed to the successful applicants.

PROMOTING SUSTAINABLE RESOURCE MANAGEMENT

3.16 Zero Waste SA through its grant programs and activities continued to offer a range of financial incentives to local government, businesses, schools and community groups, and waste and recycling enterprises to encourage diversion of materials from landfill to recycling.

3.17 Annual Recycling Activity Surveys commissioned by Zero Waste SA indicate that South Australia's recycling efforts in 2010-11 prevented the equivalent of approximately 1.29 million tonnes of CO₂-e entering the atmosphere. There was a 33 per cent increase in greenhouse gas savings from the previous year.

EDUCATING THE YOUNG

3.18 The Government, through the Climate Change Education Resource (CCER), continued to provide South Australian teachers with information and teaching resources to support learning and action to address climate change.

3.19 An Education Sustainability Forum was established in 2011-12, in support of CCER, to discuss and share information related to the development of state and national education for sustainability policy, programs and projects and to strengthen the connections and collaboration between agencies and sectors and key education for sustainability stakeholders in South Australia.

3.20 South Australia continued to support the AuSSI Sustainable Schools initiative established to reduce the environmental impact of preschools and schools and to engage their broader communities in sustainability initiatives.

SUSTAINABLE COMMUNITY SERVICE SECTOR

3.21 New Australian Service Excellence Standards were launched in December 2011 to support the community service sector in improving quality of service and organisational systems including new environmental requirements.

4. GREEN FUTURES – MOVING TO A LOW CARBON ECONOMY

❖ *The goals are:*

- *for South Australia's industry to be a leader in managing greenhouse emissions and tackling climate change;*
- *for South Australia's energy systems to significantly reduce greenhouse emissions while continuing to support productivity and prosperity.*

South Australia's leadership in renewable energy has made a significant impact on the State's emissions, with greening of the electricity supply creating emission reductions equivalent to around 1.6Mt since 1990. This has resulted in electricity emissions remaining stable or falling over the past 4 years in most sectors, however the most recent data (2010) records a slight increase. Despite emission reductions in general, electricity consumption continues to grow.

South Australia's overall industry emissions in 2009 are 18 per cent higher than 1990 but have fallen in each of the years from 2003 - 2009.

Actions

PROMOTING AND DEVELOPING EMISSIONS REDUCTION TECHNOLOGIES

4.1 RenewablesSA supported the trialling of innovative renewable energy technology to encourage commercial uptake and development. The following projects were awarded in 2011-12:

- Visible demonstration of advanced solar technology at Kangaroo Island (\$500 000);
- Development of concentrating solar power to provide heat and electricity for horticultural purposes and water desalination (\$345 000);
- Operational funding for the South Australian Centre for Geothermal Energy Research at the University of Adelaide (\$1 million).

4.2 RenewablesSA commissioned studies into energy storage potential in South Australia and the cost advantages associated with Green Grid when land use planning constraints are considered.

4.3 As at 1 May 2012, 24 companies hold a total of 191 geothermal exploration licenses (GELs) in South Australia, representing 53 per cent of all GELs held nationally.

4.4 The South Australian Government progressed with developments in Carbon Capture and Storage policy and technology through workshops and meetings held by the Global Carbon Capture & Storage Institute and the CO₂CRC in 2011-2012.

- 4.5 Several research projects on reducing emissions from livestock were successfully completed, resulting in grazing management and genetic selection as potentially viable means for livestock producers to reduce greenhouse gas emissions from their enterprises.
- 4.6 The Premier's Science and Research Fund has awarded \$7.1 million to projects that focus on climate change or renewable energy. This includes \$1.14 million to the South Australian Research and Development Institute for research supporting the development of algal fuels.
- 4.7 In February 2012, the South Australian Government, in partnership with the West Beach Trust, commenced a 12-month trial of four residential-scale mini wind turbines at the West Beach Boating Precinct. It is the first trial of its kind to occur in Australia.

RESEARCH, EDUCATION AND SKILLS DEVELOPMENT

- 4.8 In June 2012, the South Australian Government formally became a participant in a newly established Cooperative Research Centre for Low Carbon Living.
- 4.9 Major enabling works on the new TAFE SA Sustainable Industries Education Centre (SIEC) at Tonsley Park have begun.
- 4.10 The South Australian Government has delivered a range of vocational training courses that increase the sustainability skills of tradespeople, trainers and key decision makers in industry and government.
- 4.11 Skills For All was launched by the Premier on 16 June 2012. Skills For All will provide a vehicle to meet the Australian Government's GreenSkills sustainable training agenda.
- 4.12 The South Australian Government has continued to deliver the following programs in partnership with industry: Clean tech Partnering Program; Eco-Innovation Program; and Business Sustainability Alliance and Energy Efficiency Program.
- 4.13 Zero Waste SA have 117 Zero Waste Industry Program clients implementing resource management initiatives with about 60 in a position to report their results.
- 4.14 South Australia has contributed to the National Industry Resilience Working Group under the National Tourism 2020 Strategy. The Group has commissioned a report on economic modelling on the impacts of climate change on Australia's tourism industry at national, state/territory and regional levels.

5. LOWER EMISSION TRANSPORT OPTIONS

- ❖ *The goal is for South Australia to substantially reduce transport-related greenhouse emissions while maintaining accessibility and economic development.*

South Australia's \$2.6 billion investment in public transport infrastructure over the next decade reinforces the Government's commitment to public transport improvements and to encouraging lower emission transport options. The Government is further supporting cycling and walking and recognises the need to promote the uptake of clean and energy efficient transport technologies.

South Australia's Strategic Plan Target 2 aims to double the number of people cycling in South Australia by 2020. Target 63 aims to increase the use of public transport by 10% of metropolitan weekly passenger vehicle travel by 2018.

Actions

SUPPORTING PUBLIC TRANSPORT, CYCLING AND WALKING

- 5.1 Assessment of public transport patronage by the Australian Bureau of Statistics indicates that metropolitan public transport patronage has increased from 7.3 per cent in 2008-09 to 7.5 per cent of total weekday passenger vehicle kilometres in 2009-10. It is expected that results for 2011-12 will be around 7.5 per cent.
- 5.2 The South Australian Government has committed to a long term investment in public transport that will see the extension of the Noarlunga line to Seaford, extension of the tram line and the integration of all public transport modes into a seamless public transport system.
- 5.3 To this end, work is approaching on upgrading the passenger rail network including the 5.5 kilometre extension to Seaford and electrification of the Seaford line, purchasing of new electric railcars, increasing the size of the bus fleet and acquisition of a new ticketing system.
- 5.4 Funding of \$64.4m over four years has been committed to progressively increase the bus fleet by 20 buses per year for four years and to provide recurrent funding for the operation of those buses. The last 20 buses of this batch of 80 were on road in July 2011. An additional \$10 million funding has seen the introduction of an additional 20 buses to start service in the outer metropolitan areas.
- 5.5 Adelaide's network of bicycle lanes and paths has been extended from around 480 kilometres in 2002 to about 1,061 kilometres in 2012.
- 5.6 In accordance with the State Government's Greenways and Cycle Paths Policy a number of projects were constructed to improve the cycling and walking route along the Marino Rocks Greenway.
- 5.7 Annual Adelaide City Cordon Counts indicate that numbers cycling to and from the city on a typical day have increased by an average annual rate of 9.9 per cent from 2007 to 2011. Walking numbers have decreased at an average annual rate of -2.6 per cent.

SUPPORTING LOW EMISSION VEHICLES AND TRANSPORT TECHNOLOGIES

- 5.8 In June 2012, the Government released South Australia's Low Emission Vehicle Strategy 2012-2016. The Strategy aims to remove barriers to low emission vehicles and, accordingly, accelerate their uptake and use in South Australia.
- 5.9 South Australia continued to support The Climate Group's EV20 initiative which aims to accelerate the global uptake of electric vehicles by pursuing local electric vehicle projects.
- 5.10 The Government is supporting Electric Vehicles in Fleets project to promote and encourage the use of electric vehicles in commercial fleets by identifying and addressing barriers and EV benefits and evaluating the possibility of establishing a fleet purchasing coalition.
- 5.11 In March 2012, the Government launched Australia's first Electric Vehicle Recharging Infrastructure (EVRI) Grant program. Grants aim to stimulate a rudimentary and dispersed South Australian public recharging network.
- 5.12 The Government continued its support for the Cooperative Research Centre for Advanced Automotive Technologies committing a total over \$1 million since its inception in 2004. Funding for the new term of the CRC, now called Automotive Australia 2020 CRC, has been confirmed for three years from 2012-13 to 2014-15.

6. CLIMATE SMART BUILDINGS AND PRECINCTS

- ❖ *The goal is for South Australia's built environment sector to anticipate and respond to climate change and become a world leader in reducing its greenhouse gas emissions.*

Emissions from building energy use have been a strong contributor to the State's emissions growth. Emissions from this sector have flattened over the past 5 years primarily because electricity supply has included a higher proportion of renewable energy. The Australian Energy Market Operator, in its 2011 Electricity Statement of Opportunities, has forecasted energy demand to grow by 1.5 per cent per annum to 2020-21 under its medium economic growth scenario.

Actions

URBAN PLANNING

- 6.1 The South Australian Government continued to progress the implementation of the South Australian Planning Strategy, including the 30-Year Plan for Greater Adelaide. The Strategy provides an important vision of a shift toward a low carbon society, a more compact urban form and transit oriented development.
- 6.2 The South Australian Government continued to progress re-development plans for the former Mitsubishi site at Tonsley Park with a view to establishing an integrated sustainable technologies employment precinct that will drive the future economic development of the southern metropolitan area, and to create a model 'Climate Smart Precinct' based on principles developed with The Climate Group and industry stakeholders. An Expression of Interest has been released to the market for the provision of smart grid energy system for Tonsley Park and other integrated water, waste water & waste management infrastructure & services.
- 6.3 South Australia's new Urban Renewal Authority (URA) commenced its operations on 1 March 2012. The URA has a renewed commitment to work with local communities, councils, industry and not-for-profit organisations to make sure that our urban developments create well-planned and better connected neighbourhoods close to transport, employment and services.
- 6.4 The URA is responsible for completing the Lochiel Park development as a green village. The performance of Lochiel Park is being evaluated and the knowledge from this project will be extended to the re-development at Bowden, which has been designed as a transit oriented development and will play an important role in showcasing the vision of the Government's 30-Year Plan for Greater Adelaide.

ENABLING EFFICIENT BUILDINGS

- 6.5 A Zero Carbon home is being constructed at Lochiel Park to demonstrate a potential pathway to Zero Carbon homes in the future with reduced operating and construction costs.
- 6.6 The results of the fourth, and the last, round of the Building Innovation Fund were announced on 18 June 2012. Anvil Capital received \$453 000 for the installation of a tri-generation system, a contemporary large scale solar powered system, façade protection and insulation works at 1 King William St, Adelaide.
- 6.7 To progress the possible establishment of Environmental Upgrade Finance (EUF) for Greening South Australia's Building Stock, the State Government released a consultation paper and sought the views from the property, finance and local government sectors regarding the potential for EUF mechanism in South Australia. In parallel to the external consultation process, the South Australian Government in partnership with the Adelaide City Council commissioned a study by Arup to estimate a scale of opportunity for EUF mechanism in South Australia.

- 6.8 The Government and Adelaide City Council jointly commissioned a scoping study into an Energy Masterplan for the City of Adelaide to facilitate a strategic approach to energy generation, transportation and consumption for the city.

Human Resource Management

Details of human resources management within the Department of Environment and Natural Resources for 2011-12 are outlined in the following tables.

EMPLOYEE NUMBERS, GENDER AND STATUS

Total Number of Employees		
Persons	1 181	
FTEs	1 083.88	(FTEs shown to 1 decimal place)

Gender	% Persons	% FTEs
Male	51.06	54.02
Female	48.94	45.98

Number of Persons During the 2012-12 Financial Year	
Separated from the agency	238
Recruited to the agency	234

Number of Persons at 30 June 2012	
On Leave without Pay	36

NUMBER OF EMPLOYEES BY SALARY BRACKET

Salary Bracket	Male	Female	Total
\$0 - \$51,599	145	170	315
\$51,600 - \$65,699	122	160	282
\$65,700 - \$84,099	193	157	350
\$84,100 - \$106,199	125	85	210
\$106,200+	18	6	24
TOTAL	603	578	1 181

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 PS Act Administrative Services Stream with consideration of the Operational, Professional, Technical and Executive Streams.

STATUS OF EMPLOYEES IN CURRENT POSITION

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	418.27	60.1	94.52	12.57	585.46
Female	317.27	72.1	81.39	27.66	498.42
TOTAL	735.54	132.2	175.91	40.23	1 083.88

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	424	61	96	22	603
Female	353	77	87	61	578
TOTAL	777	138	183	83	1181

EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

	Ongoing		Term Tenured		Term Untenured		Other (Casual)		Total				
Classification	Male	Female	Male	Female	Male	Female	Male	Female	Male	%	Female	%	Total
EXEC0E	0	0	0	0	1	0	0	0	1	4	0	0	1
SAES1	0	0	0	0	14	5	0	0	14	61	5	22	19
SAES2	0	0	0	0	2	1	0	0	2	9	1	4	3
Total	0	0	0	0	17	6	0	0	17	74	6	26	23

AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type	2008-09	2009-10	2010-11	2011-12 *
Sick Leave	6.36	6.46	7.6	7.68
Family Carer's Leave	.97	.99	1.34	1.23
Miscellaneous Special Leave	.54	0.6	.64	.75

*Average FTE used for 2011-12 calculations = 1076.02 (figure is FTE's Full-time Equivalents)

ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYEES

Salary Bracket	Aboriginal Employees	Total Employees	% Aboriginal Employees	Target* (%)
\$0 - \$51,599	21	315	6.67	2
\$51,600 - \$65,699	13	282	4.61	2
\$65,700 - \$84,099	1	350	0.29	2
\$84,100 - \$106,199	1	210	0.48	2
\$106,200+	0	24	0	2
TOTAL	36	1 181	3.05	2

** South Australia's Strategic Plan Target 53 – Aboriginal Employees: Increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2% by 2014 and maintain or better those levels through to 2020 (baseline: 2003)*

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER

Age Bracket	Male	Female	Total	% of Total	2012 Workforce Benchmark*(%)
15-19	1	1	2	0.17	5.6
20-24	22	28	50	4.23	9.9
25-29	43	66	109	9.23	10.6
30-34	59	99	158	13.38	10.4
35-39	78	84	162	13.72	10.7
40-44	78	83	161	13.63	11.7
45-49	89	76	165	13.97	11.4
50-54	88	76	164	13.89	11.0
55-59	113	42	155	13.12	9.2
60-64	29	17	46	3.9	5.6
65+	3	6	9	0.76	4.0
TOTAL	603	578	1181	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 2012.*

CULTURAL AND LINGUISTIC DIVERSITY

	Male	Female	Total	% of Agency	SA Community*
Number of employees born overseas	88	73	161	13.63	20.3%
Number of employees who speak language(s) other than English at home	30	23	53	4.49	16.6%

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

TOTAL NUMBER OF EMPLOYEES WITH DISABILITIES (ACCORDING TO COMMONWEALTH DDA DEFINITION)

Male	Female	Total	% of Agency
7	7	14	1.2

TYPES OF DISABILITY (WHERE SPECIFIED)

Disability	Male	Female	Total	% of Agency
Disability Requiring Workplace Adaptation	3	2	5	0.4
Physical	6	2	8	0.7
Intellectual	0	0	0	0
Sensory	2	2	4	0.3
Psychological/Psychiatric	1	1	2	0.2

VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER

	Male	Female	Total
Purchased Leave	5	2	7
Flexitime	495	492	987
Compressed Weeks	2	1	3
Part-time	47	189	236
Job Share Positions	0	0	0
Working from Home	3	9	12

Note: Employees may be undertaking more than one type of Flexible Working Arrangement at the same time. In this way, the total is unlikely to add to 100 per cent.

DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Employees with ...	% Total Workforce
A review within the past 12 months	76
A review older than 12 months	N/A
No review	N/A

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$ 1 787 346	3.47
Total leadership and management development expenditure	\$ 500 456	0.7

Equal Employment Opportunity Programs

South Australian Government Youth Training Scheme and the Trainee Employment Register

During 2011-12, DENR continued participation in the South Australian Government Youth Training Scheme. One administrative trainee was recruited, and eight trainees were employed in the three year horticultural discipline, with a further two Horticultural Trainees recruited in 2012. DENR expects to recruit further trainees in horticulture in 2012-13 as existing trainees graduate from TAFE.

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

As at 30 June 2012, Aboriginal people identified as 3.03 per cent of DENR's workforce, exceeding South Australia's Strategic Plan target of 2 per cent. When appropriate, DENR has sought referrals from the Aboriginal Employment Register for potential placement into vacancies. Four Aboriginal Learning on Country Trainees were employed on a term basis, utilising Commonwealth Working on Country funding within the Riverland region.

DENR continues to build and sustain its Aboriginal Workforce Strategy. Highlights include recruiting an Indigenous Cadet, and sponsorship of secondary and tertiary scholarships for Aboriginal students to create future employment pathways. Aboriginal people are also strongly encouraged to apply for annual seasonal fire fighter positions, and some Graduate Ranger positions are designated specifically for graduates who are identified as Aboriginal descent.

Strategy for Employment of People with Disabilities (which includes the Disability Employment Register)

DENR uses demographic data from employment forms to monitor the employment rate of people with disabilities. As at 30 June 2012, a total of 14 people were identified as having a disability.

Occupational, Health and Safety and Injury Management Report

Performance against the elements of the Safety and Wellbeing in the Public Sector 2010-2015 Strategy:

Commitment to the Management of Safety and Wellbeing

In line with DENR's commitment to the management of safety and wellbeing, DENR Executive dedicate an Executive meeting each quarter solely to discuss Occupational Health, Safety and Welfare (OHSW) and Injury Management (IM). At this meeting, the Executive Team focus on the strategic OHSW/IM issues, progress against the OHSW/IM Plan and monitor OHSW/IM performance. DENR Executive is supported by OHSW Committees at directorate and sub-directorate level and a comprehensive network of health and safety representatives.

All directorates have an OHSW Plan based on corporate and directorate priorities and report against these at the Executive OHSW meeting. Worksite managers are required to undertake worksite inspections in accordance with the OHSW Plan. In addition, Executive Directors are required to inspect two worksites under their control annually, and OHSW is a standard agenda item at local team meetings.

OHSW/IM manager/supervisor training is mandatory as is StepBack (which contributes to dynamic risk assessment), and manual handling for all employees. The identification of OHSW/IM training needs is also included in the performance review process.

In relation to wellbeing, DENR has a corporate Employee Assistance Program which includes employee counselling, manager assistance, critical incident debriefing and team counselling where required. Wellbeing issues are an integral part of change management processes.

Accountability for Safety and Wellbeing Performance

The Chief Executive has safety and wellbeing as part of his Performance Agreement with the Minister, and in turn Executive Directors have safety and wellbeing as part of their Performance Agreements with the Chief Executive. The Chief Executive and Executive Directors receive monthly statistical reports in relation to OHSW, injury management and rehabilitation cases.

All staff with supervisory responsibilities have OHSW and injury management as part of their role descriptions and are held accountable by their immediate manager.

Integrated Risk Management

DENR has a Corporate Risk Management Procedure where OHSW is integrated into a comprehensive risk management process. OHSW risks are included in the DENR Risk Register, and also into contract management for all works, particularly major projects. DENR has also developed and implemented a Significant Hazard and BIG 5 Procedure to systematically identify, assess and control OHSW risks at a directorate and branch level. Each directorate has a comprehensive OHSW Risk Register and a timeframe to address documented hazards using risk management principles.

Effective Measurement and Evaluation

The Chief Executive, as the Responsible Officer, is the Chairperson of the quarterly DENR Executive OHSW meeting focussing solely on OHSW and Injury Management. Progress updates against the DENR OHSW/IM Plan are provided at the meetings. A summary of key findings against internal audits are presented, and reports detailing findings and recommendations are sent to the appropriate executive director and manager for actioning. In addition the Executive Team receives a monthly corporate report detailing results against key performance indicators such as Lost Time Injury Frequency Rates and costs. The Executive Team also receives reports against the Premier's Safety Targets arising out of the Safety in the Public Sector Strategy 2010 – 2015, close outs of actions arising from incidents and completion of inspection checklists.

WorkCover partnership plans and the Responsible Officer Report

A Partnership Plan with WorkCover was developed to address system and implementation of non-conformances arising from the 2011 WorkCover Evaluation. OHSW and IM system non-conformances are being addressed and closed out.

Key activities for inclusion in the 2011-12 Responsible Officer's Report provided to SafeWork SA include the following:

- Key OHSW policies/standard operating procedures have been developed/reviewed in line with WorkCover requirements.
- Key OHSW and IM Programs with associated objectives, targets and performance indicators have been reviewed in line with WorkCover requirements.
- An OHSW/IM Transition Group was formed to address the OHSW/IM aspects of the integration of NRM funded staff into DENR.
- A review of the OHSW Committee and health and safety representative structures in Regional Services to integrate DENR and NRM funded staff has been completed and implemented.
- Regional information sessions have been conducted for NRM funded staff on key OHSW and IM processes.
- A Volunteer Management Framework has been developed to address the OHSW duty of care requirements for volunteers.
- The following training/programs have been implemented at a corporate level:
 - Manual Handling; StepBack, OHSW Committee Training, TapRoot, OHSW/Injury Management training for managers/supervisors.
- An on-line refresher StepBack training module has been developed.
- The following projects have been implemented at the corporate level:
 - Physiotherapists Program whereby Fourth Year Physiotherapy students undertake projects across the organisation associated with identified hazards;
 - Ergonomics Assessments Program;
 - Corporate Plant Risk Assessment Project;
 - A Hazardous Substances Program;
 - Safe Work Procedure (SWP) Project – collation and review of all Regional Services SWPs.
 - OHSW and IM Internal Audits
 - Customer Satisfaction Survey of DENR's Injury Management system
 - Implementation of the new First Aid Code of Practice
 - Commencement of review of requirements of the new *Work Health and Safety Act 2011* and development of key policy/procedure in readiness.

Consultative arrangements, including composition of corporate occupational health and safety committees, health and safety representatives and arrangements with registered organisations

DENR has an Executive OHSW Committee comprising an executive team. Each directorate has a legislatively compliant OHSW Committee supported by OHSW committees in each region and relevant branches. OHSW Committees comprise executive level managers, Health and Safety Representatives (HSRs) and employee representatives. DENR has 22 legislatively compliant OHSW Committees and four OHSW Forums. Additionally, there are approximately 50 HSRs spread across the State. Registered associations are consulted in relation to the development/review of policies/procedures or major changes within the organisation.

The following tables report the Department's OHSW performance for 2011-12.

Table 1: OHS Notices and Corrective Action taken

Number of notifiable occurrences pursuant to OHSW Regulations Part 7 Division 6	Nil
Number of notifiable injuries pursuant to OHSW Regulations Part 7 Division 6	1
Number of notices served pursuant to OHSW Act s35, s39 and s40 (default, improvement and prohibition notices)	Nil

Table 2: Agency gross workers compensation expenditure³ for 2011-12 compared with 2010-11⁴

EXPENDITURE	2011-12 (\$m)	2010-11 (\$m)	Variation (\$m) + (-)	% Change + (-)
Income Maintenance	\$232 014	\$187 213	+\$44 801	+23
Lump Sum Settlements Redemptions – Sect.42	\$141 800	\$28 000	+\$113 800	+406
Lump Sum Settlements Permanent Disability – Sect. 43	\$37 515	\$26 527	+\$10 988	+41
Medical/Hospital Costs combined	\$136 335	\$115 264	+\$21 071	+18.28
Other	\$21 815	\$34 825	-\$13 010	-37.35
Total Claims Expenditure	\$569 479	\$391 829	\$177 650	+45.33

³ Before 3rd party recovery

⁴ Information available from The Self Insurance Management System (SIMS)(for detailed advice on data extraction contact PSWR)

Table 3: Meeting Safety Performance Targets⁵

	Base: 2009-10 ⁶	Performance: 12 months to end of June 2012 [*]			Final Target
	Numbers or %	Actual	Notional Quarterly Target ^{**}	Variation	Numbers or %
1. Workplace Fatalities	0	0	0	0 ⁷	0
2. New Workplace Injury Claims	37	39	33	6 ⁸	28
3. New Workplace Injury Claims Frequency Rate	20.2	23.06	18.18	4.88 ⁸	15.15
4. Lost Time Injury Frequency Rate ^{***}	8.74	10.64	7.86	2.78 ⁸	6.55
5. New Psychological Injury Claims	0.73	0.57	0.66	-0.08 ⁷	0.55
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	91.89	76.92%	80%	-3.08% ⁸	80%
6b. Early Intervention within 5 days	100	100%	90%	10.00% ⁷	90
6c. LTI within 10 business days or lost time	75	55%	60%	-5.00% ⁸	60
7. Claim Determination:					
7a. New claims not yet determined, assessed for provisional liability in 7 days	15.38	87.5%	100%	-12.5% ⁸	100
7b. Claims determined in 10 business days	70.27	87.88%	75%	12.88% ⁷	100
7c. Claims still to be determined after 3 months	10.81	6.06%	3%	3.06% ⁸	3
8. Income Maintenance Payments for Recent Injuries:					
2009-10 Injuries (at 24 months development)		\$88 459	\$42 460	\$46 099 ⁸	Below previous 2 years average

⁵ Information available from Self Insurance Management System (SIMS) (SIPS Target report)

⁶ Base adjusted to incorporate NRM data

⁷ Met target

⁸ Did not meet target

	Base: 2009-10 ⁶	Performance: 12 months to end of June 2012*			Final Target
	Numbers or %	Actual	Notional Quarterly Target**	Variation	Numbers or %
2010-11 Injuries (at 12 months development)		\$71 257	\$36 517	\$34 740 ⁸	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 is the 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.

Formula for Lost Time Injury Frequency Rate (new claims):

Number of new cases of lost-time injury/disease for year x 1,000,000 Number of hours worked in the year

Disability Action Plan

Outcome 1 – Ensure access to facilities and services

The *DENR Disability Policy Statement* outlines the principles and responsibilities of DENR managers and staff in implementing the Government's *Promoting Independence Strategy* across the agency.

The DENR Procedure on *Promoting Independence for People with Disabilities* complements the policy statement. It informs key stakeholders of their responsibilities in developing and implementing *DENR's Disability Action Plan*, and its key elements of planning and policy development, consultation, promotion, monitoring and review, training, and reporting.

The *People and Parks: A Visitor Strategy for South Australia's National Parks, Marine Parks and Reserves* aims to build community-based stewardship of parks, and to ensure that South Australia's national parks and marine parks meet the recreational needs of South Australians. The Visitor Strategy seeks to improve the protection of parks by enabling the growth of the tourism and recreation industries and engaging more people in the care of South Australia's parks. The strategy also identifies a suite of proposed initiatives including improving our understanding of the needs of economically, socially and mobility disadvantaged groups as a long term priority.

DENR Facilities Management has an ongoing schedule of capital works in place to improve visitor access - taking into consideration the needs of people with disabilities. In 2011-12, the following upgrades were made to improve access to DENR sites:

- **Cleland Wildlife Park** - disabled parking and access to Wildlife Park upgraded.
- **Black Hill Conservation Park** - disabled parking and access to office building upgraded.
- **Tantanoola Caves** - provision of disabled parking and access to Information Centre.
- **Belair National Park** - upgraded facilities at Joseph Fisher Pavilion site including parking, toilets and picnic shelter all with disabled access; and disabled access toilets provided at Main Oval and Gums Oval.

Outcome 2 – Information and Communication

The DENR *Access and Equity Guidelines for Communication* provides guidance on how to address access requirements for people with disabilities in relation to communication, publications and information.

The DENR website (www.environment.sa.gov.au) is accessible to people with disabilities that may use assistive technology to read or hear content on the site. In addition, the website is compliant with the Priority 1 (mandatory) and 2 (recommended) checkpoints of the Web Content Accessibility Guidelines and is continuously audited to ensure it continues to meet this standard. The website also meets all the coding criteria for compliance with applicable World Wide Web Consortium standards.

Outcome 3 – Disability Awareness Training

DENR provides an online Disability Awareness and Carers Recognition Training Program for all staff as part of the Induction process. This training program provides DENR staff with valuable information about working with people with disabilities and providing appropriate services to members of the community with disabilities and their carers.

Outcome 4 – Consultation and Complaints Process

All DENR managers are expected to take the *DENR 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.

Outcome 5 – Compliance with the Disability Discrimination Act 1992 and Equal Opportunity Act 1984

DENR recognises the rights of people with disabilities to have, as far as is practicable, the same opportunities as other community members to access and participate in all facets of community life. The Department takes a planned approach to meeting its obligations under the *Disability Discrimination Act 1992* and *Equal Opportunity Act 1984* which is documented in the *DENR Disability Action Plan*.

A priority within DENR's Corporate Plan 2010-14 is to implement the *People and Parks* visitor strategy, including projects to encourage all people to experience the environment. DENR recognises the importance of connection and engagement with the community, and the challenge in making the parks, gardens, beaches and heritage assets it manages more accessible to the public, including people with disability and their carers.

Outcome 6 – Increased Employment Rates

DENR uses demographic data from employment forms to monitor the employment rate of people with disabilities. Identification is voluntary. DENR has set a baseline employment level of 14 staff with a disability, and is working towards the SASP Target 50 to increase the number of people with a disability employed by 10%. One person was recruited during 2011-12 through the Disability employment register, coordinated by Disability Works Australia.

Contractual Arrangements

The Department of Environment and Natural Resources did not enter into any contractual arrangements in the year 2011-12 where the total value of the contract exceeded \$4 million and the contract extended beyond one year.

Accounts Payable Report

ACCOUNT PAYMENT PERFORMANCE

During 2011-12, DENR paid 85.14 per cent of all invoices by the due date. The accounts payable performance is summarised in the table below.

Particulars	Number of accounts paid	% of accounts paid (by number)	Value in \$A of accounts paid	% of accounts paid (by value)
paid by due date*	47 043	85.14	\$116 785 118	79.65
paid late, within 30 days of due date	6 000	10.86	\$ 23 198 898	15.82
paid more than 30 days from due date	2 209	4.00	\$ 6 637 827	4.53

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. Traditionally, DENR has used the invoice issue date to report Account Payment Performance as the receipt date was not available through legacy Accounts Payable systems. With the introduction of the Basware e-procurement solution through Shared Services, DENR is working with Shared Services to develop an Account Payment Performance report that will capture both invoice issue date and invoice receipt date in order to provide more accurate performance statistics.

Fraud

There were no reported incidents of fraud in the 2011-12 financial year.

DENR 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.

Urban Design Charter

No events occurred in 2011-12 that required DENR to consider the principles of urban design contained in the South Australian Urban Design Charter.

Freedom of Information

Department of Environment and Natural Resources publishes a Freedom of Information Statement on its internet site which can be viewed at: www.environment.sa.gov.au

Whistleblowers Statement

The *Whistleblowers Protection Act 1993* encourages disclosure of maladministration and waste in the public sector and corrupt or illegal conduct generally, by providing the means by which disclosures may be made, and subsequent protection (from victimisation and civil or criminal liability) for those who make disclosures.

DENR's Whistleblowers Procedure:

- specifies procedures by which disclosures of public interest information can be made within the Department (by DENR employees and members of the public);
- identifies Responsible Officers to whom disclosures can be appropriately made; and
- specifies the procedures for handling complaints of victimisation as a result of whistleblower disclosures.

The Whistleblowers Protection Act requires the Department to report on the number of occasions on which public interest information has been disclosed to a Responsible Officer of the agency. There were no disclosures during 2011-12.

Intellectual Property

DENR is committed to the whole-of-government Intellectual Property (IP) Policy. Currently DENR does not commercialise any IP and there are no IP ownership issues. The Chief Executive supports a culture where IP is recognised and appropriately managed.

Consultants

Consultancies below \$10 000

There were 9 consultancies in 2011-12 that cost below \$10 000, with a total expenditure of \$38 936.

Consultancies between \$10 000 and \$50 000

There were no consultancies in 2011-12 that cost between \$10 000 and \$50 000.

Consultancies above \$50 000

There were no consultancies in 2011-12 that cost over \$50 000.

Overseas Travel

No of staff	Destination/s	Reasons for Travel	Total Cost to Agency
1	Prague, Czech Republic	To attend and present at the International Society of Wetland Scientists Conference.	\$9 950
1	Germany, Vienna, Boston	To attend as an invited South Australian Government representative to participate in the bicentennial celebrations. The staff member also visited a number of botanical collections, primarily those holding similar 19th Century botanical models, provided behind the scenes access to many botanic collections, and exposure to their practices which contribute to current work being undertaken at the Botanic Gardens of Adelaide.	\$4 068

No of staff	Destination/s	Reasons for Travel	Total Cost to Agency
1	Surrey, United Kingdom	To visit the Herbariums at the Royal Botanic Gardens Kew, and at the Royal Horticultural Society Wisely, to further identify taxonomic insight of their specimen collections to enable their relative threat status, and identify new weed threats in South Australia.	\$1 742
1	Ontario, Canada and United States	To attend the North American fire equipment conference, and undertake a study tour of the United States fire equipment and development centres.	\$9 070
1	Dili, Timor Leste	A coordinated trip as part of a capacity building program that aims to make contribution to economic and social development of East Timor, and is a habitat mapping mentoring program designed to enhance the management and policy skills of senior Timor-Leste public servants. This program is managed and sponsored by Austraining International, which is owned by the South Australian Government.	\$4 279
1	London, United Kingdom	To attend the Planet Under Pressure 2012, the global climate change adaptation conference, and deliver a presentation on South Australia's leadership role in the climate change adaptation.	\$7 483
1	Chester, United Kingdom	To attend the International Union for the Conservation of Nature Freshwater Fish Specialist Group symposium from 1-3 May 2012.	\$5 245
1	Hong Kong and mainland China	To provide advice on the establishment of eucalypt plantations to the Ocean Park Zoo (OPZ) for the transfer of a pair of Koalas to take up residence at the OPZ as part of a gift from South Australia.	\$1 647
1	Rio Janeiro, Brazil	To accompanying the Minister and his Ministerial Adviser, where the Minister represented the Premier at the States and Regions Alliance meeting held from 17-19 June 2012, and attended the United Nations Conference on Sustainable Development (Rio+20).	\$16 180
Total Expenditure for 2011-12			\$59 664

Note: Overseas travel is defined in the Commissioner's Public Sector Management Standard 3.2, 'Travel' which states that: 'Travel within Australasia (including visits to New Zealand, Papua New Guinea and Australian Territories) is not subject to overseas travel requirements of this standard, unless it forms part of a more extensive itinerary encompassing other overseas destinations'. This report includes salary (plus on-costs), travel, accommodation, meals and incidentals.

Greening of Government Operations Report

Energy Efficiency

In accordance with the requirements of the across-government Energy Efficiency Action Plan (EEAP), DENR's energy use for 2011-12 is presented in relation to previous annual consumption.

Total Energy Use

Table 1 below shows the total energy used by DENR in delivering 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, DENR has determined its energy use from primary-source data. Complexities associated with this include continuing improvements in DENR's capture of this data, which results in apparent increased use in some categories.

<i>Table 1: Total DENR Annual Energy Use (Giga Joules - GJ)</i>						
	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
2009-10	4 616	4 977	908	9 645	27 145	47 291
2010-11	4 975	5 191	478	9 166	27 948	47 758
2011-12	7 384	7 705	530	7 064	14 247	36 930

Note: Office Light and Power is made up of Electricity Office. Other Buildings is made up of Electricity Other Buildings. Other Transport is made up of Avgas. Other Uses is made up of Diesel Other, Electricity Other Uses, ULP Other, Natural Gas and LPG Bottled/Bulk. Passenger Vehicles is made up of Diesel Vehicle, LPG Vehicle and ULP Vehicle. This data includes all fuels used by Fleet Vehicles, all fuel charged to fuel cards associated with DENR-owned vehicles and all fuel recorded on FRF001 and FRF002 forms. As of 30 June 2012 there were 257 Fleet Vehicles, which is a reduction of 16 from 2011.

Buildings' Energy Use

South Australia's Strategic Plan (SASP) has a target to improve energy efficiency in government agency buildings by 30 per cent by 2020 – Target 61 (baseline 2000-01), milestone of 25 per cent by 2014. In addition to the office premises leased by DENR, the Department owns and operates a buildings asset folio of 1385 structures that cover 115 522m² (these figures have been obtained from ARAMIS). These buildings have a range of energy requirements; the Bicentennial Conservatory, for example, is a very high consumer of natural gas, while many buildings in regional areas source their electricity from diesel-powered generators. Because of difficulties in accurately identifying energy use associated with these assets, it has been necessary to report it across both the 'Other Buildings' and 'Other Uses' categories in Table 1 above. As a result DENR's total buildings energy use cannot be accurately calculated by simply aggregating that for 'Office Light & Power' and 'Other Buildings'.

A complete breakdown of the updated DENR energy data for use, 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)	Electricity (Office)	Electricity (Other buildings)	Electricity (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
2009-10	908	22 042	1 008	4 616	4 977	613	1 841	2 339	5 435	2 764	748	47 291
2010-11	470	23 343	1 222	4 975	5 191	650	1 895	1 833	4 868	2 772	531	47 750
2011-12	530	12 733	705	7 384	7 705	963	1 434	325	3 562	1 189	400	36 930

¹ DENR 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 ongoing repairs

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

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electricity (Office)	Electricity (Other buildings)	Electricity (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
2009-10	60	625	70	987	1 064	131	110	140	278	191	51	3 707
2010-11	31	1 613	82	991	1 036	129	113	109	249	191	35	4 579
2011-12	35	880	66	1 332	1 390	173	85	19	182	79	26	4 267

¹Reflects revision of emissions factors by AGO

Table 2.3: Energy cost (\$) by year and energy type (GST-exclusive amounts)

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electricity (Office)	Electricity (Other buildings)	Electricity (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
2009-10	53 611	658 705	30 329	271 077	280 485	36 764	123 740	52 125	53 110	89 039	26 894	1 675 879
2010-11	26 423	772 256	34 308	328 267	342 539	42 817	81 398	42 167	38 727	94 697	18 495	1 479 555
2011-12	28 021	765 943	25 056	406 074	423 729	52 966	66 486	22 759	42 166	90 899	15 171	1 939 270

Specific DENR Energy Management Achievements

- Installation of grid connected solar panels (3.8Kw) at Cleland Wildlife Park.
- Installation of grid connected solar panels (3.8Kw) at Building 3 at Black Hill Conservation Park.
- Installation of grid connected solar panels (8.3Kw) at Naracoorte Caves.
- Continued review of all DENR owned remote area power supplies around the State to determine condition and suitability. This will inform future works.
- Installation of T5 lights at Cleland Conservation Park Workshop.
- Installation of T5 lights at Mt Gambier Office.

DENR Water Management

The total use of metered mains water during 2011-12 was \$436 689 which includes supply charges, service charges, sewerage charges and the 'Save the Murray Levy'.

Metered Mains Water Use 2011-12 – Water Use (kL)	
Total as per SA Water accounts for which DENR was charged for mains water usage	125 206

Specific DENR Water-Management Achievements

- Completed stage 2 of Mount Lofty Botanic Gardens irrigation infrastructure.
- Fitted water meters at the Shearers Quarters at Oraparinna in the Flinders Ranges National Park.
- Rebuilt Sparks Gully and Old Government House Bores in the Belair National Park.
- Interconnected Sparks Gully and Karka Bores in the Belair National Park.
- Upgraded water supply at Inneston in the Innes National Park.
- Installed new mains water connection to Martindale Hall.

Paper Cost and Volume

- DENR purchased 7 571 reams of A4 paper and 487 reams of A3 paper in 2011-12, at a total cost of \$49 624.
- The A4 paper consisted of 10 per cent non-recycled, 85 per cent of 100% recycled and 5 per cent of 50% recycled paper.
- The A3 paper consisted of 5 per cent non-recycled, 75 per cent of carbon neutral and 20 per cent of 100% recycled paper.
- The number of paper purchased in 2011-12 has increased by \$6 390 compared to 2010-11.

Note: Coloured paper has been included in these figures.

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	4	4	Remove	should be removed promptly.
2	12	13	Remove as soon as practicable	should be scheduled for removal at a practicable time.
3	12	10	Use care during maintenance	may need removal during maintenance works.
4	10	12	Monitor condition	has asbestos present. Inspect according to legislation and policy.
5	7	7	No asbestos identified / identified asbestos has been removed	(All asbestos identified as per OHSW 4.2.10(1) has been removed)
6A	–	1	Further information required	Asbestos items are missing recommended actions
6B	52	51	Further information required	(These sites not yet categorised)

DENR identified the following sites that required asbestos registers in 2011-12 and responded appropriately.

Category 1 Sites

Flinders Ranges National Park

DENR continued to work in partnership with the Asbestos Unit in Department for Transport, Energy and Infrastructure (DPTI) for the asbestos identified at the Flinders Ranges National Park. This asbestos is the remnants of an old isolated asbestos mine which is in a very remote location where access is controlled and managed.

Althorpe Island

All high risk asbestos was removed from the Island during the 2010-11 financial year. DENR is continuing to remove asbestos from the island as part of its Replacement Refurbishment program.

South Neptune Island

DENR also worked in partnership with DPTI to organise Asbestos inspections for South Neptune Island. This Island is extremely isolated and is not open to the general public. It is appropriately signed notifying the general public that the island is closed to the public and that there is a high asbestos risk present.

Innes National Park

Building 48 at Innes is not accessible to the public, and remains locked at all times. A management plan is being developed for this building, which will include the management of the asbestos. This is not seen as a high risk from a DENR perspective as the building is not accessible and is locked to the public.

Category 2 Sites

DENR 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

DENR has removed asbestos products from the following sites in 2011-12.

Region	Park	Type
Adelaide	Hallett Cove Conservation Park	Loose Materials
Kangaroo Island	Cape Borda	Asbestos Backed Vinyl
Murraylands	Nil	
Northern and Yorke	Innes National Park	Loose Materials Sheeting, Loose Materials and Asbestos Backed Vinyl
Outback	Mt Dare	Asbestos Backed Vinyl
South East	Naracoorte Caves	Sheeting
	Tantaloola Caves	Sheeting
	Coorong NP	Loose Materials
West	Gawler Ranges	Asbestos Backed Vinyl

South Australian Asbestos Safety Action Plan

DENR is committed to the health, safety and welfare of employees, contractors and the public for its sites. This is done by;

- Annual Asbestos Surveys through DPTI.
- Removals of Asbestos where work is being carried out as part of a project.
- Removal of asbestos when identified as High Risk during Annual Surveys.
- User of the Strategic Asset Management Information System (SAMIS) to develop a systematic process to remove asbestos products and make sites asbestos free.

FINANCIAL STATEMENTS

Department of Environment and Natural Resources

Annual Financial Statements

For the Year Ended 30 June 2012

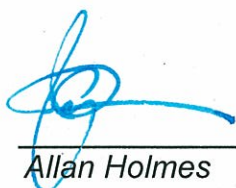
Department of Environment and Natural Resources

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Department of Environment and Natural Resources:

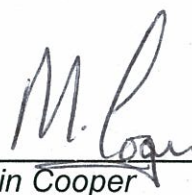
- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the Department of Environment and Natural Resources as at 30 June 2012 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Department of Environment and Natural Resources 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

21 September 2012



Martin Cooper
Acting Chief Finance Officer

21 September 2012



9th Floor
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

**To the Chief Executive
Department of Environment and Natural Resources**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Environment and Natural Resources for the financial year ended 30 June 2012. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2012
- a Statement of Financial Position as at 30 June 2012
- a Statement of Changes in Equity for the year ended 30 June 2012
- a Statement of Cash Flows for the year ended 30 June 2012
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2012
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2012
- a Statement of Administered Financial Position as at 30 June 2012
- a Statement of Administered Changes in Equity for the year ended 30 June 2012
- a Statement of Administered Cash Flows for the year ended 30 June 2012
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Acting Chief Finance Officer.

The Chief Executive's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion

Property, plant and equipment reported in the Statement of Administered Financial Position excludes unallotted Crown land as the Department of Environment and Natural Resources 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 included as part of property, plant and equipment recognised in the Statement of Administered Financial Position.

This is disclosed in note A1(c) to the administered financial statements.

It is not practicable to quantify the financial effect of the excluded Crown land or the unreliable base information used to determine the valuation of Crown land included as part of property, plant and equipment recognised in the administered financial statements.

As the integrity of Crown land holdings and values administered by the Department of Environment and Natural Resources 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 Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial report gives a true and fair view of the financial position of the Department of Environment and Natural Resources as at 30 June 2012, 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
25 September 2012

Department of Environment and Natural Resources

Statement of Comprehensive Income

For the Year Ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
Expenses			
Employee benefits expenses	5	108,188	99,561
Supplies and services	6	63,166	83,736
Grants and subsidies	7	12,620	12,420
Depreciation and amortisation	8	17,437	17,163
Net loss from disposal of non-current assets	9	3,063	2,806
Other expenses	10	2,031	1,449
Total expenses		206,505	217,135
Income			
Revenues from fees and charges	11	27,294	21,862
Grants and contributions	12	32,941	34,563
Interest revenues	13	119	238
Resources received free of charge	14	-	147
Other income	15	3,010	1,576
Total income		63,364	58,386
Net cost of providing services		143,141	158,749
Revenues from SA Government			
Revenues from SA Government	16	127,018	148,555
Total revenues from SA Government		127,018	148,555
Net result		(16,123)	(10,194)
Other comprehensive income			
Changes in asset revaluation surplus	28	26,925	2,441
Total other comprehensive income		26,925	2,441
Total comprehensive result		10,802	(7,753)

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.

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Department of Environment and Natural Resources
Statement of Financial Position
As at 30 June 2012

	Note	2012 \$'000	2011 \$'000
Current assets			
Cash and cash equivalents	17	71,204	95,116
Receivables	18	24,445	14,726
Inventories	19	2,050	1,567
Other assets	20	258	895
Total current assets		97,957	112,304
Non-current assets			
Receivables	18	59	41
Other financial assets	21	3	3
Property, plant and equipment	22	356,327	312,912
Intangible assets	23	1,525	1,941
Total non-current assets		357,914	314,897
Total assets		455,871	427,201
Current liabilities			
Payables	24	29,199	24,296
Employee benefits	25	7,304	6,722
Provisions	26	504	404
Other current liabilities	27	713	683
Total current liabilities		37,720	32,105
Non-current liabilities			
Payables	24	2,180	1,707
Employee benefits	25	22,006	17,930
Provisions	26	1,668	1,371
Other non-current liabilities	27	558	889
Total non-current liabilities		26,412	21,897
Total liabilities		64,132	54,002
Net assets		391,739	373,199
Equity			
Asset revaluation surplus	28	214,036	187,111
Retained earnings	28	177,703	186,088
Total equity		391,739	373,199
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	30.		
Contingent assets and liabilities	31		

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

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Department of Environment and Natural Resources

Statement of Changes in Equity

For the Year Ended 30 June 2012

	Note	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2010	28	184,751	186,754	371,505
Net result for 2010-11		-	(10,194)	(10,194)
Gain on revaluation of PPE		2,441	-	2,441
Total comprehensive result for 2010-11		2,441	(10,194)	(7,753)
Asset adjustments - first time recognition of assets		-	4,468	4,468
Asset adjustments - ARAMIS revisions		-	4,537	4,537
Asset adjustments - asset revaluation surplus corrections		(81)	81	-
Net assets received from an administrative restructure		-	442	442
Balance at 30 June 2011	28	187,111	186,088	373,199
Net result for 2011-12		-	(16,123)	(16,123)
Gain on revaluation of PPE		26,925	-	26,925
Total comprehensive result for 2011-12		26,925	(16,123)	10,802
Asset adjustments - first time recognition of assets		-	4,529	4,529
Asset adjustments - ARAMIS revisions		-	3,480	3,480
Asset adjustments - asset revaluation surplus corrections		-	-	-
Net assets received from an administrative restructure		-	(271)	(271)
Balance at 30 June 2012	28	214,036	177,703	391,739

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

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

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Department of Environment and Natural Resources

Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(102,968)	(100,908)
Payments for supplies and services		(72,159)	(90,256)
Payments of grants and subsidies		(13,184)	(13,144)
Other payments		(4)	(593)
Cash used in operations		<u>(188,315)</u>	<u>(204,901)</u>
Cash inflows			
Fees and charges		17,740	16,332
Receipts from grants and contributions		35,757	37,514
Interest received		124	246
GST recovered from the Australian Taxation Office		11,088	8,982
Other receipts		3,010	1,576
Cash generated from operations		<u>67,719</u>	<u>64,650</u>
Cash flows from SA Government			
Receipts from SA Government		127,018	148,555
Cash generated from SA Government		<u>127,018</u>	<u>148,555</u>
 Net cash provided by operating activities	 29	 <u>6,422</u>	 <u>8,304</u>
 Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(30,378)	(15,453)
Cash used in investing activities		<u>(30,378)</u>	<u>(15,453)</u>
Cash inflows			
Proceeds from the sale of property, plant and equipment		44	6
Cash generated from investing activities		<u>44</u>	<u>6</u>
 Net cash used in investing activities		 <u>(30,334)</u>	 <u>(15,447)</u>
 Cash flows from financing activities			
Cash inflows			
Cash received from restructuring activities		-	(380)
Cash generated from financing activities		<u>-</u>	<u>(380)</u>
 Net cash used in financing activities		 <u>-</u>	 <u>(380)</u>
 Net decrease in cash and cash equivalents		 <u>(23,912)</u>	 <u>(7,523)</u>
 Cash and cash equivalents at the beginning of the period		95,116	102,639
 Cash and cash equivalents at the end of the period	17	<u>71,204</u>	<u>95,116</u>

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

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Department of Environment and Natural Resources
Disaggregated disclosures - expenses and income
For the Year Ended 30 June 2012

	Activity 1: Natural Resource Stewardship		Activity 2: Agency Leadership and Support		Activity 3: Botanic Gardens		TOTAL	
	2012 R'000	2011 R'000	2012 R'000	2011 R'000	2012 R'000	2011 R'000	2012 R'000	2011 R'000
Expenses								
Employee benefits	76,373	75,400	26,930	18,884	4,885	5,277	108,188	99,561
Supplies and services	42,230	60,523	17,769	19,440	3,167	3,773	63,166	83,736
Grants and subsidies	11,522	12,101	980	211	118	108	12,620	12,420
Depreciation and amortisation	17,105	16,847	163	170	169	146	17,437	17,163
Net loss from disposal of non-current assets	1,046	1,317	2,020	1,490	(3)	(1)	3,063	2,806
Other expenses	165	1,298	448	71	1,418	80	2,031	1,449
Total: Expenses	148,441	167,486	48,310	40,266	9,754	9,383	206,505	217,135
Income								
Fees and charges	25,408	20,781	1,857	454	29	627	27,294	21,862
Grants and contributions	25,995	29,199	2,696	2,625	4,250	2,739	32,941	34,563
Interest	115	234	4	4	-	-	119	238
Resources received free of charge	-	-	-	147	-	-	-	147
Other income	2,435	968	483	551	92	57	3,010	1,576
Total: Income	53,953	51,182	5,040	3,781	4,371	3,423	63,384	58,386
Net cost of providing services	94,488	116,304	43,270	36,485	5,383	5,960	143,141	158,749
Revenues from/(payments to) SA Government								
Revenues from SA Government	250	250	126,768	148,305	-	-	127,018	148,555
Total: Net revenues from SA Government	250	250	126,768	148,305	-	-	127,018	148,555
Net result	(94,238)	(116,054)	83,498	111,820	(5,383)	(5,960)	(16,123)	(10,194)

Department of Environment and Natural Resources

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For the Year Ended 30 June 2012

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2012

1 Objectives of the Department of Environment and Natural Resources

The Department for Environment and Natural Resources (DENR) brings conservation and management of natural resources together. The Department is responsible for nature conservation, heritage conservation, animal welfare and natural resources management policy and planning. 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. Our vision is a sustainable and prosperous South Australia where natural resources are used wisely and a healthy environment is understood to be the basis of a good quality of life.

This is achieved through commitment to the following goals:

- **The environment is conserved and natural resources are used sustainably**
Improving South Australia's rich heritage and diverse natural environments across public and private lands, and effective planning and delivery to maintain the natural resource assets that underpin the State's economy.
- **The environment is valued and enjoyed**
Encouraging all people to experience and value the environment, through management of public lands including investment in visitor infrastructure and facilities, and projects to build community capacity in natural resources management.
- **The environment is integral to development decisions**
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.

2 Summary of significant accounting policies

(a) Statement of compliance

DENR has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

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

DENR has applied Australian Accounting Standards that are applicable to non-for-profit entities, as the department is a non-for-profit entity.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by DENR for the reporting period ending 30 June 2012.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying DENR'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;
- 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, which have been included in these financial statements:
 - (a) revenues, expenses, financial assets and 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. DENR 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, i.e. all financial assets and financial liabilities relating to SA Government have been separately disclosed;
 - (b) expenses incurred as a result of engaging consultants;
 - (c) employee targeted voluntary separation package information;
 - (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - (e) 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.

DENR'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 period 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 2012 and the comparative information presented.

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2012

(c) Reporting entity

DENR is a government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. DENR is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of DENR. 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 DENR'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 (Reorganisation of Public Sector Operations) Notice 2011* (dated 1 January 2012) transferred the Sustainability and Climate Change Division from the Department of the Premier and Cabinet to the Department of Environment and Natural Resources effective from 1 January 2012. Refer to Note 32 for further information in respect of this machinery of government change.

(e) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

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

(f) Rounding

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

(g) Taxation

DENR is not subject to income tax. DENR 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:

- when 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
- 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.

DENR prepares a Business Activity Statement on behalf of its controlled entities, administered items and other clients to which it provides business services under the grouping provisions of the GST legislation. Under the grouping provisions, DENR is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in DENR's Statement of Financial Position and the GST cash flows recorded in DENR's Statement of Cash Flows.

(h) Events after 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 DENR 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.

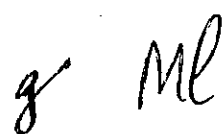
The following are specific recognition criteria:

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 DENR 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).



Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2012

Generally, DENR 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 (e.g. 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 DENR 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. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Net gain on 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 surplus is transferred to retained earnings.

Revenues from SA Government

Appropriations for program funding are recognised as revenues when DENR 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 DENR 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.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefit expenses include all costs related to employment including wages and salaries, leave entitlements and non-monetary benefits. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by DENR 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 financial statements.

Grants and subsidies

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

(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, DENR 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 settled within 30 days after the issue of an invoice.

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

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2012

(n) Inventories

Inventories include goods held either for sale or distribution at no or nominal cost in the ordinary course of business.

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

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 in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction in the Statement of Comprehensive Income.

(o) Financial assets

DENR 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. Non-current assets are subsequently measured at fair value less accumulated depreciation.

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

All non-current tangible assets with a value of \$10,000 or greater are capitalised.

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 has restrictions on use imposed by statute or regulation. These restrictions have been taken into account by the independent valuers.

Administered property, plant and equipment relates to the Crown's interest in land leased to third parties under perpetual and other leases and annual licenses. However, limitations exist on the reliability of the base information used to determine the valuation of this land.

DENR is also 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 DENR has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings.

(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 is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

DENR revalues its land, buildings and improvements, park infrastructure and roads, tracks and trails 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. The data dictionary model is contained within DENR's ARAMIS system. The data dictionary model calculates a value for an asset based on description, grade / composition, condition and size / quantity. The model value is adjusted by a locality factor to take into account climatic conditions. The valuation model itself is reviewed every three years.

Unique assets are items which cannot be categorised within existing asset groups. Assets that are deemed to be unique are externally valued by independent professional valuers.

The valuers used by DENR are as follows:

- 1 July 2011, valuation of data dictionary: buildings, infrastructure and roads, Valcorp Australia Pty Ltd, Mr F. Taormina, BAppSc (Val), AAPI
- 1 July 2011, independent professional valuation of land, building and park infrastructure, Herron Todd White, Mr Paul Tilley, FAPI, AREI, CREI (Val)
- 1 July 2010, valuation of Mutton Cove levee bank, lands and aviary, Valcorp Australia Pty Ltd, Mr A.J. Lucas, MBA, BAppSc(Val), DipAcc, AAPI, ASA and Mr F. Taormina, BAppSc(Val), AAPI

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

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Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, 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 surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

Upon disposal or derecognition, any revaluation surplus 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 respective asset revaluation surplus.

(s) 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 is not depreciated.

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

Class of asset	Useful Life (years)
<u>Property, plant and equipment</u>	
Buildings and improvements	1-60
Computing equipment	3-5
Furniture and fittings	5-20
Vehicles	3-40
Park infrastructure	3-60
Plant and equipment	3-25
Roads, tracks and trails	3-35
Other	3-60
<u>Intangible assets</u>	
Computer software (externally acquired)	3
Computer software (internally generated)	3-10
War services leases	45

(t) 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. DENR 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 \$10,000.

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

(u) Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

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 DENR.

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.

The Paid Parental Leave Scheme payable represents amounts which DENR has received from the Commonwealth Government to forward onto eligible employees via DENR's standard payroll processes. That is, DENR is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

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.

Employee benefit on-costs include superannuation contributions, WorkCover levies and payroll tax in respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

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DENR 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 reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

(v) 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

The liability 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 annual leave is 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

An actuarial assessment of long service leave liability 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 a short hand method was not materially different from the liability measured using a present value of expected future payments.

Based on this actuarial assessment, the short hand method was used to measure the long service leave liability for 2012. Refer to Note 25.

This calculation is consistent with DENR's experience of employee retention and leave taken.

Employee benefit on-costs

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

Provisions

Provisions are recognised when DENR 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 DENR 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.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2012 provided by a consulting actuary engaged through the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet. The provision is for the estimated cost of the ongoing payments to employees as required under current legislation.

DENR is responsible for the payment of workers compensation claims.

(w) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

DENR has entered into 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 incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by DENR in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

(x) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating lease, capital and remuneration 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.

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3 New and revised accounting standards and policies

DENR did not voluntarily change any of its other accounting policies during 2011-12.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by DENR for the period ending 30 June 2012. DENR 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, DENR provides a range of services classified into the following activities:

Activity 1: Natural resource stewardship

Aims to conserve natural systems and ensure the sustainable use of natural resources. It includes policy development, land-use decision making and delivery of the government's environmental and natural resources management agenda across the state.

Activity 2: Agency leadership and support

Provides strategic direction and positioning of DENR, the development of organisational capability, evaluation and reporting of its performance and the provision of a range of business support services.

Activity 3: Botanic gardens

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

The disaggregated disclosures schedules of expenses and income present information regarding DENR's activities for the years ended 30 June 2011 and 30 June 2012.

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

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5 Employee benefits expenses

	2012 \$'000	2011 \$'000
Salaries and wages	72,162	70,306
Annual leave	6,790	6,603
Long service leave	6,100	2,318
Employment on-costs - superannuation	9,494	8,172
Employment on-costs - other	5,945	5,229
Targeted voluntary separation packages (refer below)	4,509	4,275
Board and committees fees	251	176
Other employee related expenses	2,937	2,482
Total Employee benefits expenses	108,188	99,661

Targeted voluntary separation packages (TVSPs)

Amount paid during the reporting period to separated employees:

TVSPs	4,509	4,275
Annual leave and long service leave paid to those employees	1,547	1,518
	6,056	5,793
Recovery from the Department of Treasury and Finance	(5,387)	(3,445)
Net cost to department	669	2,348

Number of employees who received a TVSP during the reporting period

45 44

Remuneration of employees

The table below includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$6.565 million (2011: \$8.135 million).

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

	2012	2011
\$130 700 – 133 999 *	-	5
\$134 000 – 143 999	5	5
\$144 000 – 153 999	6	5
\$154 000 – 163 999	6	2
\$164 000 – 173 999	2	5
\$174 000 – 183 999	3	1
\$184 000 – 193 999	1	2
\$194 000 – 203 999	1	1
\$204 000 – 213 999	1	2
\$214 000 – 223 999	-	1
\$224 000 – 233 999	1	1
\$234 000 – 243 999	1	1
\$244 000 – 253 999	1	-
\$254 000 – 263 999	-	1
\$274 000 – 283 999 **	-	1
\$284 000 – 293 999 **	-	1
\$314 000 – 323 999 **	1	1
\$324 000 – 333 999	-	1
\$344 000 – 353 999 **	1	2
\$354 000 – 363 999 **	1	-
\$374 000 – 383 999	1	-
\$384 000 – 393 999	-	1
\$404 000 – 413 999 **	1	-
\$434 000 – 443 999 **	-	1
Total number of employees	33	40

* This remuneration band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2010-11.

** This remuneration band includes an employee who received a TVSP payment.

The table includes TVSPs paid where the employee's normal remuneration exceeds the executive base level threshold. In 2011-12, 3 employees (2010-11: 6 employees) in the table received a TVSP.

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6 Supplies and services

	2012	2011
	£'000	£'000
Accommodation and property management	10,347	10,465
Consultants	39	169
Contractors	3,179	4,306
Cost of goods sold	1,161	1,010
Auditors remuneration	337	256
Fee for service	18,021	35,609
General administration	6,768	7,739
Heritage advisors	386	441
Information technology & communication expenses	7,436	6,732
Minor works, maintenance & equipment	4,264	4,708
Monitoring fees	319	242
Sand replenishment	850	637
Scientific and technical services	524	861
Transportation	310	317
Travel and accommodation	1,753	1,563
Vehicle and aircraft	5,370	5,522
Other	2,102	3,159
Total Supplies and services	63,166	83,736

Consultants

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

	2012	2011	2012	2011
	Number	Number	£'000	£'000
Below \$10 000	9	5	39	32
\$10 000 to \$50 000	-	6	-	137
Total paid/payable to consultants engaged	9	11	39	169

Auditor's remuneration

Audit fees paid/payable to the Auditor-General's Department relating to audit of financial statements

Total Audit fees	337	256
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Supplies and services provided by entities within the SA Government

Accommodation and property management	5,285	4,908
Auditors remuneration	337	256
Fee for service	609	7,339
General administration	2,922	3,809
Information technology & communication expenses	-	223
Scientific and technical services	-	222
Other	274	-
Total Supplies and services - SA Government entities	9,427	16,757

7 Grants and subsidies

	2012	2011
	£'000	£'000
Community organisations and associations	6,301	4,030
Grant refunds - Entities within the SA Government	22	231
Individuals - Heritage, fencing and other agreements	98	178
Local government	654	408
Entities within the SA Government	5,150	6,942
Universities	395	612
Other	-	19
Total Grants and subsidies	12,620	12,420

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

Grant refunds - Entities within the SA Government	22	231
Entities within the SA Government	5,150	6,942
Total Grants and subsidies - SA Government entities	5,172	7,173

8 Depreciation and amortisation

	2012	2011
	£'000	£'000
Depreciation		
Buildings and improvements	3,530	3,134
Computing equipment	495	420
Furniture and fittings	486	468
Vehicles	467	559
Park infrastructure	5,263	5,656
Roads, tracks and trails	6,393	6,122
Plant and equipment	369	371
Other	18	18
Total Depreciation	17,021	16,748
Amortisation		
Application software - internally generated	386	385
Application software - externally purchased	8	8
Other - war services leases	22	22
Total Amortisation	416	415
Total Depreciation and amortisation	17,437	17,163

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Revision of accounting estimates

As at 1 July 2011, the independent valuers reassessed the useful lives of property, plant and equipment assets during the revaluation process, resulting in a decrease in the estimated useful life of certain assets. This has resulted in a net increase of \$0.217m in the amount of depreciation calculated on these assets in 2011-12 compared to the amount that would have been expensed based on previous estimates of useful lives. The increased depreciation expense will also be reflected in future years.

The change in the useful lives has had the effect of increasing / (decreasing) depreciation expense in the financial year as follows:

	2012 \$'000	2011 \$'000
Buildings and Improvements	428	-
Park Infrastructure	(152)	-
Roads, Tracks and Trails	(59)	-
	<u>217</u>	<u>-</u>

9 Net loss from disposal of non-current assets

	2012 \$'000	2011 \$'000
Buildings		
Proceeds from disposal	-	-
Less net book value of assets disposed	(100)	(338)
Net (loss)/gain from disposal	(100)	(338)
Park infrastructure		
Proceeds from disposal	-	-
Less net book value of assets disposed	(2,367)	(865)
Net (loss)/gain from disposal	(2,367)	(865)
Roads, tracks and trails		
Proceeds from disposal	-	-
Less net book value of assets disposed	(557)	(1,337)
Net (loss)/gain from disposal	(557)	(1,337)
Vehicles		
Proceeds from disposal	44	6
Less net book value of assets disposed	(58)	(15)
Net (loss)/gain from disposal	(14)	(9)
Furniture and fittings		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(9)
Net (loss)/gain from disposal	-	(9)
Plant and equipment		
Proceeds from disposal	-	-
Less net book value of assets disposed	(25)	(248)
Net (loss)/gain from disposal	(25)	(248)
Total Assets		
Total proceeds from disposal	44	6
Less total net book value of assets disposed	(3,107)	(2,812)
Total Net loss from disposal of non-current assets	<u>(3,063)</u>	<u>(2,806)</u>

Assets transferred free of charge

These figures include the following assets transferred to the Board of the Botanic Gardens and State Herbarium, and Coorong Council free of charge. These assets primarily relate to the Garden of Health Project (\$1.207m) and the Water Supply and Quality Project (\$0.271m) transferred to Botanic Gardens and State Herbarium. DENR also transferred \$239K for the Meningie Lakefront Habitat Reserve Project to the Coorong Council.

	2012 \$'000	2011 \$'000
Park infrastructure	1,858	743
Roads, tracks and trails	261	1,306
Vehicles	12	-
Furniture and fittings	-	11
Plant and equipment	22	227
Total Assets transferred free of charge	<u>2,153</u>	<u>2,287</u>

10 Other expenses

	2012 \$'000	2011 \$'000
Bad and doubtful debts	239	(16)
Capital project costs not capitalised	1,792	871
Inventory revaluation decrement	-	594
Total Other expenses	<u>2,031</u>	<u>1,449</u>

Other expenses paid/payable to entities within the SA Government

Capital project costs not capitalised	1,792	871
Total Other expenses - SA Government entities	<u>1,792</u>	<u>871</u>

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11 Revenues from fees and charges

	2012	2011
	\$'000	\$'000
Admissions and guided tours	6,868	6,392
Fees, levies and licences	813	779
Property rental and related income	5,727	5,024
Other property related income	89	133
Sale of goods	3,517	3,803
Sale of professional services	1,978	2,693
Sale of support services	6,912	2,047
Sale of spatial information	1,070	842
Sale of freehold titles	320	149
Total Revenues from fees and charges	27,294	21,862

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

Sale of professional services	600	863
Sale of support services	3,740	-
Sale of spatial information	100	200
Total Fees and charges - SA Government entities	4,440	1,063

12 Grants and contributions

	2012	2011
	\$'000	\$'000
Commonwealth government	15,173	8,076
Grants received from administered entities	1,970	2,107
Grants received from other entities within the SA Government	14,724	23,092
Private industry and local government	1,074	1,288
Total Grants and contributions	32,941	34,563

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

Administered entities	1,970	2,107
Other entities within the SA Government	14,724	23,092
Total Grants and contributions - SA Government entities	16,694	25,199

Contributions with conditions of expenditure

DENR is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to DENR on the premise that these funds are expended in a manner consistent with the terms of the agreement.

Contributions which have conditions of expenditure still to be met as at reporting date total \$13.513m (2011: \$6.573m).

The contributions relate to the Resource Conservation and Management program and conditions attached to these contributions include the completion of program milestones, project acquittal and other project specific requirements.

13 Interest revenues

	2012	2011
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	114	231
Interest on deposit accounts - from entities external to the SA Government	5	7
Total Interest revenues	119	238

14 Resources received free of charge

	2012	2011
	\$'000	\$'000
Land and improvements	-	147
Total: Resources received free of charge	-	147

15 Other income

	2012	2011
	\$'000	\$'000
Insurance recoveries	283	211
Salaries and wages recoveries	2,369	1,024
Sponsorships, donations, commissions and bequests	49	89
Other sundry revenue	309	252
Total Other income	3,010	1,576

Insurance recoveries consist of monies received as a result of claims lodged with SAICORP. Insurance claims are recognised as income when a claim has been lodged with SAICORP.

Other income received/receivable from entities within the SA Government

Insurance recoveries	283	211
Salaries and wages recoveries	2,157	817
Total Other income - SA Government entities	2,440	1,028

16 Revenues from SA Government

	2012	2011
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the Appropriation Act	120,628	144,763
Appropriations from contingency funds	6,390	3,792
Total Revenues from SA Government	127,018	148,555

Total revenues from government consist of \$93.478m (2011: \$129.105m) for operational funding and \$27.150m (2011: \$15.658m) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

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17 Cash and cash equivalents

	2012	2011
	\$'000	\$'000
Deposits with the Treasurer	71,038	94,923
Cash on hand and imprest accounts	166	193
Total Cash and cash equivalents	71,204	95,116

Deposits with the Treasurer

This includes \$62.166m (2011: \$77.491m) held within 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.

Other short-term deposits

These are funds held on an "at call" basis with various commercial banking entities, and result from banking deposits in regional locations. Funds are only held in these accounts pending imminent transfer to DENR's normal banking arrangements with Treasury.

Interest rate risk

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. DENR invests surplus funds with the Treasurer. Interest is earned on the average monthly balance of the Wildlife Conservation Fund, General Reserves Trust account and SA Lower Lakes Bioremediation and Revegetation (CLMM) account. Interest is paid quarterly at the Department of Treasury and Finance's 90 day average overnight cash interest rate. All other deposits with the Treasurer do not earn interest.

18 Receivables

	2012	2011
	\$'000	\$'000
Current		
Receivables	22,105	11,179
Less allowance for doubtful debts	(310)	(75)
	21,795	11,104
Accrued revenues	9	14
GST input tax recoverable	2,628	3,596
Workers compensation recoveries	13	12
Total Current receivables	24,445	14,726
Receivables from SA Government entities		
Receivables	5,864	3,084
	5,864	3,084
Accrued revenues	9	14
Total Receivables from SA Government entities	5,873	3,098
Non-current		
Workers compensation recoveries	59	41
Total Non-current receivables	59	41

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2012	2011
	\$'000	\$'000
Carrying amount at the beginning of the period	75	90
Amounts written off	(4)	-
Increase in the allowance	239	(15)
Carrying amount at the end of the period	310	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.

19 Inventories

	2012	2011
	\$'000	\$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	391	413
Other inventories - at cost	-	-
Total Inventories held for distribution at no or nominal amount	391	413
Inventories held for resale - at cost		
Finished goods held for resale - at cost	1,659	1,154
Total Inventories held for resale - at cost	1,659	1,154
Total Inventories	2,050	1,567

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20 Other assets

	2012	2011
	\$'000	\$'000
Current		
Prepaid supplies and services	257	547
Prepaid employee benefits	-	346
Other	1	2
Total Other current assets	258	895

21 Other financial assets

	2012	2011
	\$'000	\$'000
Non-current		
Equity in listed entities	3	3
Total Non-current other financial assets	3	3

22 Property, plant and equipment

	2012	2011
	\$'000	\$'000
Land		
Independent valuation ⁽ⁱ⁾		
At cost ⁽ⁱⁱ⁾	203,762	175,233
Total Land	4,508	7,349
Buildings and improvements		
Independent valuation ⁽ⁱ⁾		
At cost ⁽ⁱⁱ⁾	142,796	125,051
Less accumulated depreciation	6,090	6,796
Total Buildings and improvements	(98,099)	(81,186)
Park infrastructure		
Independent valuation ⁽ⁱ⁾		
At cost ⁽ⁱⁱ⁾	180,102	160,097
Less accumulated depreciation	5,410	18,027
Total Park infrastructure	(154,788)	(142,850)
Roads, tracks and trails		
Independent valuation ⁽ⁱ⁾		
At cost ⁽ⁱⁱ⁾	30,744	35,274
Less accumulated depreciation	192,241	182,506
Total Roads, tracks and trails	4,193	8,344
Capital works in progress		
Capital works in progress	(167,549)	(147,605)
Total Capital works in progress	28,885	23,245
Vehicles		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	27,181	10,852
Less accumulated depreciation	10,833	10,816
Total Vehicles	(7,486)	(7,228)
Computing equipment		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	3,347	3,588
Less accumulated depreciation	3,910	3,241
Total Computing equipment	(2,609)	(2,225)
Furniture and fittings		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1,301	1,016
Less accumulated depreciation	7,109	6,350
Total Furniture and fittings	(3,937)	(3,448)
Plant and equipment		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	3,172	2,902
Less accumulated depreciation	5,409	5,176
Total Plant and equipment	(4,042)	(3,675)
Other		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1,367	1,501
Less accumulated depreciation	1,867	1,867
Total Other	(594)	(576)
Total Property, plant and equipment	1,273	1,291
	356,327	312,912

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2012.

Carrying amounts of property, plant and equipment

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

- i 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.
- 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 At cost (deemed fair value):
These assets have an acquisition cost below \$1m and are deemed held at fair value pursuant to Accounting Policy Framework III.

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2012

Movement reconciliation of property, plant and equipment

	Land	Buildings	Park Infra- structure	Roads, tracks & trails	Vehicles	Computing equipment	Furniture & fittings	Plant & equipment	Other	Capital work in progress	2012 Sub-total	2011 Sub-total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012												
Carrying amount at the start of period	182,582	50,661	35,274	23,245	3,588	1,016	2,902	1,501	1,291	10,852	312,912	
Transfers between classes	-	(13)	(88)	72	-	-	29	-	-	-	-	-
Acquisitions	586	553	249	-	274	781	-	203	(1)	27,756	30,401	-
Transfers to/(from) capital works in progress	-	1,131	3,428	4,313	-	-	727	36	-	(9,635)	-	-
Depreciation expense	-	(3,530)	(5,263)	(6,393)	(467)	(495)	(486)	(369)	(18)	-	(17,021)	-
Net revaluation increment/(decrement)	22,834	831	(2,388)	5,648	-	-	-	-	-	-	26,925	-
Asset - First time recognition	2,660	386	717	735	11	-	-	20	-	-	4,529	-
Disposals	-	(100)	(509)	(296)	(46)	-	-	(3)	-	-	(954)	-
Disposals - transfers for nil consideration	-	-	(1,858)	(261)	(12)	-	-	(22)	-	-	(2,153)	-
Aramis revisions upwards/(downwards)	(392)	868	1,182	1,822	(1)	(1)	-	1	1	-	3,480	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-	-	-	(1,792)	(1,792)	-
Carrying amount at the end of period	208,270	50,787	30,744	28,885	3,347	1,301	3,172	1,367	1,273	27,181	356,327	
2011												
Carrying amount at the start of period	177,389	48,948	35,897	22,952	3,213	822	3,251	1,639	1,309	9,676		305,096
Opening balance adjustments MoG assets	1,196	620	16	-	66	-	1	41	-	-	-	1,940
Transfers between classes	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	1,220	(22)	30	-	733	614	-	235	-	11,904	14,714	-
Transfers to/(from) capital works in progress	-	3,412	2,498	3,617	-	-	129	201	-	(9,857)	-	-
Transfers to/(from) Intangibles	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(3,134)	(5,656)	(6,122)	(559)	(420)	(468)	(371)	(18)	-	(16,748)	-
Net revaluation increment/(decrement)	2,393	-	48	-	-	-	-	-	-	-	2,441	-
Assets received for nil consideration	-	147	-	-	-	-	-	-	-	-	147	-
Asset - First time recognition	384	84	2,139	1,682	162	-	-	17	-	-	4,468	-
Disposals	-	(338)	(122)	(31)	(15)	-	2	(21)	-	-	(525)	-
Disposals - transfers for nil consideration	-	-	(743)	(1,306)	-	-	(11)	(227)	-	-	(2,287)	-
Aramis revisions upwards/(downwards)	-	944	1,167	2,453	(12)	-	(2)	(13)	-	-	4,537	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-	-	-	(871)	(871)	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Carrying amount at the end of period	182,582	50,661	35,274	23,245	3,588	1,016	2,902	1,501	1,291	10,852		312,912

23 Intangible assets

	2012 \$'000	2011 \$'000
Computer software - internally developed		
Computer software - at cost (deemed fair value)	3,189	3,189
Less accumulated amortisation	(2,523)	(2,137)
Total Computer software - internal	666	1,052
Computer software - externally developed		
Computer software - at cost (deemed fair value)	95	95
Less accumulated amortisation	(95)	(87)
Total Computer software - external	-	8
Other		
Revenue stream (War services freehold leases) - At cost (deemed fair value)	1,000	1,000
Less accumulated amortisation	(141)	(119)
Total Other	859	881
Total Intangible assets	1,525	1,941

Impairment

There were no indications of impairment of intangible assets at 30 June 2012.

Computer software

Internally developed computer software includes the Department's Crown Lands System (\$0.190m), ARAMIS Solution software (\$0.460m) and Topographical Database (\$0.016). Externally acquired computer software relates to ARCGIS software.

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 DENR was negotiated during the 2005/06 year, and is being amortised in accordance with the expected life of the revenue stream.

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Department of Environment and Natural Resources
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Intangible asset movement reconciliation schedule

	Computer software (Internal)	Computer software (External)	Revenue stream	2012 Sub-total	2011 Sub-total
	\$'000	\$'000	\$'000	\$'000	\$'000
2012					
Carrying amount at the start of the period	1,052	8	881	1,941	
Transfers between classes	-	-	-	-	
Amortisation	(386)	(8)	(22)	(416)	
Carrying amount at the end of the period	666	-	859	1,525	
2011					
Carrying amount at the start of the period	1,437	17	903		2,357
Transfers between classes	-	(1)	-		(1)
Amortisation	(385)	(8)	(22)		(415)
Carrying amount at the end of the period	1,052	8	881		1,941

24 Payables

	2012 \$'000	2011 \$'000
Current		
Accrued expenses	697	737
Creditors	26,725	22,040
Employment on-costs	1,768	1,519
Paid Parental Leave Scheme payable	9	-
Total Current payables	29,199	24,296
Current payables to SA Government entities		
Accrued expenses	298	255
Creditors	13,826	4,026
Employment on-costs	1,093	888
Total Current payables to SA Government entities	15,217	5,149
Non-current		
Employment on-costs	2,180	1,707
Total Non-current payables	2,180	1,707
Non-current payables to SA Government entities		
Employment on-costs	1,140	926
Total Non-current payables to SA Government entities	1,140	926

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 from the 2011 rate (35%) to 40% and the average factor for the calculation of employer superannuation cost on-cost has remained at the 2011 rate of 10.3%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.143m and employee benefit expense of \$0.143m.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed 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.

25 Employee benefits

	2012 \$'000	2011 \$'000
Current		
Accrued salaries and wages	16	11
Annual leave	6,207	6,003
Short-term long service leave	1,081	708
Total Current employee benefits	7,304	6,722
Non-current		
Long service leave	22,006	17,930
Total Non-current employee benefits	22,006	17,930

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. It is accepted practice to estimate the present values of future cash outflows associated with the long service leave liability by using a shorthand measurement technique. The shorthand measurement technique takes into account such factors as changes in discount rates and salary inflation.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth bonds has decreased from 5.25% in 2011 to 3.0% in 2012.

The significant decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a significant increase in the reported long service leave liability.

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$3.397m and employee benefit expense of \$3.397m. The impact on future periods is impracticable to estimate as the benchmark is calculated using a number of assumptions - a key assumption is the long-term discount rate. With current conditions, the long term rate is experiencing significant movement.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4%. As a result there is no net financial effect resulting from changes in the salary inflation rate.

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2012

26 Provisions

	2012 \$'000	2011 \$'000
Current		
Provision for workers compensation	504	404
Total Current provisions	<u>504</u>	<u>404</u>
Non-current		
Provision for workers compensation	1,668	1,371
Total Non-current provisions	<u>1,668</u>	<u>1,371</u>
Provision movement		
Carrying amount at the beginning of the period	1,775	1,521
Additional provisions recognised	397	254
Reductions arising from payments	-	-
Carrying amount at the end of the period	<u>2,172</u>	<u>1,775</u>

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 Relations Division of the Department of the Premier and Cabinet.

27 Other Liabilities

	2012 \$'000	2011 \$'000
Current		
Lease incentive	314	314
Unearned revenue	232	206
Other	167	163
Total Current other liabilities	<u>713</u>	<u>683</u>
Current other liabilities payable to SA Government entities		
Unearned revenue	49	116
Total Current other liabilities payable to SA Government entities	<u>49</u>	<u>116</u>
Non-current		
Lease incentive	558	872
Unearned revenue	-	17
Total Non-current other liabilities	<u>558</u>	<u>889</u>
Non-current other liabilities payable to SA Government entities		
Unearned revenue	-	17
Total Non-current other liabilities payable to SA Government entities	<u>-</u>	<u>17</u>

28 Equity

Equity represents the residual interest in the net assets of DENR. The State Government holds the equity interest in DENR on behalf of the community. The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2011	187,111	186,088	373,199
Asset adjustments - first-time recognition of assets ⁽¹⁾			
Land	-	2,660	2,660
Buildings and improvements	-	386	386
Park infrastructure	-	717	717
Roads, tracks and trails	-	735	735
Vehicles	-	11	11
Plant and equipment	-	20	20
Sub-total first time recognition of assets	-	4,529	4,529
Asset adjustments - ARAMIS revisions ⁽²⁾			
Land	-	(392)	(392)
Buildings and improvements	-	868	868
Park infrastructure	-	1,182	1,182
Roads, tracks and trails	-	1,822	1,822
Vehicles	-	(1)	(1)
Plant and equipment	-	1	1
Sub-total asset adjustments - ARAMIS revisions	-	3,480	3,480
Net result for the financial year	-	(16,123)	(16,123)
Net assets received from an administrative restructure	-	(271)	(271)

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Department of Environment and Natural Resources
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Gain/(loss) on revaluation of assets ⁽ⁱⁱⁱ⁾

Land	22,834	-	22,834
Buildings and improvements	831	-	831
Park infrastructure	(2,388)	-	(2,388)
Roads, tracks and trails	5,648	-	5,648
Sub-total net increment/(decrement) related to revaluations	26,925	-	26,925

Balance at 30 June 2012

214,036	177,703	391,739
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(i) First-time recognition of assets

Stocktakes and physical inspections of fixed assets located in parks and reserves 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 2011-12.

(ii) ARAMIS revisions

ARAMIS revisions are changes to an asset's description, grade / composition, condition or size / quantity on the Data Dictionary system identified through regular infrastructure stocktakes and park re-surveys.

(iii) Net increment related to revaluations

During the year DENR revalued items of property, plant and equipment due for revaluation in accordance with its three year revaluation cycle. The Data Dictionary valuations were obtained from Valcorp, Certified Practising Valuers, and Lands and Unique Items from Herron Todd White, Certified Practising Valuers.

Balance at 30 June 2010

Asset Revaluation Surplus	RetainedE arnings	Total
\$'000	\$'000	\$'000
184,751	186,754	371,505

Asset adjustments - first time recognition of assets ⁽ⁱ⁾

Land	-	384	384
Buildings and improvements	-	84	84
Park infrastructure	-	2,139	2,139
Roads, tracks and trails	-	1,682	1,682
Vehicles	-	162	162
Plant and equipment	-	17	17
Sub-total first time recognition of assets	-	4,468	4,468

Asset adjustments - ARAMIS revisions ⁽ⁱⁱ⁾

Buildings and improvements	-	944	944
Park infrastructure	-	1,167	1,167
Roads, tracks and trails	-	2,453	2,453
Vehicles	-	(12)	(12)
Furniture and fittings	-	(2)	(2)
Plant and equipment	-	(13)	(13)
Sub-total asset adjustments - ARAMIS revisions	-	4,537	4,537

Adjustments - error corrections

Furniture and fittings - (asset revaluation surplus) adjustment	(39)	39	-
Computing equipment - (asset revaluation surplus) adjustment	(42)	42	-
Sub-total error corrections	(81)	81	-

Net result for the financial year

(10,194)

Net assets received from an administrative restructure

442

Net increment related to revaluations ⁽ⁱⁱⁱ⁾

Land	2,393	-	2,393
Park infrastructure	48	-	48
Sub-total net increment related to revaluations	2,441	-	2,441

Balance at 30 June 2011

187,111	186,088	373,199
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(i) First-time recognition of assets

Stocktakes and physical inspections of fixed assets located in parks and reserves 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 2010-11.

(ii) ARAMIS revisions

ARAMIS revisions are changes to an asset's description, grade / composition, condition or size / quantity on the Data Dictionary system identified through regular infrastructure stocktakes and park re-surveys.

(iii) Net increment related to revaluations

During the year DENR revalued items of property, plant and equipment due for revaluation in accordance with its three year revaluation cycle. The valuations were obtained from Valcorp, Certified Practising Valuers and primarily related to the Mutton Cove Levee Bank and other unique land assets.

Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
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29 Cash flow reconciliation

	2012 \$'000	2011 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	71,204	95,116
Cash and cash equivalents disclosed in the Statement of Cash Flows	71,204	95,116
 Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	6,422	8,304
Less revenues from SA Government	(127,018)	(148,555)
 Add/less non-cash items		
Depreciation and amortisation expense of non-current assets	(17,437)	(17,163)
Assets received free of charge	-	147
CWIP expensed	(1,792)	(871)
Net loss on sale or disposal of non-current assets	(3,063)	(2,806)
 Movement in assets and liabilities		
Increase/(decrease) in receivables	9,737	8,477
Increase/(decrease) in inventories	483	(908)
(Decrease)/increase in other assets	(637)	(169)
(Increase)/decrease in payables	(5,326)	(6,759)
(Increase)/decrease in employee benefits	(4,414)	1,305
(Increase)/decrease in provisions	(397)	(233)
Decrease/(increase) in other liabilities	301	482
Net cost of providing services	(143,141)	(158,749)

30 Unrecognised contractual commitments

	2012 \$'000	2011 \$'000
Operating lease commitments		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	5,650	5,194
Later than one year but not later than five years	13,868	9,906
Later than five years	7,004	6,095
Total Operating lease commitments	26,522	21,195

During the 2005-06 financial year, DENR 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 DENR 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 DENR has the right of renewal. There are no existing or contingent rental provisions.

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is payable as follows:

Within one year	4,406	2,490
Later than one year but not later than five years	247	-
Total Capital commitments	4,653	2,490

DENR's capital commitments include amounts associated with the Adelaide Living Beaches Pipeline (\$0.304m), Seal Bay Boardwalk (\$0.305m), Heysen Trail upgrade (\$1.100m), Botanic Gardens Aquifer Storage and Recovery (\$2.819m) and Belair Infrastructure upgrade (\$0.125m).

Expenditure commitments - remuneration

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:

	2012 \$'000	2011 \$'000
Within one year	3,531	4,394
Later than one year but not later than five years	5,313	6,481
Total Remuneration commitments	8,844	10,875

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

31 Contingent assets and liabilities

DENR is not aware of the existence of any contingent assets and contingent liabilities.

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2012

32 Transferred functions

Transferred in

Under the *Public Sector (Reorganisation of Public Sector Operations) Notice 2011*, the Sustainability and Climate Change Division (SCCD) from the Department of the Premier and Cabinet (DPC) was transferred to the Department of Environment and Natural Resources. This included the transfer of 14 employees.

The effective date of the transfer was 1 January 2012.

Total income and expenses attributable to the Sustainability and Climate Change Division for 2011-12 were:

	DPC Jul 2011 to Dec 2011	DENR Jan 2012 to June 2012	2012 Total
	\$'000	\$'000	\$'000
Expenses			
Employee benefits expenses	958	718	1,676
Supplies and services	149	184	333
Grants and subsidies	4	788	792
Total expenses	1,111	1,690	2,801
Income			
Other income	253	-	253
Total income	253	-	253
Net cost of providing services	858	1,690	2,548
Net Result	(858)	(1,690)	(2,548)

On transfer of the Sustainability and Climate Change Division, the Department of Environment and Natural Resources recognised the following liabilities:

	\$'000	\$'000	Total \$'000
Liabilities			
Payables	27	-	27
Employee benefits	244	-	244
Total liabilities	271	-	271
Total net liabilities transferred	(271)	-	(271)

Net liabilities assumed by DENR as a result of the administrative restructure are the carrying amount of those liabilities in the transferor's Statement of Financial Position immediately prior to the transfer. The net liabilities transferred were treated as a contribution by the Government as owner.

33 Remuneration of board and committee members

Members of the board and committees during the 2011/12 financial year were:

South Australian National Parks & Wildlife Council

Russel V J - (Retired 07/03/12)
Green S - (Appointed 05/04/12)
McIntosh W R
Mills R J - (Retired 07/03/12)
Carr P F
Miller S
Podaliak J
Humann D E - (Appointed 15/12/11)
Woodlands J F - (Appointed 05/04/12)

South Australian Heritage Council

Brine J M C - (Retired 05/07/11)
Gamaul C M - (Retired 17/12/11)
Leydon G J
Donaldson R T
O'Connell M B
Carr J M *
Staniforth M - (Retired 17/12/11)
Wigg C A
James J A - (Appointed 02/02/12)
McClurg J J - (Appointed 10/11/11)
McKinnon J F - (Appointed 02/02/12)
Schulz J - (Appointed 04/08/11)
Harry B - (Appointed 02/02/12)
Queale M W - (Appointed 02/02/12)

South Australian Heritage Council Register Committee

Bell P G
Burke H D - (Retired 16/12/11)
Brine J M C - (Retired 05/07/11)
Klenke A T
Marsden S E
Beazley S - (Appointed 05/08/11)
Queale M W
Wigg C A - (Retired 17/12/11)
Ben Khan A - (Appointed 09/12/11)
Butland R - (Appointed 17/03/12)

Adelaide Dolphin Sanctuary Advisory Board

Andrews D J
Bossley M I
Cugley J A
Ditter S L S
Gibbs S E
Higgins-Desbiolles B F
Gassmansis K B - (Appointed 24/05/12)
Gregory J * - (Appointed 24/05/12)
Hughes J A * - (Appointed 24/05/12)
Kavina C B
Osborne M W * - (Appointed 24/05/12)

Kangaroo Management Reference Group (KMRG)

Ackland T M
McBride M P
Pfltzner D B
Lindner J D
Mould J
Vickery F J
Jarman R - (Appointed 17/11/11)
Smith C - (Appointed 19/03/12)
Crouch N * - (Appointed 11/02/11)
Gyss A J - (Retired 10/4/12)
Tansell G
Lewis A G
Borda R
Starick S
Warwick R M

ALB Steering Group

Foreman G
Roberts I N
Iasiello W N
Denton Brown R *
Burch L *

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2012

Carr J M * - (Retired 17/12/11)

Witjira National Park Board of Management

Ah Chee A
 Ah Chee M R
 Naylor-Fuschtei V T
 Tjami H
 Halliday L * - (Retired 31/10/11)
 Magor A B *
 Naismith T L *
 Walton J - (Appointed 01/11/11)

Vulkathunha-Gammon Ranges National Park

Cooperative Management Committee

Coulthard C C
 Coulthard J M
 McKenzie P
 Coulthard R R
 Axford G B *
 De Preu N D * - (Retired 30/03/12)
 Leaman E G *
 Toscano M *

Animal Welfare Advisory Committee

Bigwood S - (Appointed 15/09/11)
 Hazel S J
 Robb G C
 Starick W J
 Noonan D E
 Carmichael I H *
 Hamade S - (Appointed 15/09/11)
 Ogilvie A D - (Appointed 15/09/11)

Ngaut Ngaut Conservation Park Co-management Committee

Campbell I M
 Campbell I L
 Hutchinson C
 Dominelli S * - (Appointed 29/10/11)
 Haslam D * - (Appointed 29/10/11)
 Dillon B * - (Appointed 29/10/11)

Scientific Working Group

Cheshire A C
 Fairweather P
 Connell S D
 Gillanders B
 Kirkman H
 Moller L
 Behergaray L
 Huveneers C *
 Kinloch M A *
 Shepherd S A *
 Vandeleur H M
 Fernandes M * - (Appointed 05/07/11)

Natural Resources Management Council

Bell W A
 Keynes J L
 Lewis F
 Wickes R B
 Ashby D C
 Colbung K P *
 Foster B J
 Inglis A R
 Milne T I

Natural Resource Management Council - Aboriginal Statewide Advisory Committee

Binnell M R
 Walker D - (Appointed 01/12/11)
 Colbung K * - (Appointed 01/12/11)
 Liddle L M *
 Smith C L
 Chester J *
 Hartman T J *
 Vickery F J
 Thomas K * - (Appointed 01/12/11)
 Agius P - (Appointed 01/12/11)
 Sansbury T - (Appointed 02/03/12)

Wilderness Advisory Committee

Cohen B L
 Bills C E M
 Lesslie R G
 Whalen M A
 Leaman E G *

Wildlife Ethics Committee

Hough I J *
 McGrath K R
 Peters M D *
 Smith I G
 Hutchinson M N *
 Davis K L *
 Taylor L U
 Johnson L M
 Manning B C *
 West C D - (Retired 31/12/11)
 Kemper C M *
 Hall A * - (Appointed 07/05/12)
 Gillam S * - (Appointed 07/05/12)
 Males G K - (Appointed 20/02/12)
 McLelland D - (Appointed 07/05/12)
 Richards J A - (Appointed 20/02/12)
 Van Weenan J * - (Appointed 25/07/11)
 Williams S * - (Appointed 07/05/12)
 Pullen F M - (Retired 31/12/11)

Marine Parks Council of SA

Grady M
 Ellis D C
 Burch L *
 Dittmann S - (Appointed 21/07/11)
 James G - (Appointed 21/07/11)
 Kelly T - (Appointed 21/07/11)
 Lewis R - (Appointed 21/07/11)
 Miller S - (Appointed 21/07/11)
 Riseley P - (Appointed 21/07/11)
 Warhurst K - (Appointed 21/07/11)
 Wright L - (Appointed 21/07/11)

YYP A Committee Coongie Lakes National Park

Haynes J M - (Appointed 18/10/11)
 Nicholls F M - (Appointed 18/10/11)
 Allen C - (Retired 14/06/12)
 Axford G B * - (Retired 14/06/12)
 Crimes A C * - (Retired 14/02/12)
 Singleton R * - (Retired 14/06/12)
 Wilson D L * - (Retired 14/06/12)
 Linton V M * - (Retired 14/06/12)

Pastoral Board

Iwanicki I
 Lillecrapp D G
 Linton V M *
 Wickes R B
 Mills G - (Appointed 24/11/11)
 Mould J - (Appointed 24/11/11)

Premier's Climate Change Council

Carter B J
 Degaris R H
 Foster B J
 Gemmell J C *
 Halsey N
 Kelly T M W
 McMichael P A
 O'Brien J K
 Palutikof J P
 Sanders V J

* Denotes government employees

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2012

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

	2012 No. of members	2011 No. of members
\$nil	68	58
\$1 - \$9 999	101	97
\$10 000 - \$19 999	1	1
\$20 000 - \$29 999	-	1
Total number of members	170	157

Individuals may be members of more than one Board, Committee or Group associated with the Department.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$185 000 (2011: \$140 000).

During the 2011-12 financial year, members of the Board were paid superannuation of \$11 000 (2011: \$6 000).

In accordance with 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 DENR are on conditions no more favourable than those that it is reasonable to expect DENR 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.

34 Events after the reporting period

In October 2010, the Minister for Sustainability, Environment and Conservation announced a plan for the regional integration of South Australia's environment and natural resource management delivery. This encompassed the integration of DENR and all eight Natural Resource Management Boards (NRM Boards) across the state. Accordingly, all employees employed by the NRM Boards will transfer to the Department of Environment, Water and Natural Resources effective from 1 July 2012 and will be employed under part 7 of the Public Sector Act 2009.

Effective from 1 July 2012, the Department of Environment and Natural Resources (DENR) has been renamed to the Department of Environment, Water and Natural Resources (DEWNR). In addition, and as part of the machinery of government change, the Department for Water (DFW) was abolished on 1 July 2012 and administrative responsibilities including all staff, have been transferred to DEWNR. Notification of this administrative restructure was announced in the 2012-13 Budget papers released on 31 May 2012 and also published in the South Australian Government Gazette on 28 June 2012.

Accordingly, the above administrative changes have not been reflected in these financial statements.

35 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	2012		2011	
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets					
Cash and cash equivalents	17	71,204	71,204	95,118	95,118
Receivables ⁽¹⁾⁽²⁾	18	21,804	21,804	11,118	11,118
Financial assets	21	3	3	3	3
Financial liabilities					
Payables ⁽¹⁾	24	27,124	27,124	22,522	22,522

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirement will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost) employee for staff on-costs which are determined via reference to the employee liability to which they relate.

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 20 as prepaid supplies and services in accordance with paragraph 75(b) of AASB 101.

Fair Value

DENR does not recognise any financial assets or financial liabilities at fair value. Refer to Note 2 Summary of Significant Accounting Policies and Notes relevant to financial assets and financial liabilities.

Credit risk

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

The carrying amount of financial assets represents DENR's maximum exposure to credit risk.

No collateral is held as security and no credit enhancement relate to financial assets held by DENR.

DENR has minimal concentration of credit risk. DENR has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. DENR 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. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 18 for information on the allowance for impairment in relation to receivables.

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2012

Ageing analysis of financial assets

The following table discloses the ageing of financial assets, past due, including impaired assets past due:

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
2012					
Not impaired					
Receivables	6,008	15,010	160	936	22,114
Financial assets	3	-	-	-	3
Impaired					
Receivables	-	-	-	(310)	(310)
2011					
Not impaired					
Receivables	9,647	357	91	1,098	11,193
Financial assets	3	-	-	-	3
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
2012			
Financial assets			
Cash and cash equivalents	71,204	-	71,204
Receivables	21,804	-	21,804
Financial assets	-	3	3
Total financial assets	93,008	3	93,011
Financial liabilities			
Payables	27,124	-	27,124
Total financial liabilities	27,124	-	27,124
2011			
Financial assets			
Cash and cash equivalents	95,116	-	95,116
Receivables	11,118	-	11,118
Financial assets	-	3	3
Total financial assets	106,234	3	106,237
Financial liabilities			
Payables	22,522	-	22,522
Total financial liabilities	22,522	-	22,522

Liquidity risk

Liquidity risk arises where DENR is unable to meet its financial obligations as they are due to be settled. DENR is funded principally from appropriations by the SA Government. DENR 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. DENR 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.

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

Market risk

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

Sensitivity analysis

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

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Department of Environment and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2012

36 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 2012

	2012 \$'000	2011 \$'000
Expenses		
Supplies and services	4	1
Grants and subsidies	250	239
	<u>254</u>	<u>240</u>
Income		
Grants and contributions	12	-
	<u>12</u>	<u>-</u>
Net cost of providing services	<u>242</u>	<u>240</u>
Revenues from SA Government	250	250
Net result	<u>8</u>	<u>10</u>

Statement of Financial Position as at 30 June 2012

	2012 \$'000	2011 \$'000
Current assets		
Cash	437	343
	<u>437</u>	<u>343</u>
Total assets	<u>437</u>	<u>343</u>
Current liabilities		
Payables	86	-
Total liabilities	<u>86</u>	<u>-</u>
Net assets	<u>351</u>	<u>343</u>
Equity		
Retained earnings	351	343
Total: Equity	<u>351</u>	<u>343</u>

Statement of Changes in Equity for the Year Ended 30 June 2012

	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2010	333	333
Net Result for 2010-11	10	10
Balance at 30 June 2011	<u>343</u>	<u>343</u>
Net result for 2011-12	8	8
Balance at 30 June 2012	<u>351</u>	<u>351</u>

Statement of Cash Flows for the Year Ended 30 June 2012

	2012 \$'000	2011 \$'000
Cash flows from operating activities		
Cash outflows		
Supplies and services	(4)	(1)
Grants and subsidies payments	(164)	(348)
Total Cash used in operations	<u>(168)</u>	<u>(349)</u>
Cash inflows		
Grant and contribution receipts	12	-
Total Cash generated from operations	<u>12</u>	<u>-</u>
Cash generated from SA Government	250	250
Net cash provided by/(used in) operating activities	<u>94</u>	<u>(99)</u>
Cash at the beginning of the period	343	442
Cash at the end of the period	<u>437</u>	<u>343</u>

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Department of Environment and Natural Resources
Statement of Administered Comprehensive Income
For the Year Ended 30 June 2012

	2012 \$'000	2011 \$'000
Expenses		
Employee benefits expenses	265	256
Board member expenses	166	150
Supplies and services	2,167	1,899
Grants and subsidies	48,490	50,609
Depreciation	2,218	2,313
Other expenses	1,647	52
Total expenses	54,953	55,279
Income		
Revenues from fees and charges	4,153	3,546
Grants and contributions	33,312	26,909
Interest revenues	875	1,124
Resources received free of charge	1,914	3,347
Net gain from disposal of non-current assets	3,436	4,258
Other income	553	260
Total income	44,243	39,444
Net cost of providing services	10,710	15,835
Revenues from / payments to SA Government		
Revenues from SA Government	14,504	14,998
Payments to SA Government	(4,021)	(5,137)
Total revenues from / payments to SA Government	10,483	9,861
Net result	(227)	(5,974)
Other comprehensive income		
Changes in property, plant and equipment asset revaluation surplus	(13,166)	13,269
Total other comprehensive income	(13,166)	13,269
Total comprehensive result	(13,393)	7,295

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

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Department of Environment and Natural Resources
Statement of Administered Financial Position
As at 30 June 2012

	2012 \$'000	2011 \$'000
Current assets		
Cash and cash equivalents	19,069	18,136
Receivables	2,544	2,124
Inventories	136	155
Other current assets	-	3
Total current assets	21,749	20,418
Non-current assets		
Receivables	-	4
Property, plant and equipment	119,237	134,964
Total non-current assets	119,237	134,968
Total assets	140,986	155,386
Current liabilities		
Payables	2,161	2,038
Board member benefits	1	-
Other current liabilities	168	911
Total current liabilities	2,330	2,949
Total liabilities	2,330	2,949
Net assets	138,656	152,437
Equity		
Asset revaluation surplus	51,893	65,059
Retained earnings	86,763	87,378
Total equity	138,656	152,437

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

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Department of Environment and Natural Resources
Statement of Administered Changes in Equity
For the Year Ended 30 June 2012

	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2010	51,875	42,427	94,302
Asset adjustments previously recognised:			
ARAMIS revisions	-	(19)	(19)
Net assets received from administrative restructure	-	51,167	51,167
Restated balance at 30 June 2010	51,875	93,575	145,450
Net result for 2010/11	-	(5,974)	(5,974)
Gain on revaluation of property, plant and equipment	13,184	-	13,184
Total comprehensive result for 2010/11	13,184	(5,974)	7,210
Balance at 30 June 2011	65,059	87,601	152,660
Asset adjustments	-	(223)	(223)
Restated balance at 30 June 2011	65,059	87,378	152,437
Net result for 2011/12	-	(227)	(227)
Gain/(loss) on revaluation of property, plant and equipment	(13,166)	-	(13,166)
Total comprehensive result for 2011/12	(13,166)	(227)	(13,393)
ARAMIS revisions	-	-	-
Net assets received from administrative restructure	-	-	-
Assets under \$10k written off	-	(388)	(388)
Balance at 30 June 2012	51,893	86,763	138,656

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

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Department of Environment and Natural Resources

Statement of Administered Cash Flows

For the Year Ended 30 June 2012

	2012	2011
	\$'000	\$'000
Cash flows from operating activities		
Cash outflows		
Employee benefit payments	(273)	(228)
Board member remuneration payments	(165)	(150)
Payments for supplies and services	(2,651)	(4,400)
Payments of grants and subsidies	(48,615)	(49,734)
Cash used in operations	<u>(51,704)</u>	<u>(54,512)</u>
Cash inflows		
Fees and charges	3,741	3,065
Receipts from grants and contributions	33,287	25,961
Interest received	896	1,131
Other receipts	553	260
Cash generated from operations	<u>38,477</u>	<u>30,417</u>
Cash flows from SA Government		
Receipts from SA Government	14,504	14,998
Payments to SA Government	(4,021)	(5,137)
Cash generated from SA Government	<u>10,483</u>	<u>9,861</u>
Net cash used in operating activities	<u>(2,744)</u>	<u>(14,234)</u>
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	-	(91)
Cash used in investing activities	<u>-</u>	<u>(91)</u>
Cash inflows		
Proceeds from the sale of property, plant and equipment	3,677	4,596
Cash generated from investing activities	<u>3,677</u>	<u>4,596</u>
Net cash provided by investing activities	<u>3,677</u>	<u>4,505</u>
Cash flows from financing activities		
Cash inflows		
Cash received from restructuring activities	-	18,658
Cash generated from finance activities	<u>-</u>	<u>18,658</u>
Net cash provided by financing activities	<u>-</u>	<u>18,658</u>
Net increase in cash and cash equivalents	<u>933</u>	<u>8,929</u>
Cash and cash equivalents at the beginning of the period	<u>18,136</u>	<u>9,207</u>
Cash and cash equivalents at the end of the period	<u>19,069</u>	<u>18,136</u>

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

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Department of Environment and Natural Resources

Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2012

	Board of the Botanic Gardens and State Herbarium		Crown Lands		Minister's Other Payments		Special Acts Allocation		Dog and Cat Management Board		Coast Protection Board		Caring For Our Country	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses														
Employee benefits expenses	-	-	-	-	-	-	255	-	-	-	-	-	-	-
Board member expenses	121	109	-	-	-	-	-	30	32	15	9	-	-	-
Supplies and services	534	495	114	374	-	-	-	1,126	751	60	110	-	-	-
Grants and subsidies	1,368	1,280	-	-	7,093	6,477	-	119	160	415	336	19,093	17,346	-
Depreciation	2,201	2,293	7	10	-	-	-	10	10	-	-	-	-	-
Other expenses	1,647	52	-	-	-	-	-	-	-	-	-	-	-	-
Total: Expenses	5,871	4,229	121	384	7,093	6,477	265	1,285	953	490	455	19,093	17,346	
Income														
Revenues from fees and charges	-	-	-	-	-	-	-	1,250	1,146	18	21	-	-	-
Grants and contributions	1,190	964	-	-	-	-	-	-	-	-	-	22,365	17,671	-
Interest revenues	206	119	-	-	-	-	-	58	45	-	-	163	62	-
Resources received free of charge	147	169	-	-	-	-	-	-	-	-	-	-	-	-
Net gain from disposal of non-current assets	1,914	2,287	-	1,060	-	-	-	-	-	-	-	-	-	-
Other income	-	-	3,436	4,258	-	-	-	-	-	1	-	-	-	-
Total: Income	546	258	6	2	-	-	-	1,308	1,191	19	21	22,528	17,733	
Net cost/(surplus) of providing services	4,003	3,797	3,442	5,320	-	-	-	(23)	(238)	471	434	(3,435)	(387)	
Revenues from/(payments to) SA Government														
Revenues from SA Government	-	-	-	-	7,413	6,478	273	228	-	-	512	518	-	-
Payments to SA Government	-	-	(4,021)	(5,137)	-	-	-	-	-	-	-	-	-	-
Total: Revenues from/(payments to) SA Government	-	-	(4,021)	(5,137)	7,413	6,478	273	228	-	512	518	-	-	
Net result	(1,858)	(432)	(700)	(201)	320	1	8	(28)	238	41	84	3,435	387	
Other comprehensive income														
Changes in property, plant and equipment asset revaluation surplus	(14,578)	-	1,412	2,090	-	-	-	-	-	-	657	-	-	-
Total: Other comprehensive income	(14,578)	-	1,412	2,090	-	-	-	-	-	-	657	-	-	
Total comprehensive result	(16,446)	(432)	712	1,889	320	1	8	(28)	238	41	741	3,435	387	

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.

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Department of Environment and Natural Resources

Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2012

	Natural Heritage Trust		NRM Fund		Native Vegetation Fund		Pastoral Board		National Action Plan for Salinity and Water Quality		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses												
Employee benefits expenses	-	-	-	-	-	-	-	-	-	-	265	256
Board member expenses	-	-	-	-	-	-	-	-	-	-	166	150
Supplies and services	-	-	-	17	333	152	-	-	-	-	2,167	1,899
Grants and subsidies	1,100	904	15,137	13,804	2,563	2,917	-	-	1,602	7,385	48,490	50,809
Depreciation	-	-	-	-	-	-	-	-	-	-	2,218	2,313
Other expenses	-	-	-	-	-	-	-	-	-	-	1,647	52
Total: Expenses	1,100	904	15,137	13,821	2,896	3,069	-	-	1,602	7,385	54,953	55,279
Income												
Revenues from fees and charges	-	-	-	-	1,695	1,415	-	-	-	-	4,153	3,546
Grants and contributions	-	183	10,528	8,924	-	-	-	-	213	12	33,312	26,909
Interest revenues	10	52	82	77	314	355	-	-	101	364	875	1,124
Resources received free of charge	-	-	-	-	-	-	-	-	-	-	1,914	3,347
Net gain from disposal of non-current assets	-	-	-	-	-	-	-	-	-	-	3,436	4,258
Other income	-	-	-	-	-	-	-	-	-	-	553	260
Total: Income	10	235	10,610	9,001	2,009	1,770	-	-	314	376	44,243	39,444
Net cost/(surplus) of providing services	1,090	669	4,527	4,820	887	1,299	-	-	1,288	7,009	10,710	15,835
Revenues from/(payments to) SA Government												
Revenues from SA Government	-	-	4,611	4,886	980	956	15	13	700	1,919	14,504	14,998
Payments to SA Government	-	-	-	-	-	-	-	-	-	-	(4,021)	(5,137)
Total: Revenues from/(payments to) SA Government	-	-	4,611	4,886	980	956	15	13	700	1,919	10,483	9,861
Net result	(1,090)	(669)	84	66	93	(343)	15	13	(588)	(5,090)	(227)	(5,974)
Other comprehensive income												
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-	-	10,522	-	-	(13,166)	13,269
Total: Other comprehensive income	-	-	-	-	-	-	-	10,522	-	-	(13,166)	13,269
Total comprehensive result	(1,090)	(669)	84	66	93	(343)	15	10,535	(588)	(5,090)	(13,393)	7,295

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.

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Department of Environment and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2012

Administered items of the Department of Environment and Natural Resources

(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 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 performs the following functions required for the operation of the Botanic Gardens and State Herbarium:

- managing, planning, accounting and control of recurrent, capital appropriation and funds allocated by the Board;
- monitoring the performance of the staff of the Botanic Gardens and State Herbarium;
- valuing and maintaining assets (including all public, recreational, institutional and administration buildings) not specifically controlled, bequeathed, vested in or assigned to the Board; and
- determining risk management and occupational health and safety and welfare procedures.

However, the department cannot direct the Board to perform its functions and duties 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.

Minister's Other Payments

Grants and subsidies payments of \$7.093m (2011: \$6.477m) approved by the Minister for Environment and Conservation were made to community organisations, associations and local government. This includes grants made to Zoo SA \$5.700m (2011: \$5.126m), Adelaide City Council \$1.385m (2011: \$1.343m) and other organisations \$0.008m (2011: \$0.008m).

Special Acts Allocation

This item comprises salary and allowance payments for the Minister for Environment and Conservation.

Dog and Cat Management Board

The Dog and Cat Management Board was established under the *Dog and Cat Management Act 1995* to plan for, promote and provide advice about the effective management of dogs and cats throughout South Australia, and oversee the administration and enforcement of the provisions of the Act.

The financial activities of the Board are administered through the Dog and Cat Management Fund in accordance with the Act.

All activities and functions of the Board are performed by DENR employees.

Coast Protection Board

The Coast Protection Board was established under the *Coast Protection Act 1972* to manage, maintain, develop and improve coast facilities that are vested in, or are under the care, control and management of the Board.

The financial activities of the Board are administered through the Coast Protection Fund in accordance with the Act.

All activities and functions of the Board are performed by DENR employees.

Caring for Our Country

The Caring for our Country Program is administered by the Commonwealth and South Australia Governments pursuant to clause 19(2) of the *Natural Heritage Trust of Australia Act 1997* (Commonwealth) and Section 5 of the *Natural Resources Management (Financial Assistance) Act 1992* (Commonwealth).

In March 2008 the Commonwealth announced Caring for our Country as an ongoing and integrated program, bringing together the delivery of the Natural Heritage Trust, National Landcare Program, Environmental Stewardship and Working on Country Programs. This program is fully Commonwealth funded and disbursed based on Commonwealth approval.

The goal of Caring for our Country is to provide an environment that is healthy, better protected, well-managed, resilient and provides essential ecosystem services in a changing climate. Caring for our Country has six National Priority Areas for Investment:

- (a) a national reserve system;
- (b) biodiversity and natural icons;
- (c) coastal environments and critical aquatic habitats;
- (d) sustainable farm practices;
- (e) natural resource management in remote and northern Australia;
- (f) community skills, knowledge and engagement.

Natural Heritage Trust and Natural Heritage Trust Extension

The Natural Heritage Trust (NHT) was established by the *Natural Heritage Trust of Australia Act 1997*. The Bilateral Agreement to deliver the Natural Heritage Trust Extension reflects the intention of the Commonwealth and SA Governments to work as joint investment partners, with the community and other stakeholders, in natural resource management activities including biodiversity conservation, sustainable use of natural resources and community capacity building and institutional change. Funding for NHT ceased on 30 June 2008 and all projects were completed by 31 December 2009.

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Post 31 December 2009, program finalisation continued with the receipt of project final reports and acquittals including the return of unspent funds by project proponents. The Commonwealth requested unspent funds held be returned and elected to allocate remaining funds held in the NHT holding account to existing State agency and Natural Resources Management Board competitive projects approved under the Caring for our Country Program in accordance with clause 13.2c and 20.4 of the 'Transitional Arrangement and Financial Agreement between the Australian Government and State of South Australia for implementation of Caring for our Country' during 2011-12.

Natural Resources Management Fund

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the *Natural Resources Management Act 2004* (NRM Act). The Minister for Environment and Conservation (the Minister) administers the NRM Fund and may apply any part of the NRM Fund in making payments to the regional NRM Boards; in paying subsidies or making grants or other payments to NRM authorities or other persons or bodies for the purposes of the NRM Act. This may also include making any payment required, or authorised by or under the NRM Act or any other law. The balance of the NRM Fund at 30 June was \$0.346m (2011: \$0.268m).

Natural Resources Management Boards

The Natural Resources Management Boards (NRM Boards) were established pursuant to subsection 23(1) of the NRM Act. The department administers various revenues and expenses on account of the NRM Boards.

Specific provisions of the NRM Act require that the following revenues be paid into the NRM Fund prior to being applied for the purposes of the NRM Act:

- Government appropriations (controlled and administered allocated in respect of the regional NRM Boards);
- Water levies;
- Penalties relating to water levies;
- Expiation fees and other penalties.

The raising and collection of water levies, penalties and expiation fees are undertaken by the Department for Water. These funds are paid to the Department of Environment and Natural Resources to administer through the NRM Fund.

(i) Government appropriations

The department receives recurrent funding, which is administered through the NRM Fund and provided to regional NRM Boards to support business operations and the administration of the NRM Act.

Regional NRM Board	2012 \$'000	2011 \$'000
Alinytjara Wilurara NRM Board	772	740
Eyre Peninsula NRM Board	667	640
Kangaroo Island NRM Board	584	560
Northern and Yorke NRM Board	511	490
South Australian Arid Lands NRM Board	1,042	1,000
SA Murray-Darling Basin NRM Board	-	100
South East NRM Board	335	321
	<u>3,911</u>	<u>3,851</u>

(ii) Water Levies

Water levies are collected for prescribed water resources under section 101 of the NRM Act. The levies are subsequently paid to the regional NRM Boards pursuant to subsection 116(1)(a)(ii)(A) of the NRM Act.

(iii) Penalties

Penalties declared in relation to the unauthorised or unlawful taking or use of water were raised pursuant to section 115 of the NRM Act.

(iv) Reimbursement of Payroll Tax

NRM Boards are compensated for the anticipated payroll tax expense they incur, with provision having been made in the Administered Items of the department's budget. An appropriation of \$0.700m (2011: \$1.035m) was received to fund the payroll tax expenses of the NRM Boards for 2011-12.

(v) Expiation Fees and other Penalties

Expiation fees and penalties are recovered in respect of offences against the NRM Act (e.g. for unlawful possession of animals or plants). Unlike penalties declared under section 115 of the NRM Act, they are not required to be paid to regional NRM Boards.

Native Vegetation Fund

The Native Vegetation Fund is established under Section 21 of the *Native Vegetation Act 1991*. The Fund is applied in achieving the following objectives:

- (a) the conservation, protection and enhancement of the native vegetation of the State and, in particular, remnant native vegetation;
- (b) the provision of incentives and assistance to landowners to encourage the commonly held desire of landowners to preserve, enhance and properly manage the native vegetation on their land;
- (c) the limitation of the clearance of native vegetation to circumstances in which the clearance will facilitate the management of other native vegetation or will facilitate the sustainable use of land for primary production;
- (d) the encouragement of research into the preservation, enhancement and management of native vegetation; and
- (e) the encouragement of the re-establishment of native vegetation in those parts of the State where native vegetation has been cleared or degraded.

All activities and functions associated with the fund are performed by DENR employees.

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Pastoral Board

The Pastoral Board is responsible for the administration of the *Pastoral Land Management and Conservation Act 1989*. The Board provides advice to the Minister for Environment and Conservation on the policies that should govern the administration of pastoral land.

National Action Plan for Salinity and Water Quality

The National Action Plan (NAP) is a bilateral agreement between the Commonwealth and SA Governments signed in 2001 providing funds to address issues associated with salinity and water quality in priority regions in South Australia. The Commonwealth and the SA Governments make progressive contributions to a single holding account. Disbursement of funds from the account is by agreement between the parties. Funding for NAP ceased on 30 June 2008 with the majority of projects completed by 31 December 2009.

The Commonwealth requested that the Commonwealth share of unspent funds held be returned and elected to allocate remaining funds held in the NAP holding account to existing State agency and Natural Resources Management Board competitive projects approved under the Caring for our Country Program in accordance with clause 13.2c and 20.4 of the 'Transitional Arrangement and Financial Agreement between the Australian Government and State of South Australia for implementation of Caring for our Country' during 2011-12.

(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

Administered property, plant and equipment includes the Crown's interest in land leased to third parties under perpetual and other leases and annual licenses. However limitations exist on the reliability of the base information used to determine the valuation of this land.

The department is also 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.

Total property, plant & equipment as disclosed in the Statement of Administered Financial Position consists of assets belonging to the Botanic Gardens and State Herbarium \$42.487m (2011: \$59.594m), Crown Lands \$28.041m (2011: \$26.877m), Dog and Cat Management Board \$0.123m (2011: \$0.133m), Coast Protection Board \$5.124m (2011: \$5.124m) and Pastoral Board \$43.460m (2011: \$43.460m).

Pastoral land revaluation

Under the *Pastoral Land Management and Conservation Act 1989* the Valuer-General must determine the rents to be paid on all pastoral leases. This requires the Valuer-General to determine the unimproved value of each pastoral lease and the appropriate rate of return for the land as a percentage of the unimproved value, considering the purpose for which it is used.

The land lease assets were revalued at \$43.460m as at 1 November 2010 by Mark William Kay and Andrew Weinmann, Supervising Valuers, State Valuation Office, Land Services Group, Department for Transport, Energy and Infrastructure. Rentals and unimproved values for the period 1 November 2009 to 31 October 2010 were determined with regards to:

- the most recent land type classifications and associated information;
- carrying capacities;
- property sales and price movements within the pastoral industry;
- prevailing market conditions;
- climatic conditions;
- property locations;
- access to markets.

Employee benefits

In general, administered items' utilise the services of contractors or DENR employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by DENR employees are provided free of charge. If, however, the services provided by DENR 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. The liability for employee benefits arising from services rendered by DENR employees is not recognised in the administered financial statements as DENR is obligated to pay employees for services provided. Accordingly, employee benefits are recognised in DENR's financial statements.

Net gain from disposal of non current assets

The net gain from disposal of non-current assets is determined by comparing proceeds with carrying amount. Given a suitable methodology for determining a reliable measure of the value of unallotted Crown Land has not been identified, the carrying amount of all unallotted Crown Land sold is nil.

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Annual Report

Department of
Environment and
Natural Resources

1 July 2011 to
30 June 2012



Government
of South Australia