

**HOUSE OF ASSEMBLY
LAID ON THE TABLE**

01 Dec 2016

COAST PROTECTION BOARD

ANNUAL REPORT

1 July 2015 to 30 June 2016



**Government
of South Australia**

Coast Protection Board
Annual Report 2015-16

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LETTER OF TRANSMITTAL

Hon Ian Hunter MLC
Minister for Sustainability, Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

In accordance with the requirements of the *Public Sector Act 2009*, section 35 of the *Coast Protection Act 1972* and the *Public Finance and Audit Act 1987*, I have the pleasure in presenting the annual report of the Coast Protection Board for the year ended 30 June 2016.

In 2015-16, the Board has contributed to the management and protection of the Adelaide metropolitan coast and the protection of regional centres such as Beachport, Whyalla, Port Augusta and Victor Harbor from current and future hazards by providing both funding and advice to the regional councils, with which there are excellent working relationships.

The Board is concerned that its advice on coastal hazards be incorporated into the planning systems and continues to work with planning authorities to ensure development is suitable in the coastal zone. Some authorities ignore this advice for short-term benefit with long-term consequences for the whole community. The Board considered amendments to its policies, particularly those related to Tourism development. This has involved clarifying aspects of the policy so that the intentions to encourage high-quality developments that showcase South Australia's unique and spectacular coastal areas are unambiguous.

2016 is notable as it marks 25 years since the Board's *Policy on Coast Protection and New Coastal Development* was adopted by the Government. This was the first Australian policy to incorporate measures related to climate change adaptation, and continues to provide sound guidance on this matter today. Sea level rise is already having significant impacts on our coastline and will demand additional measures to protect valuable coastal assets.

The Board looks forward to continuing its productive relationship with you and, in particular, providing clear advice about meeting the challenges of sea level rise and the impacts this will have on our coastline.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Allan Holmes".

Allan Holmes
PRESIDING MEMBER
COAST PROTECTION BOARD

1. PLANS AND OBJECTIVES

The Board provides expert advice to the Minister for Sustainability, Environment and Conservation (the Minister) based on its strategic priorities and policies. The Board was guided by the following strategic priorities in 2012-17.

COAST PROTECTION BOARD STRATEGIC PLAN 2012-2017

In November 2012 the Coast Protection Board (the Board) updated its Strategic Plan for the following five years - 2012-17 (refer *Appendix A*) with three strategic priorities:

1. Adaptation of existing development to coastal hazards and the impacts of climate change.
2. Ensure new development is not at risk from current and future hazards.
3. Plan for resilience in coastal ecosystems to adapt to the impacts of climate change.

The Board contributed to the following of South Australia's Seven Strategic Priorities:

- Creating a vibrant city.
- An affordable place to live.

It also contributed to the following 10 Economic Priorities:

- Adelaide, the heart of the vibrant state.

Collectively, the Board and the Department of Environment, Water and Natural Resources (DEWNR) contributed to the following goals and targets of *South Australia's Strategic Plan* (2011):

- Goal: We care for our oceans, coasts and marine environment.
- Goal: We respect and enjoy our environment.
- Goal: Governments demonstrate strong leadership working with and for the community.
- Goal: We adapt to the long term physical changes that climate change presents.
- Target 33: Government planning decisions: South Australia leads the nation in timely decisions of development applications through to 2020.
- Target 62: Climate change adaptation: Develop regional climate change adaptation plans in all State Government regions by 2016.

2. OPERATIONS AND INITIATIVES

2.1 THE YEAR IN REVIEW

In May 2015 the Coast Protection Board finalised the '*Coast Protection Board Position Paper (May 2015)*' addressing the future of coastal management in South Australia. The Position Paper presents the Board's view of the critical coastal management challenges in South Australia, the actions the Board is taking to address these issues, and the associated risks, challenges and limitations. The Board is pleased to note that DEWNR is implementing a key recommendation of the Position Paper: the preparation of a ten-year programme of coastal management initiatives

to address the issues raised in the Position Paper. It looks forward to the completion of this task in 2016-17.

During 2015-16, the Board continued to monitor the impact of sea level rise and increasing storm damage to South Australia's coastline. The Board has maintained close working relationships with coastal councils and community groups by providing advice and grant funds for remedial and preventative works. The Board continued to provide technical advice and support for the preparation of regional climate change adaptation plans such as 'AdaptWest', a project that commenced in 2014-15 that is preparing an adaptation plan for the Cities of Charles Sturt, West Torrens and Port Adelaide Enfield.

The Board has continued its oversight of Adelaide beach management with provision of policy advice and through receipt of regular status reports on the implementation of the Adelaide's Living Beaches (ALB) strategy. Construction of the ALB sand pumping infrastructure, a major component of the ALB strategy, was completed in February 2013 and is now in the 'Operate and Maintain' phase. Details of the replenishment programme are given in the Adelaide's Living Beaches report below.

These works enabled the Adelaide coast to withstand a severe storm that struck the coast on 9 May 2016. The Bureau of Meteorology advised that the highest water level on record at Outer Harbor was measured during this storm. A less severe storm in 1953 caused 1 million pounds of damage to the coast (\$33.6 million in 2015 dollars), whereas the long-term management of Adelaide's beaches by the Board and DEWNR resulted in an order of magnitude less damage in 2016.

With increasing pressures on the coast from communities pursuing the "sea change" lifestyle and increasing risk from rising sea levels and storms, consideration of planning development applications is critical to balancing community needs against risk of existing and future threats. The Board is concerned that there remains instances of non-compliance to Board advice, particularly where there are identified hazards that could place new development and communities at future risk.

The Board continued to review relevant policies and guidelines. Provision of advice is enhanced by site visits and the Board conducted several field trips within South Australia to view key sites and establish criteria for allocation of limited resources to achieve greatest benefit. The site visits were also an important process for building relationships with key stakeholders and local councils.

Notable topics discussed in 2014-15 included:

- Reviewing its Tourism Accommodation Policies to better facilitate good quality tourism accommodation development in coastal areas
- Sea Flooding Adaptation Pathways Project for Coastal Settlement on the Yorke Peninsula.
- Compliance activities for unauthorised developments on the coast, e.g. Ceduna Waters
- Dr Libby Mattiske of Mattiske Consulting Pty Ltd, site assessment of a dune clearance
- Dry Creek Salt Fields
- Sea Level Rise
- Funds and Works Program
- Adelaide Living Beaches.
- Strategic Coastal Management Investment Plan
- 2015 State Coastal Conference

2.2 STRATEGY 1: ADAPTATION OF EXISTING DEVELOPMENT TO COASTAL HAZARDS AND THE IMPACTS OF CLIMATE CHANGE

Strategy 1 includes activities of vulnerability assessment, assisting local councils to implement protection strategies and providing advice to the Minister, local government and community on local development.

Strategic Plan Activities

- (a) Support the implementation of the Government action plan for the climate change adaptation framework for South Australia 2012-17.
- (b) Encourage and support the acquisition of a coastal Digital Elevation Model (DEM) for South Australia.
- (c) Assist governments in the coastal aspects of integrated climate change vulnerability assessments (IVA) and adaptation plans.
- (d) Assist local government to devise, prioritise and implement protection strategies for coastal settlements.
- (e) Provide advice to the Minister, Government, local government and the community on adaptation of coastal development

IMPACT OF SEA LEVEL RISE

The Board's ongoing review of literature and sea level monitoring indicates that over the period from January 1993 to June 2016, global sea levels have risen at an average of 3.4mm/yr (Colorado University Sea Level Research Group). The latest report from the Bureau of Meteorology's Australian Baseline Sea Level Monitoring Project (SEAFRAME) shows that the average rate of sea level rise at South Australia's Thevenard gauging station was 4.3mm/yr (from March 1992 to May 2016). The Bureau of meteorology recommends exercising caution in interpreting the overall rates of movement of sea level as the records are still too short to be inferring long-term trends. Note that the Thevenard SEAFRAME gauge has been the only SEAFRAME site in South Australia following the decommissioning of the Port Stanvac SEAFRAME gauge in November 2010 with the closure of Port Stanvac refinery.

This local rate of sea level rise remains higher than the global mean rate. The impacts of sea level rise are well documented and include increased risk of flooding, greater impacts from storm surge events, increased coastal erosion and increased coastal groundwater levels (with possible saline intrusion into coastal aquifers). Local impacts consistent with rising sea levels are being observed, such as erosion of most sandy coasts, migration of mangroves and salt marshes to higher ground and increased wetting of cellars in coastal towns.

COASTAL SURVEY PROGRAM

Beach levels were monitored in 2015-16 at a number of locations in South Australia where the beaches buffer coastal development against storms. The Adelaide beach is one of these as 14km of foreshore does not have rock protection. Profiles at right angles to the shore are surveyed regularly to measure change. In addition, where beaches are managed through beach replenishment programs, monitoring is required to ensure that protective beach levels are maintained. Where significant erosion occurs, extra monitoring is undertaken to help understand the problem and guide management actions.

Extensive monitoring of metropolitan Adelaide's beaches was undertaken in 2015-16 to inform beach replenishment activities. In accordance with the *Adelaide's Living Beaches Strategy*, sand is both trucked and pumped from areas of accumulation to areas of erosion. Detailed survey data is essential to determine the adequacy of sand buffers, the quantity of sand available for recycling, and the effectiveness of the replenishment activities.

The *Adelaide's Living Beaches Strategy* also integrates harbour management (dredging) at Glenelg and West Beach Harbours with the beach replenishment programme. The harbours were surveyed fortnightly to monitor sedimentation. This information is used to determine dredging activities to ensure that gazetted depths are being maintained.

Regular monitoring for protection and sand management purposes was undertaken along regional locations on Yorke Peninsula, the Fleurieu Peninsula, Kangaroo Island and the South East. Special monitoring was undertaken as part of erosion investigations at Post Office Rock (near Beachport).

COASTAL OBLIQUE PHOTOGRAPHY PROGRAM

Since its inception, the Board has funded oblique aerial photography of the coast. The oblique photographic surveys capture management and development issues along the coastline, including impacts from motorbike and four-wheel drive access, recreational activities, authorised and unauthorised development, coastal erosion, expansion of townships, presence of boat ramps and marinas and disorderly development. Each of the Coast Protection Districts has been flown approximately every 5 to 7 years providing a comparative record of changes to identify issues and implement management strategies.

Oblique aerial photography of the South East coast was taken on 24 April 2016 over the Anzac Day long weekend. Due to the deliberate timing of the flight, significant recreational use of the coast was captured in over 2,000 photographs. It is anticipated that these photos will be available publicly on NatureMaps in late 2016.

ADELAIDE'S LIVING BEACHES PROJECT

The Board continued to guide the implementation of *Adelaide's Living Beaches: A Strategy for 2005-2025* (the strategy). The strategy aims to maintain sand on Adelaide's beaches for both coastal protection and amenity purposes. A sand pumping system has been constructed along two of the busiest sections of Adelaide's beaches (Glenelg to Seacliff and the River Torrens outlet to West Beach) to reduce the number of sand carting trucks operating on the beaches and surrounding streets.

The Board noted key ALB activities as listed below.

Beach Replenishment by Sand Pumping

Construction of the ALB sand transfer infrastructure was completed in February 2013 and is now in its operational phase. The following sand pumping campaigns were undertaken during the 2015-16 financial year:

| Source of sand | Deposit area | Volume (m ³) | Campaign dates |
|----------------|---------------------------|--------------------------|--------------------------|
| Torrens Outlet | West Beach dunes | 2 348 | 1 July – 2 July 2015 |
| Glenelg | Brighton to Kingston Park | 74 447 | 3 July – 31 October 2015 |
| Torrens Outlet | West Beach dunes | 71 331 | 14 March – 22 June 2016 |
| TOTAL | | 148 126 | |

Beach Replenishment by Sand Carting

Sand carting continues to be used to manage beaches not serviced by the ALB pipeline. The sand carting program maintains dune and beach buffers for coast protection purposes.

The following sand carting campaigns were undertaken in 2015-16:

| Source of sand | Deposit area | Volume (m ³) | Campaign dates |
|---------------------------|---|--------------------------|-----------------|
| Tennyson Estcourt House | Tennyson Dunes | 1 500 | November 2015 |
| Semaphore Breakwater | Semaphore Park | 7 300 | November 2015 |
| Semaphore Breakwater | Semaphore Park | 10 500 | June 2016 |
| Semaphore Breakwater | West Beach dunes | 30 200 | May – June 2016 |
| Semaphore Breakwater | Semaphore South (Jervois Rd, north of breakwater) | 10 200 | May – June 2016 |
| Semaphore Jetty | Semaphore South (Jervois Rd, north of breakwater) | 7 000 | November 2015 |
| Semaphore Jetty | Semaphore South (Jervois Rd, north of breakwater) | 2 500 | May 2016 |
| Torrens Outlet | Henley Beach South | 10 100 | November 2015 |
| Torrens Outlet | Rockingham Dunes, West Beach | 1 800 | November 2015 |
| West Beach Fillet/Harbour | West Beach Dunes | 7 500 | November 2015 |
| West Beach Fillet | Glenelg North | 20 100 | November 2015 |
| West Beach Fillet | Glenelg North | 20 800 | April 2016 |
| | | | |
| TOTAL | | 129 500 | |

Harbour Dredging Services

Harbour dredging at Glenelg and West Beach is integrated into ALB's sand management for the Adelaide coast. This integrated management approach, combined with vigilant supervision and improved contract management mechanisms, has achieved significant savings. Despite several periods during which intensive dredging was required in both harbours due to storms depositing large amounts of seagrass wrack into the harbours, dredging costs for the 2015-16 year were \$1.66 million, a significant reduction compared with dredging costs that typically exceeded \$2 million per year prior to integration with ALB.

Seawalls

No seawalls were constructed under the ALB strategy in 2015-16. However, in May 2016 the Board provided grant funding of \$60 000 to the City of Holdfast Bay for emergency repairs to sections of seawall at Brighton and Glenelg North damaged during a storm event on 9 May 2016. Refer to the Coastal Protection Works section below for further information.

COASTAL PROTECTION WORKS

Each year the Board adopts a works program which prioritises protection of settlements at risk from coastal hazards, using a risk management framework. This includes providing grants to local councils to build erosion and/or flood protection measures and the funding of studies and investigations to ensure the most sustainable and adaptable protection strategy is implemented. The Board provides grants to assist in the prevention of damage and loss of coastal property and assets, and to reduce potential risk and liability to government. In May 2015 all coastal councils were invited to submit applications for the 2015-16 grants programme. Grants were then allocated based on assessment of each application against a risk and benefit based prioritisation system.

In 2015-16, the Board provided a total of \$354,000 in grant funding to help local government with coastal management projects. These grants included:

- \$60,600 to the City of Holdfast Bay for urgent seawall repairs at Brighton and Glenelg North following the 9 May 2016 storm event;
- \$60,000 to the City of Port Augusta for construction of a section of levee bank to deliver Port Augusta's sea flood protection strategy;
- \$60,000 to the Wattle Range District Council for seawall repairs at Beachport to ensure continued protection of the township from erosion;
- \$35,000 to the City of Whyalla for beach replenishment to maintain storm erosion buffers and beach amenity;
- \$30,000 to the City of Victor Harbor for beach replenishment to maintain storm erosion buffers and beach amenity;
- \$30,000 to the Kingston District Council for beach replenishment at Wyomi Beach to protect against ongoing erosion near the esplanade road;
- \$28,000 to the District Council of Barunga West for reconstruction of a section of the Port Broughton seawall to continue implementing the town's erosion protection;
- \$20,000 to the Robe District Council for replenishment of Town Beach to maintain erosion protection for the town;
- \$17,650 to the City of Marion for urgent erosion remediation works at Hallett Cove following the 9 May 2016 storm event;
- \$10,000 to the District Council of Grant to provide seed funding for the development of a whole of settlement protection strategies for Pelican Point; and
- \$2,750 to the Kangaroo Island Council for a small grants programme used to support community groups undertaking voluntary coastal management projects.

2.3 STRATEGY 2: ENSURE NEW DEVELOPMENT IS NOT AT RISK FROM CURRENT AND FUTURE HAZARDS

Strategy 2 includes activities to ensure that coastal development occurs consistent with the Board's policies, that the Board's policies and standards are maintained, and that guidance to planning authorities, developers and the community is provided. Coastal development undertaken without regard to the Board's hazard policies will be unnecessarily placed at risk from current and future coastal hazards. By ensuring compliance with the Board's policies, these risks are minimised, as is the likelihood of damage, loss of property and assets and the liability of landowners, planning authorities and government.

Strategic Plan Activities

- (a) Ensure that coastal development occurs consistent with the hierarchy of adaptation: avoid, accommodate, adapt.
- (b) Seek increased powers to control development potentially at risk from coastal hazards.
- (c) Maintain the currency and relevance of Coast Protection Board policies, including allowances for sea level rise, by reviewing as appropriate.
- (d) Seek the Government's adoption and inclusion of these policies in SA's development control system.
- (e) Continue to engage with the emergency management sector to exploit areas of joint interest regarding the impacts of climate change on coastal development.
- (f) Prepare guidance for planning authorities, developers and the community on appropriate landscapes and criteria for specific types of development (i.e. marinas, ports, boat ramps).
- (g) Provide advice to the Minister, Government, local government and the community on sustainable coastal development.

RESTORATION OF UNAUTHORISED DUNE CLEARANCE AT BOSANQUET BAY

In 2010 the Board successfully concluded proceedings through the Environment, Resources and Development (ERD) Court conference process to restore 5.5 hectares of dunes and vegetation cleared without approval. The resolution included a court order requiring the developer to reconstruct dunes, stabilise and revegetate the site and undertake ongoing monitoring. Since that time the developer applied to the court to re-open the ERD Court Order - this application was refused. The developer then appealed that decision to the Supreme Court, which was upheld. The Board appealed the single Supreme Court judge's decision to the Full Court. This appeal was dismissed in May 2015. In 2015-16, the Board continued to pursue options to ensure that the area is appropriately rehabilitated, including engaging an expert to provide a current assessment of the site and rehabilitation needs of the area.

DEVELOPMENT APPLICATIONS

The Board responded to 125 development applications referred by relevant planning authorities (Development Assessment Commission or coastal councils) in 2015-16.

The development applications subject to those responses included 34 dwellings, 15 land divisions and 8 coast protection works.

Issues addressed by the Board in its assessment of applications included:

- planning for and managing the effects of coastal process hazards (flooding, erosion and unstable sand dunes) on vulnerable coastal land and urban areas

- protection of high conservation value coastal land, coastal biodiversity and marine waters by encouraging sustainable development practices
- minimising the impacts on coastal landscapes and scenic amenity arising from new development.

The Board is concerned that decisions made at odds with its advice present a risk of future damage to coastal infrastructure or buildings, incurring considerable cost upon the developer, and in many cases triggering substantial future costs to the community in the form of protection measures. The Board and DEWNR are continuing to liaise with the Department of Planning, Transport and Infrastructure (DPTI) to have these issues addressed with the implementation of the *Planning, Development and Infrastructure Act 2015*. The Board continues to examine its development policies and revise them when appropriate. It is currently reviewing its policy on tourist accommodation development.

MAJOR DEVELOPMENTS

The following coastal development proposals were declared major development in accordance with the *Development Act 1993*. DEWNR advice incorporated the Board's coastal policies.

Nora Creina Golf Course and Tourism Resort

The proposal is for two 18 hole golf courses and mixed tourism facilities on the coast, approximately 15km south of Robe. In addition to the DEWNR advice the Board also provided a response.

Pennington Bay Golf Course

The proposed development is for a golf course, associated staff and tourism accommodation, residential development, supporting infrastructure and ancillary buildings, on land overlooking Pennington Bay on the southern side of Kangaroo Island. A response to the Response Document and the draft Assessment Report was provided.

Port Pirie Smelter Redevelopment

Nyrstar sought development approval to upgrade the Port Pirie smelter into an advanced poly-metallic processing and recovery facility. The application included the upgrade and redevelopment of the current sintering, blast furnace, acid making operations and associated infrastructure and equipment. The development was approved by the Governor on 23 December 2013. A response was provided on the engineering design as required by a condition of approval.

American River, Kangaroo Island, tourist resort and commercial marina

The proposed development is a tourist accommodation resort comprising a range of resort suites and freestanding self-contained villas, together with resort amenities including restaurants, bars, a health spa, fitness centre, kid's club and conference facilities, with associated car parking and infrastructure. The proposal also includes a commercial marina with passenger ferry docking facilities, restaurants, bars and general retail. A response was provided to the draft Guidelines and a check of the adequacy of the draft PER was done.

2.4 STRATEGY 3: PLAN FOR RESILIENCE IN COASTAL ECOSYSTEMS TO ADAPT TO THE IMPACTS OF CLIMATE CHANGE

Strategy 3 includes engagement with planning authorities in developing land use frameworks and planning strategies to ensure that development does not create additional pressures on at-risk ecosystems.

Strategic Plan Activities

- (a) Engage with planning authorities in developing land use frameworks, Planning Strategies and Development Plans that recognise and allow for adaptation (including retreat and migration) of tide-dependent ecosystems.
- (b) Ensure that development does not create additional pressures on at-risk ecosystems.
- (c) Assist in the development of adaptation plans for coastal ecosystems, based on the IVAs.
- (d) Provide advice to the Minister, Government, local government and the community on sustaining coastal ecosystems.

Site Visit – Northern Yorke Peninsula and Upper Spencer Gulf

The Board field trip to Northern Yorke Peninsula and Upper Spencer Gulf (9/10 September 2015) included sites within all of the Council areas between Moonta Bay and Whyalla.

The field trip provided an opportunity to view sites in which the Board had invested grant funds for coastal works and also to discuss coastal management policies and coastal processes with stakeholders onsite. The Board field trip also provided an opportunity for Board members and DEWNR coastal management staff to meet with council staff and DEWNR Natural Resource Management (NRM) Board members and staff to discuss local matters and coastal issues of concern.

The Board considers it important to communicate directly with stakeholders regarding its business.

The Board met with representatives from the District Council of Copper Coast, District Council of Barunga West, Port Augusta City Council, Whyalla City Council, DEWNR Northern and Yorke NRM Board members and staff and DEWNR Eyre Peninsula staff:

Sites visited that were of particular interest to the Board included:

- Simms Cove, Moonta Bay – inspection of cliff top erosion and sites subject to potential erosion protection works.
- Fishermans Bay – inspection of the northern foreshore adjacent shacks on freehold land which are subject to an authorised coastal erosion and flood protection strategy (not yet constructed). Inspection of adjacent shacks on Crown land (life tenure) vulnerable to coastal flooding.
- Weeroona Island – inspection of a small group of freehold shacks on the south side of the island for coastal hazard risk potential.
- Port Pirie – inspection of the inner harbour boat ramp subject to a development application for upgrade.
- Port Augusta – inspection of the levee bank protecting the west side of town and sites for future works (boat ramp carpark upgrade and continuation of the levee south) that will integrate with the levee and deliver Port Augusta's sea flood protection strategy. The Board part funds this programme.

- Commissariat Point and Blanche Harbour – inspect various shack sites for environmental impacts and potential coastal hazard risks to property.
- Port Bonython and Point Lowly - viewed the fuel storage, processing and export facility and the Giant Cuttlefish aggregation site.
- Whyalla Foreshore – Inspection of the foreshore where the Council has undertaken protection works and the Board has provided funding for beach replenishment as part of their works program.

Adelaide Coastal Water Quality Improvement Program

In 2015-16, on behalf of the Board, Peri Coleman attended workshops run by the EPA, looking at how the EPA can work with Kurna people to progress the aims of the Adelaide Coastal Water Quality Improvement Plan (ACWQIP).

2.5 GOVERNANCE AND POLICY

BOARD POLICIES

The Board maintains a suite of coastal management policies to be applied by DEWNR (refer Appendix B).

COASTAL ACID SULFATE SOILS

The Board's policy on Coastal Acid Sulfate Soils has been applied to coastal development proposals where a hazard risk was identified. Risk sites predominantly related to port facilities and port development in the Port of Adelaide and at Lucky Bay.

The Board provided a contribution to the National Coastal Acid Sulfate Soils newsletter publication in 2015-16.

STRATEGIC PLANNING

In accordance with the Board's policies, DEWNR contributes to the development of the various components of the Government's planning strategy. In 2015-16 that included providing input to the updating of *The 30-Year Plan for Greater Adelaide (2010)*.

DEVELOPMENT PLAN AMENDMENTS

In accordance with the Board's policies, DEWNR responded to reviews of Development Plans through the statutory Development Plan Amendment (DPA) process, with input into one Strategic Directions Report, four Statements of Intent and thirteen draft DPAs. The Board also provided a response itself to one Strategic Directions Report and seven DPAs.

That advice sought to ensure that development should not be placed in areas at risk of unaddressed coastal hazards or on sensitive coastal features. This is in accord with the standard strategy of seeking to ensure that land is included in coastal zones and that land without coastal hazards and features is excluded from coastal zones.

OTHER PLANNING SYSTEM IMPROVEMENTS

DEWNR provided input to the draft Planning, Development and Infrastructure Bill of 2015.

3. ROLE, LEGISLATION AND STRUCTURE (CORPORATE GOVERNANCE)

The Board is established under section 6 of the *Coast Protection Act 1972* (the Act).

3.1 OBJECT OF THE *COAST PROTECTION ACT 1972*

The object of the *Coast Protection Act 1972* is to provide for the conservation and protection of the beaches and coast of this State; and for other purposes.

3.2 ROLE OF THE COAST PROTECTION BOARD

The Board is a body corporate pursuant to section 6(2) of the Act and is subject to Ministerial control and direction pursuant to section 7 of the Act. The Board is responsible for the Act with functions including the protection, restoration and development of the coast, carrying out research, and reporting to the Minister. The Board's powers include those to carry out works and acquire land.

The *Development Act 1993* and its Regulations establish requirements for specified coastal development applications to be referred to the Board by the planning authority for its advice or direction.

3.3 FUNCTIONS OF THE COAST PROTECTION BOARD

Section 14 of the Act defines the functions of the Board.

- (1) The functions of the Board are as follows:
 - (a) to protect the coast from erosion, damage, deterioration, pollution and misuse;
 - (b) to restore any part of the coast that has been subjected to erosion, damage, deterioration, pollution or misuse;
 - (c) to develop any part of the coast for the purpose of aesthetic improvement, or for the purpose of rendering that part of the coast more appropriate for the use or enjoyment of those who may resort thereto;
 - (ca) to manage, maintain and, where appropriate, develop and improve coast facilities that are vested in, or are under the care, control and management of, the Board;
 - (d) to report to the Minister upon any matters that the Minister may refer to the Board for advice;
 - (e) to carry out research, to cause research to be carried out, or to contribute towards research, into matters relating to the protection, restoration or development of the coast;
 - (f) to perform such other functions assigned to the Board by or under this or any other Act.

Under the Act, the Board has power to:

- carry out authorised works
- remove sand
- acquire coastal land, with the approval of the Minister
- deal with its land, with the approval of the Minister
- enter land.

3.4 COAST PROTECTION FUND

The Coast Protection Fund (the Fund) is established under section 29 of the Act. Pursuant to section 29(3) the following monies shall be paid into the fund:

- (a) all moneys appropriated by Parliament for the purposes of the fund;
- (b) all moneys received or recovered by the Board in pursuance of the provisions of this Act

The Fund shall be applied by the Board towards the costs incurred by the Board in the administration of the Act (section 29(4)).

3.5 MEMBERSHIP

The Board consists of six members. Members are appointed in accordance with section 8(1) of the Act.

As at 30 June 2016 Board membership was as follows:

| Member | Appointed Pursuant to the following section of the Act |
|---|---|
| Mr Allan N Holmes (Presiding Member) | 8(1)(a) Nominee of the Chief Executive of the Department of Environment, Water and Natural Resources (DEWNR). Appointed (24 June 2016 – 23 May 2020) |
| Ms Anita Allen | 8(1)(b) Nominee of the Chief Executive of the Department of Planning, Transport, and Infrastructure (DPTI). Appointed 6 May 2015 |
| Mr David J Lake | 8(1)(c) Nominee of the Chief Executive, South Australian Tourism Commission. Appointed 1 October 2010 |
| Ms Anita Crisp | 8(1)(d)(i) Member with expertise in local government. Appointed 7 May 2011. Reappointed by the Governor (24 May 2016– 23 May 2020). |
| Professor Patrick Alan Hesp | 8(1)(d)(ii) Member with knowledge of and experience in technical problems of coastal protection. Appointed by the Governor (24 May 2016- 23 May 2020) |
| Ms Peri S J Coleman | 8(1)(d)(iii) Member with knowledge of and experience in biological sciences and environment protection. Reappointed by the Governor (8 May 2015 – 7 May 2019). |

During the reporting period, Mr Graham Foreman's term ended in June 2016 after 13 years as a Board member and as Presiding Member. The Board would like to acknowledge Mr Foreman's leadership and guidance over this period and thank him for his contributions to the Board's business and the management and protection of South Australia's coast. The Board wishes him all the best for the future.

In addition, Dr David Walker's term as Board member ended in April 2016. The Board would like to thank him for his efforts and contributions, and wishes him well in any future endeavours.

As of 23 June 2016 Mr Allan Holmes is the Presiding Member of the Board. Professor Patrick Hesp was appointed to the Board on 24 May 2016 as a member with knowledge of and experience in technical problems of coastal protection following Dr Walker's departure.

3.6 ADVISORY COMMITTEE MEMBERS

Section 18 of the Act enables the Coast Protection Board to appoint such advisory committees as the Board considers necessary for the purpose of providing the Board with expert advice on matters pertinent to the protection, restoration or development of the coast.

A Local Government Advisory Committee was operational during the 2015-16 financial year in order to assist with the allocation of funds to projects and to provide additional comment on local government matters.

The Local Government Advisory Committee includes members with local government expertise from both urban and rural coastal Councils and from the Local Government Association. The Committee members are:

- Mr Adam Gray, Local Government Association.(to December 2015)
- Mr Stephen Smith, Local Government Association (From April 2016)
- Mr Stephen Goldsworthy, District Council Yorke Peninsula.
- Cr Robert Randall, City of Charles Sturt and Chair of the Metropolitan Seaside Councils Committee (from April 2015).

In January 2016 Mr Adam Gray, left the Local Government Association. His position on the Local Government Advisory Committee was filled by Mr Stephen Smith in April 2016.

3.7 MEETINGS: GENERAL AND SPECIAL

A total of nine general Board meetings were held during the 2015-16 financial year.

A field trip was undertaken by the Board in September 2015 to the Yorke and Upper Spencer Gulf.

Attendance by appointed members at the general meetings:

| Member | Meeting Attendance | Comments |
|----------------|---------------------------|--|
| Graham Foreman | 8 | Final meeting with the Board in May 2016 |
| Allan Holmes | 1 | Appointed June 2016 |
| Peri Coleman | 9 | |

| | | |
|--------------|---|--|
| David Lake | 8 | Other commitments |
| Anita Crisp | 7 | Other commitments |
| David Walker | 5 | Other Commitments and final meeting with the Board in April 2016 |
| Anita Allen | 3 | Other commitments |
| Patrick Hesp | 2 | Appointed May 2016 |

3.8 GOVERNANCE ARRANGEMENTS

The Board has no staff of its own. Under sections 12 and 13 of the Act, DEWNR's Strategy and Advice Group provides support to the Board by provision of Coast and River Murray Unit staff and a Secretary for governance and administration.

Executive, administrative and project support were provided to the Coast Protection Board from the Coast and River Murray Unit within the Conservation and Land Management Branch, Strategy and Advice Group of DEWNR.

3.9 DELEGATIONS

In accordance with section 13 of the Act, the Board has delegated operational activities to be performed under Board policies and guidelines by DEWNR staff employed in the Coast and River Murray Unit, Conservation and Land Management Branch.

In addition, the Board has delegated its powers under section 37 of the *Development Act 1993*, to provide advice or direction on development applications to the relevant planning authority to defined roles within DEWNR.

4. MANAGEMENT OF HUMAN RESOURCES

Coast Protection Board members (other than government employees) received the following remuneration as determined in accordance with the recommendation from the Chief Executive, Department of the Premier and Cabinet (DPC)

| | Per 4 hour session | Out of session |
|-------------------|--------------------|------------------|
| Presiding Member: | \$258 | \$64.50 per hour |
| Members: | \$206 | \$51.50 per hour |

4.1 EMPLOYEE NUMBERS, GENDER AND STATUS

The Coast Protection Board has no staff of its own and utilises the services of DEWNR. Reporting on this matter is contained in the DEWNR Annual Report 2015-16.

Executive, administrative and project support were provided to the Coast Protection Board from existing DEWNR resources.

The gender balance of the Coast Protection Board is taken into consideration when members are appointed. As at June 2016 membership of the Coast Protection Board was made up of three males and three females.

The following matters are contained in the DEWNR annual report 2015-16:

- Workforce Diversity
- Workplace Adaptation
- Executives
- Leave Management
- Performance Development
- Leadership and Management Development
- Employment Opportunity Programs
- Work Health and Safety and Injury Management
- Reporting Against the *Carers Recognition Act 2005*
- Disability Access and Inclusion Plans
- Government Buildings Energy Strategy
- Public Complaints
- Sustainability Reporting
- Financial Performance
- Account Payment Performance.

5. FINANCIAL PERFORMANCE

The Board is a body corporate under section 6 of the Act and is required to cause proper accounts to be kept of its financial affairs (refer section 31(1) of the Act). The Auditor-General may at any time, and shall at least once in a year, audit the accounts of the Board (refer section 31(2) of the Act). The audited statements are attached as Appendix C.

The Board applies monies from the Fund towards the costs incurred by the Board in administration of the Act (section 29(4)).

6. CONTRACTUAL ARRANGEMENTS

The Board did not enter into any contractual arrangements during this reporting period.

7. FRAUD

It is declared that there were no instances of fraud detected in the activities undertaken by the Coast Protection Board in this reporting period. Financial services are provided to the Board by DEWNR. Strategies to detect instances of fraud are reported in the DEWNR Annual Report 2015-16.

8. CONSULTANTS

The Coast Protection Board did not engage any consultants in this reporting period.

9. OVERSEAS TRAVEL

It is declared that no member of the Coast Protection Board has travelled overseas on Board business during the reporting period.

10. ASBESTOS MANAGEMENT IN GOVERNMENT BUILDINGS

The Coast Protection Board does not own any buildings and is therefore not required to develop an asbestos risk reduction program.

11. URBAN DESIGN CHARTER

No events occurred in 2015-16 that required the Coast Protection Board to consider the principles of urban design contained in the South Australian Urban Design Charter.

12. FREEDOM OF INFORMATION – INFORMATION STATEMENTS

As a corporate entity, the Board participates and abides by the arrangements outlined in the DEWNR Freedom of Information regime. Reporting on this matter is contained on the DEWNR website: <http://www.environment.sa.gov.au>

13. WHISTLEBLOWERS PROTECTION ACT 1993

Reporting requirements against the Whistleblowers Protection Act 1993 require the Coast Protection Board 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 made during 2015-16 financial year.

14. REGIONAL IMPACT ASSESSMENT STATEMENTS

The Board did not undertake any regional Impact Assessment Statements during 2015-16 financial year.

15. RECONCILIATION STATEMENT

The Coast Protection Board would like to acknowledge the land on which it meets is the traditional lands for Kurna people and that it respects their spiritual relationship with their country. The Coast Protection Board also acknowledges the Kurna people as the custodians of the Adelaide region and that their cultural heritage beliefs are still as important to the living Kurna people today.

In fulfilling its functions, the Coast Protection Board is cognisant of the cultural and natural heritage of traditional owners and strives to achieve positive outcomes wherever these matters are concerned.

16. ACKNOWLEDGMENTS

The Coast Protection Board would like to thank the Minister for Sustainability, Environment and Conservation and DEWNR staff for the support and encouragement it has received over the year.

APPENDIX A - COAST PROTECTION BOARD STRATEGIC PLAN 2012-2017

Vision

The sustainable use of the South Australian coast for the benefit of society, the economy and the environment.

Strategic priorities

1. Adaptation of existing development to coastal hazards and the impacts of climate change.

Actions:

- a) Support the implementation of the *Government action plan for the climate change adaptation framework for SA 2012-2017*.
- b) Encourage and support the acquisition of a coastal DEM for SA.
- c) Assist Governments in the coastal aspects of integrated climate change vulnerability assessments (IVA) and adaptation plans.
- d) Assist Local Government to devise, prioritise and implement protection strategies for coastal settlements.
- e) Provide advice to the Minister, Government, local government and the community on adaptation of coastal development.

2. Ensure new development is not at risk from current and future hazards.

Actions:

- a) Ensure that coastal development occurs consistent with the hierarchy of adaptation: avoid, accommodate, adapt.
- b) Seek increased powers to control development potentially at risk from coastal hazards.
- c) Maintain the currency and relevance of Coast Protection Board policies, including allowances for sea level rise, by reviewing as appropriate.
- d) Seek the Government's adoption and inclusion of these policies in SA's development control system.
- e) Continue to engage with the emergency management sector to exploit areas of joint interest regarding the impacts of climate change on coastal development.
- f) Prepare guidance for planning authorities, developers and the community on appropriate landscapes and criteria for specific types of development (i.e. marinas, ports, boat ramps).
- g) Provide advice to the Minister, Government, local government and the community on sustainable coastal development.

3. Plan for resilience in coastal ecosystems to adapt to the impacts of climate change.

Actions:

- a) Engage with planning authorities in developing land use frameworks, Planning Strategies and Development Plans that recognise and allow for adaptation (including retreat and migration) of tide-dependent ecosystems.
- b) Ensure that development does not create additional pressures on at-risk ecosystems.
- c) Assist in the development of adaptation plans for coastal ecosystems, based on the IVAs.
- d) Provide advice to the Minister, Government, local government and the community on sustaining coastal ecosystems.

APPENDIX B – COAST PROTECTION BOARD POLICIES

Full details of Board policies can be found at:

[http://www.environment.sa.gov.au/About Us/Coast Protection Board/Policies strategic plans](http://www.environment.sa.gov.au/About_Us/Coast_Protection_Board/Policies_strategic_plans)

- **Development** - The Board's policy on development of coastal land seeks to ensure that coastal open space is retained, the impacts of development are minimised, scenic amenity and biodiversity are protected and suitable building envelopes are identified to prevent linear development along the coastline.
- **Hazards** - The Board has formulated hazard standards for the coastal areas relating to flooding, coastal erosion, and areas of public risk and will advise on development along the coast in relation to the potential for erosion, flooding and storm surge that could affect the development.
- **Protection works** - The Board has responsibility for beach replenishment along the metropolitan coast and across the State of South Australia. The Board provides grants to Councils for approved protection works that have beneficial outcomes to the general public.
- **Conservation** - The Board will instigate and/or participate in the conservation of diversity of plant, animal and marine species within coastal areas and investigate the impacts of development on coastal, marine and estuarine environments. The Board seeks to identify, protect and manage coastal environments with high conservation values and acquire land where it is necessary to ensure the protection of such areas. The Board will provide grants to local Councils towards approved conservation projects that comply with policies and the Act.
- **Heritage and landscape** - The Board will facilitate and support the identification, recognition and protection of coastal areas with significant landscape value, marine archaeological heritage and cultural and scientific significance. It opposes development that has significant visual impact on coastlines with significant landscape value or that results in the disturbance or devaluation of sites of marine archaeological heritage and cultural and scientific significance.
- **Access** - The Board will encourage and support environmentally sustainable access to the coast and rationalisation of existing and planned roads that provide nodal access to the coast. The Board opposes vehicular access to beaches and neither does it support new development that restricts or limits existing public access.
- **Standards** - The Board has developed standards applicable to new development with regard to flooding, erosion and associated coastal protection works and a strategy for neutralising Coastal Acid Sulfate Soils.

APPENDIX C – FINANCIAL STATEMENTS



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**To the Presiding Member
Coast Protection Board**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 31(2) of the *Coast Protection Act 1972*, I have audited the accompanying financial report of the Coast Protection Board for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member of the Board, the Chief Executive and the Acting Chief Financial Officer of the Department of Environment, Water and Natural Resources.

The Board's responsibility for the financial report

The Members of the Board are 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 Members of the Board determine is necessary to enable the preparation of 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.

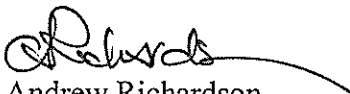
An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the financial report.

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Coast Protection Board as at 30 June 2016, 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.



Andrew Richardson

Auditor-General

31 October 2016

Coast Protection Board

Financial Statements

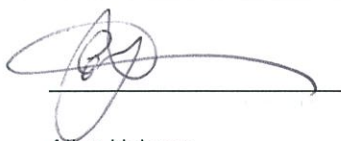
For the year ended 30 June 2016

Coast Protection Board Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Coast Protection Board:

- comply with any 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 Board; and
- present a true and fair view of the financial position of the Coast Protection Board as at 30 June 2016 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Coast Protection Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



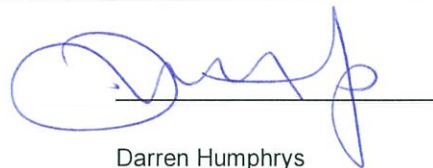
Allan Holmes
Presiding Member
Coast Protection Board

27 /10/2016



Sandy Pitcher
Chief Executive
Department of Environment,
Water and Natural Resources

27 /10/2016



Darren Humphrys
A/Chief Financial Officer
Department of Environment,
Water and Natural Resources

27 /10/2016

Coast Protection Board
Statement of Comprehensive Income
for the year ended 30 June 2016

| | Note | 2016 \$'000 | 2015 \$'000 |
|--|------|----------------|----------------|
| Expenses | | | |
| Board member | 5 | 11 | 12 |
| Supplies and services | 6 | 146 | 98 |
| Grants and subsidies | 7 | 353 | 389 |
| Other | 8 | 10 | 9 |
| Total expenses | | 520 | 508 |
| Income | | | |
| Fees and charges | 9 | 16 | 17 |
| Total Income | | 16 | 17 |
| Net cost of providing services | | 504 | 491 |
| Revenues from (payments to) SA Government: | | | |
| Revenues from SA Government | 10 | 503 | 491 |
| Net revenues from SA Government | | 503 | 491 |
| Net result | | (1) | - |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to net result</i> | | | |
| Changes in property, plant and equipment asset revaluation surplus | | - | 591 |
| Total other comprehensive income | | - | 591 |
| Total comprehensive result | | (1) | 591 |

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

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

Coast Protection Board
Statement of Financial Position
as at 30 June 2016

| | Note | 2016 \$'000 | 2015 \$'000 |
|---|------|----------------|----------------|
| Current | | | |
| Cash and cash equivalents | 11 | 495 | 453 |
| Receivables | 12 | 5 | 6 |
| Total current assets | | 500 | 459 |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 5 715 | 5 715 |
| Total non-current assets | | 5 715 | 5 715 |
| Total assets | | 6 215 | 6 174 |
| Current liabilities | | | |
| Payables | 14 | 210 | 168 |
| Total current liabilities | | 210 | 168 |
| Total liabilities | | 210 | 168 |
| Net assets | | 6 005 | 6 006 |
| Equity | | | |
| Asset revaluation surplus | | 5 163 | 5 163 |
| Retained earnings | | 842 | 843 |
| Total equity | | 6 005 | 6 006 |
| The total equity is attributable to the SA Government as owner | | | |
| Unrecognised contractual commitments | 15 | | |
| Contingent assets and liabilities | 16 | | |

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

Coast Protection Board
Statement of Changes in Equity
for the year ended 30 June 2016

| | Asset Revaluation Surplus \$'000 | Retained Earnings \$'000 | Total equity \$'000 |
|--|---|---|--------------------------------|
| Balance at 30 June 2014 | 4 572 | 843 | 5 415 |
| Gain on revaluation of property, plant and equipment | 591 | - | 591 |
| Net result for 2014-15 | - | - | - |
| Total comprehensive result for 2014-15 | 591 | - | 591 |
| Balance at 30 June 2015 | 5 163 | 843 | 6 006 |
| Net result for 2015-16 | - | (1) | (1) |
| Total comprehensive result for 2015-16 | - | (1) | (1) |
| Balance at 30 June 2016 | 5 163 | 842 | 6 005 |

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

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

Coast Protection Board
Statement of Cash Flows
for the year ended 30 June 2016

| | | 2016 | 2015 |
|---|-------------|---------------|---------------|
| | Note | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Cash outflows | | | |
| Board member payments | | (11) | (12) |
| Payments for supplies and services | | (104) | (82) |
| Payments for grants and subsidies | | (353) | (390) |
| Other payments | | (10) | (9) |
| Cash used in operations | | (478) | (493) |
| Cash inflows | | | |
| Fees and charges | | 17 | 13 |
| Cash generated from operations | | 17 | 13 |
| Cash flows from SA government: | | | |
| Receipts from SA government | | 503 | 491 |
| Cash generated from SA government | | 503 | 491 |
| Net cash provided by operating activities | | 42 | 11 |
| Net increase in cash and cash equivalents | | 42 | 11 |
| Cash and cash equivalents at the beginning of the period | | 453 | 442 |
| Cash and cash equivalents at the end of the period | 11 | 495 | 453 |

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

Coast Protection Board

Notes to and forming part of the financial statements

for the year ended 30 June 2016

1 Objectives of the Coast Protection Board

(a) Strategic context

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

The major objectives of the Board are to:

- protect and restore the coast of the state of South Australia
- develop and manage particular coast facilities
- provide advice on policies and to develop guidelines on matters relating to the protection, restoration or development of the coast.

(b) Financial arrangements

The financial activities of the Board are administered through the Coast Protection Fund (the Fund) in accordance with the Act. The Fund is a non-interest bearing Deposit Account pursuant to section 21(1) of the *Public Finance and Audit Act 1987*. The Fund's sources of revenue consist of State Government appropriation together with income derived from development application fees and charges.

The Board has no employees. The functions and activities required by the Act are performed by employees of the Department of Environment, Water and Natural Resources (DEWNR). These services are provided on a fee for service basis and are recognised in these financial statements.

2 Summary of significant accounting policies

(a) Statement of compliance

These financial statements have been prepared 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 Australian Accounting Standards (Reduced Disclosure Requirements), and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not for profit entity.

(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 the Board'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 disclosure, which has been included in these financial statements:

- (a) 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.

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 (b) Basis of preparation (continued)

The Board'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 12 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 2016 and the comparative information presented.

(c) Reporting entity

The Board is a reporting entity in accordance with section 31 of the Act.

(d) 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.

(e) Rounding

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

(f) Taxation

The Board is not subject to income tax. The Board is liable for payroll tax and fringe benefits tax.

DEWNR prepares a Business Activity Statement on behalf of the Board under the grouping provisions of the GST legislation. Under these provisions, DEWNR is liable for the payments and entitled to the receipts associated with GST. Therefore the Board's net GST receivable/payable is recorded in DEWNR's Statement of Financial Position. GST cash flows applicable to the Board are recorded in DEWNR's Statement of Cash Flows.

(g) Events after the end of the reporting period

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

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

(h) Income

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

Income has been aggregated according to their 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 primarily from fees for development applications which are recognised on an accrual basis.

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 Summary of significant accounting policies (continued)

Revenues from SA Government

Grants from SA Government for program funding are recognised as revenue when the Board obtains control over the funding. Control over Grants from SA Government is normally obtained upon receipt.

(i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Board 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:

Board member expenses

Board member expenses includes all board fees and related on-costs including superannuation. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Board to superannuation plans in respect of current services of current Board members. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government general purpose financial statements.

Grants and subsidies

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

(j) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

(k) Assets

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand.

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.

Receivables

Receivables include amounts receivable from goods and services, 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 debt is raised when there is objective evidence that the Board will not be able to collect the debt. Bad debts are written off when identified.

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 (k) Assets (continued)

Non-current assets

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.

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 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 prior to the restructure.

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

Revaluation of non-current assets

All non-current tangible assets are valued at fair value and revaluation of a non-current asset, or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every six years, the Board revalues its lands by an independent Certified Practising Valuer. Any revaluation increment is credited to the 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 revaluation surplus to the extent of the credit balance existing in revaluations reserve for that asset class.

Assets disclosed at independent valuation

Independent desktop valuations were performed as at 1 July 2014 by F. Taormina - B App Sc (Val), AAPI, Certified Practising Valuer from Valcorp Australia Pty Limited. The fair value of land was based on recent market transactions for similar land in the area taking into account zoning and restricted use.

Controlled land

Land assets comprise various coastal lands dedicated to the care and control of the Board and in general have restrictions on their use, e.g. zoning restrictions may preclude any form of development on the land. The independent valuers have taken the restrictions on use into account in determining the value of land.

Monitored land

The Government of South Australia holds certain land for coastal protection purposes. Whilst the Board monitors these land holdings in line with its objectives, the Board does not control these land holdings and accordingly the land holdings have not been recognised in these financial statements.

Fair value measurement - Non-financial assets

In determining fair value, the Board has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (i.e. physically possible, legally permissible, financially feasible).

The Board's current use is the highest and best use of the assets unless other factors suggest an alternative use is feasible. As the Board did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

2 Summary of significant accounting policies (continued)

(l) Liabilities

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

Payables

Payables include creditors, accrued expenses and board remuneration on-costs.

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

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

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

The Board 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.

Employee benefits

The Board has no employees. Services to the Board are provided by personnel employed by DEWNR, hence no employee benefits or related provisions are included in the Board's financial statements. Employee benefits relating to relevant employees are reflected in the financial statements of DEWNR.

(m) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

3 New and revised accounting standards and policies

The Board did not voluntarily change any of its accounting policies during 2015-16.

4 Activities of Board

In achieving its objectives the Board conducts its services through a single activity, Coast and Marine Conservation. The purpose of this activity is to ensure the conservation, protection and ongoing sustainable productivity of South Australia's coastal, estuarine and marine environments.

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

5 Board member expenses

| | 2016 | 2015 |
|--|-----------|-----------|
| | \$'000 | \$'000 |
| Board and committee fees | 9 | 10 |
| Board member on-costs - superannuation | 1 | 1 |
| Board member on-costs - other | 1 | 1 |
| Total board member expenses | 11 | 12 |

6 Supplies and services

| | 2016 | 2015 |
|--|------------|-----------|
| | \$'000 | \$'000 |
| Accommodation and property management expenses | 2 | 2 |
| Contractors | 37 | - |
| Fee for service | 94 | 63 |
| General administration | - | 5 |
| Minor works, maintenance and equipment | - | 11 |
| Transportation | - | 1 |
| Travel and accommodation | 11 | 13 |
| Vehicle | - | 3 |
| Other | 2 | - |
| Total supplies and services | 146 | 98 |

7 Grants and subsidies

| | 2016 | 2015 |
|-----------------------------------|------------|------------|
| | \$'000 | \$'000 |
| Local government | 353 | 389 |
| Total grants and subsidies | 353 | 389 |

(i) Local government

| | | |
|--|------------|------------|
| City of Charles Sturt | - | 57 |
| City of Victor Harbor | 30 | 30 |
| City of Whyalla | 35 | 35 |
| City of Holdfast | 60 | - |
| City of Marion | 17 | - |
| District Council of Barunga West | 28 | 20 |
| District Council of Elliston | - | 12 |
| District Council of Mount Remarkable | - | 17 |
| District Council of Grant | 10 | - |
| Kangaroo Island Council | 3 | 7 |
| Kingston District Council | 30 | 42 |
| Port Augusta City Council | 60 | 50 |
| The District Council of Robe | 20 | 25 |
| Wattle Range Council | 60 | 58 |
| Yorke Peninsula Council | - | 36 |
| Total local government grants and subsidies | 353 | 389 |

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

8 Other expenses

| | 2016 \$'000 | 2015 \$'000 |
|-----------------------------|----------------|----------------|
| Other (incl audit fees) | 10 | 9 |
| Total other expenses | 10 | 9 |

Other services

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

9 Revenues from fees and charges

| | 2016 \$'000 | 2015 \$'000 |
|---|----------------|----------------|
| Fees, levies and licences | 16 | 17 |
| Total revenues from fees and charges | 16 | 17 |

10 Revenues from SA Government

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Grants from SA Government | 503 | 491 |
| Total revenues from SA Government | 503 | 491 |

11 Cash and cash equivalents

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Deposits with the Treasurer | 495 | 453 |
| Total cash and cash equivalents | 495 | 453 |

Deposits with the Treasurer are non-interest bearing. The carrying amount of cash and cash equivalents represents fair value.

12 Receivables

| | 2016 \$'000 | 2015 \$'000 |
|--------------------------|----------------|----------------|
| Receivables | 5 | 6 |
| Total receivables | 5 | 6 |

13 Property, plant and equipment

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Land | | |
| Independent valuation | 5 715 | 5 715 |
| Total land | 5 715 | 5 715 |
| Total property, plant and equipment | 5 715 | 5 715 |

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

13 Property, plant and equipment (continued)

Valuation of land

The valuation of land was performed as at 1 July 2014 by F. Taormina - B App Sc (Val), AAPI, Certified Practising Valuer from Valcorp Australia Pty Limited.

The valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land being valued such as size and location.

14 Payables

| | 2016 | 2015 |
|-----------------------|------------|------------|
| | \$'000 | \$'000 |
| Accrued expenses | 10 | 11 |
| Creditors | 200 | 157 |
| Total payables | 210 | 168 |

15 Unrecognised contractual commitments

The Board is not aware of the existence of any unrecognised contractual commitments.

16 Contingent assets and liabilities

The Board is not aware of the existence of any contingent assets. At the time of this report the outcomes of any pending legal cases are not known and the effects are not quantifiable.

17 Remuneration of board members

Members of the Board during the 2015-16 financial year were:

Coleman P S J

Crisp A

Foreman G (retired 23/06/16)

Hesp P A (appointed 24/05/16)

Lake D *

Walker D (retired 23/05/16)

Allen A *

Holmes A N (appointed 24/06/16)

* Denotes government employee

Coast Protection Board
Notes to and forming part of the financial statements
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17 Remuneration of board members (continued)

| | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| The number of members whose remuneration received or receivable falls within the following bands: | | |
| \$ nil | 3 | 3 |
| \$1 - \$9 999 | 5 | 4 |
| Total number of members | 8 | 7 |

Remuneration of members reflects all costs of performing board member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$10 000 (2015: \$12 000).

* In accordance with the Premier and Cabinet's Circular No 016, government employees did not receive any remuneration for board duties during the financial year.

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

18 Events after the reporting period

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

19 Financial risk management/financial instruments

Financial risk management

Risk management is managed by the DEWNR's corporate services section and DEWNR's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity, credit and market) is insignificant based on past experience and current assessment of risk.

The Board is funded principally from grants from the SA Government. The Board 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.

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

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.

The carrying amounts of each of the following categories of financial assets and liabilities: receivables and payables measured at cost are detailed below.

Coast Protection Board
Notes to and forming part of the financial statements
for the year ended 30 June 2016

19 Financial risk management/financial instruments (continued)

| | Notes | 2016 Carrying amount / Fair value \$'000 | 2015 Carrying amount / Fair value \$'000 |
|------------------------------------|-------|---|---|
| Financial assets | | | |
| Cash and cash equivalents | 11 | 495 | 453 |
| Receivables ⁽¹⁾ | 12 | 5 | 6 |
| Total financial assets | | 500 | 459 |
| Financial liabilities | | | |
| Payables ⁽¹⁾ | 14 | 200 | 159 |
| Total financial liabilities | | 200 | 159 |

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents 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).