



**Government of South Australia**

Department for Environment  
and Water

# Department for Environment and Water

## **2017-18 Annual Report**

Department for Environment and Water

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To:

The Hon David Speirs MP

Minister for Environment and Water

This annual report is to be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Department for Environment and Water by:

Sandy Carruthers

Acting Chief Executive

Sandy Carruthers  
Signature

27/9/2018  
Date

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## Section A: Reporting required under the Public Sector Act 2009, the Public Sector Regulations 2010 and the Public Finance and Audit Act 1987

### Agency purpose or role

The Department for Environment and Water (DEW) plays a significant role in managing the state's unique natural environment for the prosperity and wellbeing of current and future generations of South Australians.

### Objectives

DEW's objectives are to:

- Safeguard the state's natural environment through sustainable management, evidence based decision making and service delivery that has the community and stakeholders at the centre.
- Sustainably manage South Australia's water resources, including the River Murray, for the benefit of the economy, community and environment.
- Connect and involve people with nature by opening up parks and places.
- Unlock the potential of the state's natural environment to contribute to the economic development and prosperity of South Australia.

### Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Reviews, develops and implements legislation and environmental policy to influence and shape the way natural resources are managed in South Australia.	<p><i>Election commitments:</i></p> <ul style="list-style-type: none"> <li>• Reforming natural resources management</li> <li>• New life for our coastal environment</li> <li>• Marine parks – economic and environmental priorities</li> <li>• Water allocation plans in the South East Natural Resources Management region</li> <li>• Greener Neighbourhoods</li> </ul> <p><i>Aligned to broader government objectives:</i> More jobs, lowers costs, better services</p>
Provides on ground resources and partners with the community and volunteers to protect and conserve the environment	<p><i>Election commitments:</i></p> <ul style="list-style-type: none"> <li>• Reforming natural resources management</li> <li>• Establishing Glenthorne National Park</li> <li>• More park rangers</li> <li>• Retaining shacks as part of vibrant holiday communities</li> </ul> <p><i>Aligned to broader government objectives:</i> More jobs, lowers costs, better services</p>

Key strategy	SA Government objective
<p>Drives the planning and management of the state's water resources to support communities, industry and ecosystems for the future, and has specific responsibility for driving the delivery of the Murray-Darling Basin Plan, in full and on-time.</p>	<p><i>Election commitments:</i></p> <ul style="list-style-type: none"> <li>• Reforming natural resources management</li> <li>• Water management in Mount Lofty Ranges</li> <li>• Water allocation plans in the South East NRM region</li> <li>• More timely information for River Murray irrigators</li> </ul> <p><i>Aligned to broader government objectives:</i> More jobs, lowers costs, better services</p>
<p>Delivers a fire and flood program to conserve South Australia's natural heritage and protect property and lives.</p>	<p><i>Aligned to broader government objectives:</i> Better services</p>
<p>Provides and promotes community and visitor access to South Australia's national parks, reserves, built heritage, rivers and beaches and ensures they are well maintained and sustainable.</p>	<p><i>Election commitments:</i></p> <ul style="list-style-type: none"> <li>• Establishing Glenthorne National Park</li> <li>• Opening up reservoirs</li> <li>• New life for our coastal environment</li> <li>• Built heritage</li> <li>• Marine parks – economic and environmental priorities</li> <li>• Brownhill Creek Wirraparinga Loop</li> </ul> <p><i>Aligned to broader government objectives:</i> More jobs, better services</p>
<p>Identifies sustainable commercial opportunities in our parks, gardens and places to improve the state's economy and create jobs.</p>	<p><i>Election commitments:</i></p> <ul style="list-style-type: none"> <li>• Establishing Glenthorne National Park</li> <li>• Opening up reservoirs</li> <li>• Ecologically sensitive development in national parks</li> <li>• Built heritage</li> <li>• Marine parks – economic and environmental priorities</li> <li>• Retaining shacks as part of vibrant holiday communities</li> </ul> <p><i>Aligned to broader government objectives:</i> More jobs, better services</p>

## Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Reforming Natural Resources Management	<p>During the last quarter of 2017/18 an independent facilitator developed a state-wide engagement plan to enable the community, and key stakeholders such as primary producers, conservation and environmental organisations, local government as well as Aboriginal nations to inform the Minister's decision making with regard to the reform outcomes, including the development of the new Landscape SA Bill, including Green Adelaide.</p> <p>The new legislation is planned to be introduced into Parliament in the first quarter of 2019.</p> <p>Work is underway to guide the evaluation of the effectiveness of the project over time.</p>	<p>This is a significant reform program that will change the way natural resources are managed.</p> <p>The guiding principles for the reform are decentralised decision-making, a whole of landscape approach, a simple and accessible system, back to basics focus and community and land owners at the centre.</p> <p>These reforms will be informed by the people who spend their lives working in the environment and protecting it while also sustaining their livelihoods.</p>
Establishing Glenthorne National Park	<p>A memorandum of understanding between State Government and the University of Adelaide has been signed.</p> <p>Further negotiations are underway to see Glenthorne Farm transferred to government ownership.</p> <p>Community engagement will be central to the success of establishing Glenthorne National Park and the proclamation of the park will be strongly informed by the community engagement process.</p> <p>Work is underway to guide the evaluation of the effectiveness of the project over time.</p>	<p>Glenthorne National Park is being established to provide a thriving environmental and recreational precinct in the southern suburbs.</p> <p>The new National Park is intended to link a number of portions of land as environmental and recreational community assets.</p> <p>A ranger service is also being established in southern Adelaide, based at Glenthorne National Park.</p> <p>Partners in establishing the new park include the University of Adelaide, Friends of Parks groups, SA Water and local government.</p>
Opening Up Reservoirs	<p>Created a cross-government taskforce who have established a clear strategy and timeline for the opening of reservoirs and will ensure that the implementation of this initiative is appropriately worked through.</p>	<p>A number of reservoirs will be opened up across South Australia to provide for a range of recreational activities.</p> <p>The taskforce will investigate the suitability of a range of recreational activities across the</p>

		<p>reservoir estate, including walking, cycling, kayaking, camping, sailing and fishing.</p> <p>Unlocking our reservoirs will energise our regions, drive more tourists and dollars into small regional businesses, and help create regional jobs.</p>
More Park Rangers	<p>Employed approximately 93 rangers at the end of June 2018, including 24 female rangers and 13 Aboriginal or Torres Strait Islanders rangers.</p> <p>DEW aims to have 100 volunteer rangers in the field within four years.</p>	<p>Additional professional and volunteer ranger positions are being created to enhance the department's capacity to manage National Parks.</p> <p>The More Park Rangers initiative comprises several components including:</p> <ul style="list-style-type: none"> <li>• increasing the number of park rangers by twenty including five coast rangers</li> <li>• providing specific career pathways and support for Aboriginal rangers, and</li> <li>• a volunteer ranger program.</li> </ul>
National Landcare Program	<p>South Australia's eight Regional NRM Boards completed a range of projects with \$13.7m funding under the National Landcare Program Phase 1 (NLP1).</p> <p>The funding supported 68 positions across the State, including those working on the 20 Million Trees Program, the Threatened Species Recovery Fund and continuing support for the National Landcare Network.</p> <p>South Australia's eight regional NRM boards were chosen as the successful tenderers to deliver services for the Australian Government under the Regional Land Partnerships program. The boards will deliver these services in partnership with DEW and a variety of industry, environmental, local government and other community organisations.</p> <p>The South Australian Murray-Darling Basin (SAMDB) NRM Board as a consortia partner with Ag Ex Alliance as the lead, was successful in winning a share of \$1.3 million of the Smart Farms funding, which was a second component of NLP2.</p>	<p>Funding through NLP contributes to significant employment in regional employment in South Australia.</p> <p>Funding received through NLP2 will contribute to more people being employed in industry, council and community organisations rather than in NRM Boards.</p> <p>This funding will complement state based and regional funding to help maintain and enhance South Australia's natural resources, including biodiversity and agricultural systems.</p>

Water allocations plans in the South East NRM Region	<p>The Minister for Environment and Water placed a hold on reductions to allocations in May 2018 and informed licensees that a review of the science will be undertaken.</p> <p>A project plan is under development which will guide the evaluation of the effectiveness of the project over time.</p>	<p>The project aims to review the robustness of the science underpinning the reductions to allocations in the Water Allocation Plan for the Lower Limestone Coast Prescribed Wells Area (LLC WAP), and to increase community confidence in the science.</p>
Increase network of parks and reserves	<p>Added a total of 16,391 hectares of land to the protected area system as three new parks and four additions to existing parks.</p> <p>A further 418 hectares of land were reclassified to national park from conservation park status.</p>	<p>DEW is increasing South Australia's network of parks and reserves through new proclamations and additions to existing parks and reserves to protect more of the state's unique environment, habitat and species.</p>
New and upgrading of visitor facilities	<p>Delivered a range of national park visitor facilities developments and upgrades, including:</p> <ul style="list-style-type: none"> <li>• Mukanthi Nature Playspace developed in Morialta Conservation Park</li> <li>• Visitor facility developments in Onkaparinga River National Park</li> <li>• Visitor facility developments in Para Wirra Conservation Park</li> <li>• Victoria Fossil Cave precinct upgrade and Wonambi Fossil Centre upgrade at Naracoorte Caves National Park</li> <li>• Waterfall Gully to Mount Lofty Summit Trail storm damage repair and restoration works continued.</li> <li>• Tennyson Dunes Discovery Trail was constructed.</li> </ul> <p>The effectiveness of investment is monitored via visitor numbers to the most popular parks.</p> <p>Immediate visitor number increases have occurred at a number of sites that have benefited from the upgrades (e.g. Morialta Conservation Park and Para Wirra Conservation Park).</p>	<p>National parks host over four million visitors annually across South Australia and are a critical asset for the state's growing nature based tourism industry.</p> <p>Each year, new facilities are developed and existing facilities are upgraded in national parks across the state to ensure park visitors are able to safely access popular sites and enjoy high quality experiences.</p>
Flood and fire management	<p>Continued to deliver a rolling program of prescribed burns on public and private lands across South Australia.</p> <p>67 burns (including 14 on private land) were conducted, treating approximately 4,500 hectares of bushfire-prone land across the state.</p>	<p>DEW's prescribed burning activities and associated on-ground works reduce fire hazards, manage native vegetation and protect biodiversity in our parks and reserves.</p>



	<p>Also continued to deliver a flood intelligence and hydrology support service to help improve community safety.</p> <p>DEW and the State Emergency Service (SES) jointly developed:</p> <ul style="list-style-type: none"> <li>the flood information system 'FloodMon' which was launched in October 2017</li> <li>dam safety guidelines for landholders.</li> </ul>	<p>Environmental assessments are undertaken prior to all prescribed burns.</p> <p>DEW fire crews are also available to the South Australia Country Fire Service (CFS) to assist in bushfire response and other specialist activities in the event of a significant bushfire on public or private land.</p> <p>DEW supports the SES during flood events in warning the public about potential or impending floods, or the need for emergency evacuation.</p> <p>DEW also continues to build understanding of flood risk across the state.</p>
Threatened species	<p>The Trend and Condition Report Cards cover themes of Terrestrial Resources Coastal and Marine Resources and Freshwater Resources and are summarised at Threatened Plants and Animals; see:  <a href="https://data.environment.sa.gov.au/NRM-Report-Cards/State-wide-Report-Cards/Pages/Threatened-Plants-and-animals.aspx">https://data.environment.sa.gov.au/NRM-Report-Cards/State-wide-Report-Cards/Pages/Threatened-Plants-and-animals.aspx</a>.</p> <p>Pursuant to section 13(2) of the <i>National Parks and Wildlife (NP&amp;W) Act 1972</i>, every second annual report of the department must include an assessment of the desirability of amending Schedules 7 to 10 under that Act:</p> <p>Schedule 7 – Endangered species  Schedule 8 – Vulnerable species  Schedule 9 – Rare species  Schedule 10 – Unprotected species.</p> <p>Schedules 7, 8 and 9 have not been revised since 2008. During 2017/18 there has been ongoing work on assessing the status of South Australia's threatened plants and animals, with the view to amending the schedules in the next year to include some new listings and some de-listings of species. There is also a need to update the categories of threat in the threatened species schedules, to better</p>	<p>The goods and services that support state and regional economies are dependent on the maintenance of biodiversity and ecosystems. As such, threatened plants and animals are considered matters of national and global environmental significance.</p> <p>The overall trend in South Australia, consistent with global patterns, is for increasing numbers of species being determined as in decline.</p> <p>The report cards show that while there is management for threatened species in each region, the levels to which this has been occurring is variable. Monitoring programs help to assess whether the prospects of our threatened species are improving and ensure that our conservation activities are effective.</p> <p>The report cards show that of the species with recovery plans, natural resource managers undertake conservation activities for 48 per cent of our threatened plants and 59 per cent of our threatened animals.</p>

	align with global (IUCN) and national (Common Assessment Method) standards.	
Animal Welfare	<p>Managed the governance of research and teaching licences (issued 54), rodeo permits (issued 13), animal ethics committees and the Animal Welfare Advisory Committee.</p> <p>Implemented the standards and guidelines for breeding and trading companion animals in conjunction with the Dog and Cat Management Board.</p> <p>Contributed input to a number of national standards and guidelines for the welfare of livestock.</p>	<p>This program provides:</p> <ul style="list-style-type: none"> <li>• Public assurance animal welfare is being overseen and monitored in government and educational institutions</li> <li>• Timely and dependable advice on animal welfare issues.</li> <li>• Provision of media advice and contact on wildlife issues.</li> <li>• Ensuring that the needs of animals are balanced (and do not exceed) the needs of the community and of government.</li> </ul>
Animal Research Scholarships	Through Flinders University, established the \$75,000 Minister's Humane Research PhD Scholarship for the next three years, to investigate reduction and refinement in the use of animals for research purposes.	Research will improve knowledge of alternate methods to animal testing in the biomedical field and alternate protocols for animal welfare related to production.
Brownhill Creek Wirraparinga Loop	<p>Provided a \$100,000 grant to the Brownhill Creek Association (BCA) in June 2018 to be spent over five years to improve the Wirraparinga Loop Trail area in Brownhill Creek Recreation Park.</p> <p>A project plan has been developed which will guide the evaluation of the effectiveness of the project over time.</p> <p>Annual reporting and final reporting will be provided to DEW by the BCA.</p>	<p>The funding will be spent in Brownhill Creek Recreation Park, predominantly on weed control, but may include trail infrastructure or signage where agreed between BCA and DEW.</p> <p>This work will also make it easier for the volunteer group to undertake ongoing bushcare maintenance, together with revegetation and habitat restoration along sections of the trail.</p>

<p>Marine Parks</p>	<p>Delivery of the marine parks program occurs under four subprograms: protection (including permits and referrals), stewardship, performance and compliance.</p> <p>A 5-year status report (2012-2017) was released in January 2018, which captures the activity that has been undertaken in South Australia's marine parks program. The report tracks the implementation of the program, documents the activities undertaken, and early ecological and socio economic outcomes observed, after five years of implementation of the 19 marine park management plans since 2012.</p> <p><a href="https://data.environment.sa.gov.au/Content/Publications/South-Australias-Marine-Parks-5-year-Status-Report-2012-2017-summary.pdf">https://data.environment.sa.gov.au/Content/Publications/South-Australias-Marine-Parks-5-year-Status-Report-2012-2017-summary.pdf</a></p> <p>Ongoing surveying/monitoring occurred at key marine sites around the Fleurieu and Eyre Peninsulas, with additional work around Pearson Island.</p> <p>45 permits were issued and 116 advice/referrals provided, including for the new Planning and Development and Infrastructure Act.</p> <p>Rolled out an ambitious engagement program that resulted in over 270 people snorkelling in Upper Spencer Gulf Marine Park with Experiencing Marine Sanctuaries to see the giant cuttlefish (7-9 July) and around 2,000 people actively involved in the summer Immerse Yourself program with a focus in Encounter Marine Park. Several blogs proved to be highly popular such as 'Mistaken Identities', with third party social media leverage up to 3000 views.</p> <p>The government's pre-election commitment was to review the zone classifications within the state's 19 marine parks. The independent review commenced in August 2018. The review will be taking into account environmental, social and economic values of marine park sanctuary zones,</p>	<p>The report demonstrates that the marine parks program is on track to meet its objectives and outcomes (as outlined in the objects of the <i>Marine Parks Act 2007</i>, the marine parks management plans, and the Baseline reports).</p> <p>The findings confirm that marine parks are protecting South Australia's marine life. The ecological sampling program will detect meaningful biological changes over time while continuing to monitor social and economic impacts.</p> <p>A number of successful compliance operations were undertaken for commercial and recreational fishing, together with educational activities for shark cage diving operations.</p> <p>The review is due in October 2018 and should assist the government to determine how to proceed with resolving any undue economic impacts created by sanctuary zones.</p>
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	as well as the economic impact of sanctuary zones on some important sections of our economy.	
Trend and Condition Report Cards	<p>Completed South Australia's third suite of 2018 Report Cards. These comprise 41 one-page reports spanning six themes: climate, inland waters; River Murray; land, coastal and marine, and air quality.</p> <p>The report cards will form the basis of the 2018 State of the Environment Report.</p>	<p>The 2018 Report Cards:</p> <ul style="list-style-type: none"> <li>• Provide key measures of the environment and how those measures are changing over time.</li> <li>• Use clear language, are accessible and easy to read, and give focus to key information.</li> <li>• Identify critical data gaps and deficiencies in relation to the environmental assets we value, and opportunities to improve our information and data.</li> </ul>
South Australia Land Cover Dataset	Through collaboration with national partners, developed a new mapping capability: "SA Land Cover" that models land cover throughout the state including native vegetation, orchards, vineyards, forestry, and urban areas.	The new land cover data enables us to, for the first time, to track changes in native vegetation across our state over time, to support policies, planning, and management decisions and for reporting.
NRM Science Conference	Hosted the 2018 NRM Science Conference attended by 816 delegates. 154 presentations were delivered, including six by interstate keynote speakers, covering themes including water, climate change, sustainable agriculture, threatened species conservation, communicating science, coasts and marine, natural hazard management, citizen science and wildlife management.	The conference fosters networking and opportunities for collaboration leading to productive partnerships and supports NRM decision making in South Australia being underpinned by the best available knowledge.
Shellfish Reef restoration	<p>A four hectare shellfish reef "Windara Reef" was delivered by Primary Industries and Regions South Australia (PIRSA) in partnership with the DEW, Yorke Peninsula Council, the University of Adelaide, RecFish South Australia and community stakeholders.</p> <p>The delivery of Phase 2 has commenced led by The Nature Conservancy and is expected to be complete by May 2019.</p>	<p>The development of the shellfish reef aims to improve fisheries productivity in South Australia and more broadly focus on habitat enhancement.</p> <p>The long-term goal of this project is to also restore a native oyster reef ecosystem, which increases in value over time, is accessible to stakeholder groups, is sustainable, increases biodiversity, contributes to a healthier marine environment, and supports the</p>

		regional economy through job creation and tourism.
Carbon Planting Guidelines	Released an information package, 'Guide to Carbon Planting in South Australia' to inform decision making about carbon planting design.  The guide provides basic scenarios which show risk and opportunities of a carbon planting.	The 'Guide to Carbon Planting in South Australia' information package provides state-wide information to inform decisions by landholders, industry groups, non-government organisations and others wishing to pursue opportunities in carbon plantings.
Interim Great Artesian Basin Infrastructure Project (IGABIIP)	The state and Commonwealth executed the South Australian Project Agreement for IGABIIP in May 2018.  Funding for 11 projects, totalling \$4.03M will be completed over the two year project. Two projects have been completed through pastoralist initiative, with on ground works for the remaining projects to occur early 2019.  Performance of the project is 'not assessed' due to completion scheduled for 30 April 2019.	South Australia will continue to return water savings to the environment through well decommission and replacement projects with participating pastoralists in 2018-19.  The two year program will create a water saving for the Great Artesian Basin of an estimated 10,662ML/year.  Funding for water efficiency measures, coupled with environmental benefits is well received within the community, especially in the face of drying conditions and poor seasons.
Remote community water supply	DEW continued to support SA Water in the delivery of regional and community water supply. Projects delivered in 2017-18: <ul style="list-style-type: none"> <li>• Mount Gambier town water supply bore #10 (TWS#10)</li> <li>• Replacement town water supply bores at Uley Basin and Elliston on Eyre Peninsula</li> <li>• Installation and management of the 'SCADA' systems which remotely control delivery of community water supply across the APY Lands and Yalata.</li> </ul>	DEW has worked with SA Water for over 20 years to deliver water management and water security projects.  This is an important collaboration that was recently highlighted at Mt Gambier where the TWS#10 bore was relied on to maintain community water supply following an accident.
Coastal Management	Commenced initial planning work for the implementation of <i>New Life for our Coastal Environment</i> ; beach replenishment, research and development, seagrass restoration, improved water quality entering the sea, and reef establishment.  Provided secretariat and technical support to the Coast Protection Board	The New Life for our Coastal Environment commitment will contribute to environmental, economic, social, cultural and recreational values for South Australia. The implementation will support efforts to ensure our coastline is healthy, resilient and protected as well as contribute to South Australia's economic

	<p>South Australia's statutory coastal management authority.</p>	<p>prosperity and the community's wellbeing.</p> <p>The Coast Protection Board's grants program has helped ensure that South Australia's coastal settlements are safe from coastal hazards and the impacts of rising sea levels.</p> <p>The advice guides coastal development, so that it is not exposed to foreseeable coastal hazards, including from sea level rise and erosion.</p>
Adelaide Beach Management	<p>Pumped 100,000 cubic metres of sand from the accumulation area at Glenelg to replenish beaches between Kingston Park and Somerton.</p> <p>Undertook smaller replenishment activities at other metropolitan coastal locations to maintain storm buffers and beaches.</p> <p>Dredged the harbours at Glenelg and West Beach to maintain their use for emergency services and recreational boat users.</p>	<p>The beach management program provides beach and dune buffers to protect coastal development and infrastructure, provide recreational and amenity value for beach users and contributes to the vibrancy of the Adelaide foreshore and the viability of coastal businesses.</p> <p>The harbour management is integrated with the beach management program and ensures that the Glenelg and West Beach harbours are safe and navigable for emergency service and recreational beach users. Without the dredging program, these harbours would be unusable.</p>
Native Vegetation Management	<p>Provided secretariat support for the Native Vegetation Council to deliver and support the following programs:</p> <ul style="list-style-type: none"> <li>Implemented the <i>Native Vegetation Regulations 2017</i> resulting in streamlined application process utilising a risk based approach.</li> <li>Assessed and approved 198 applications to clear native vegetation. To offset this loss 1,446 hectares of direct on-ground works has been delivered by the private sector throughout regional South Australia. An estimated \$1.2 million has been invested, across six regions to deliver on-ground, grassroots projects.</li> <li>Further conservation outcomes were achieved by the offset</li> </ul>	<p>The <i>Native Vegetation Regulations 2017</i> provide a transparent set of regulations for landowners under which they can apply for native vegetation clearance.</p> <p>For many activities, native vegetation clearance can be self-assessed, not requiring any government approval. Those activities that may have environmental impacts are assessed to ensure a balance between sustainable use of our environment and facilitating economic growth.</p> <p>Environmental impacts are offset which will maintain and</p>



	<p>program through the purchase of a 57 hectare property adjacent to Charleston Conservation Park and a 31 hectare property adjacent to Kaiserstuhl Conservation Park in the Adelaide Hills.</p> <ul style="list-style-type: none"> <li>Introduced a private sector biodiversity offset program as a new market solution to offsetting native vegetation clearance in South Australia.</li> </ul> <p>Continued implementation of the Heritage Agreement program across 2800 properties and 1 million hectares.</p>	<p>improve South Australia's native vegetation.</p> <p>The Heritage Agreement program increases the conservation estate for South Australia through landowners who have voluntarily entered into conservation agreements.</p>
Premier's Climate Change Council (PCCC)	<p>Provided policy and executive support to the Premier's Climate Change Council.</p> <p>Administered the council's work program including the 2018-19 South Australia Climate Leaders Awards; a business event, in partnership with KPMG Adelaide, on assessing and responding to the risks of climate change, and a South Australian Industry Roundtable.</p> <p>Commenced preparation for the Council to lead the development of an across government climate change strategy for the state, and a blue carbon strategy.</p>	<p>The Premier's Climate Change Council provides independent advice to the state government on matters relating to a changing climate, and in consulting with business, the environment and conservation movement to encourage mitigation and adaptation action.</p>
Climate Change Policy and Programs	<p>Supported the signing of sector agreements between the state government and Resilient South (southern Adelaide) and the Yorke and Mid North Regions.</p> <p>Provided funding for regional adaptation projects, such as the <i>Resilient East: Mainstreaming Water Sensitive Urban Design</i> project and the Alexandrina Council's urban greening project in Strathalbyn.</p> <p>Funded a community grant scheme, through the Conservation Council South Australia to support practical climate change actions at the community level in 2018-19.</p>	<p>Policy planning and action helps manage the risks arising from climate change impacts. Actions to address these risks protect and strengthen communities, the environment, and the economy.</p> <p>DEW has a role to work with the government and community to understand climate change risk and adaptation.</p>
Carbon farming projects in South Australia	<p>Funded a Kangaroo Island Biodiverse Carbon Offset Pilot project to demonstrate the business case for establishing carbon offset projects on</p>	<p>Carbon farming can help diversify landowner income streams through carbon offset projects that deliver</p>

	<p>private land. The project, in partnership with Qantas, links eco-tourism with carbon farming.</p> <p>Supported the generation of carbon credits from plantings on public and private land along the River Murray.</p>	<p>environmental outcomes and improve farm productivity.</p>
Carbon Neutral Adelaide (CNA)	<p>Continued working with the City of Adelaide to progress initiatives under CNA and the Partners Program.</p> <p>Provided funding to the City of Adelaide for the Sustainable Incentives Scheme to lower emissions and reduce utility costs by businesses and residential property owners.</p>	<p>The initiative supports actions that reduce community and business emissions.</p>
Building Upgrade Finance (BUF)	<p>The BUF mechanism was available to local councils and has involved two Building Upgrade Agreements being executed.</p>	<p>The BUF mechanism helps rejuvenate the state's existing commercial buildings, mitigate the rising utility costs to businesses as well as delivering the associated economic, environmental and heritage benefits.</p>
International and National Engagement	<p>Provided input to meet the South Australian Government's international reporting commitments as a signatory to the Compact of States and Regions.</p> <p>Supported South Australian government delegations to attend Climate Week New York and the 23rd Session of the Conference of the Parties (COP23).</p> <p>Hosted delegates from the Government of Gujarat (India), as part of the state government's support to the Under2Coalition.</p> <p>Hosted a roundtable to international guest Mr Philippe Joubert, Executive Chair of the Global Electricity Initiative and chair of The Prince of Wales's European Union Corporate Leaders Group.</p>	<p>Though the engagement with the national and international counterparts, South Australia benefits from information and approaches to climate change mitigation and adaptation action.</p> <p>International engagement promotes South Australia's leadership at the sub-national government level.</p>



Water licences, permits and allocation plans	<p>Managed 13,764 water licences across the state, in accordance with the <i>Natural Resources Management Act 2004</i>, regional natural resources management plans and water allocation plans, including the assessment of intrastate and interstate water trade applications.</p> <p>Managed 297 well driller's licences and issued 2,828 well construction permits in support of irrigation, manufacturing, petroleum and mining sectors and dryland farming.</p>	<p>DEW monitors water usage in line with water allocations to ensure that water is taken within sustainable limits.</p> <p>DEW manages well driller's licences and well construction permits with the aim of protecting the quality and integrity of the state's groundwater resources.</p>
Water compliance plan	<p>Published a compliance plan for the 2017-18 water use year. Activities carried out during 2017-18 will be available on DEW's website by 30 September 2018.</p> <p>Reviewed water theft risk categories for all South Australian water resources and published them on the department's website.</p> <p>Reviewed administrative penalties for unauthorised or unlawful taking of water which were declared by the Minister in the South Australian Government Gazette.</p> <p>Took a lead role in supporting the Murray-Darling Basin Authority's process for developing a Basin Compliance Compact.</p>	<p>DEW's compliance activities help to protect water entitlements in South Australia, by ensuring water resources are used sustainably.</p> <p>A number of reviews have been undertaken by organisations external to the South Australian Government, in response to compliance allegations in other jurisdictions.</p> <p>South Australia is recognised nationally as a leader in water compliance activities.</p>
Maintaining water security	<p>Adopted a new water allocation plan for the River Murray, while a number of other plans were amended with the amended policies adopted in November 2017.</p> <p>Commenced a review of the <i>Water Industry Act 2012</i> focussing on the effectiveness of the first five years of implementation of the Act and opportunities for legislative reform.</p> <p>Near completion of the Water Demand and Supply Statement for the Eyre Peninsula region in consultation with stakeholders.</p>	<p>These activities ensure water allocation plans are in place for prescribed water resources.</p> <p>They also ensure these resources are sustainably managed and are based on effective regulation of the water industry.</p>
Urban and stormwater management	<p>Continued to work with key stakeholders on an effective approach to facilitating Water Sensitive Urban Design (WSUD) in South Australia. These activities included trialling a simple tool to facilitate valuing</p>	<p>Urban areas are amenable and support an urban ecology.</p> <p>Water is used efficiently and the beneficial value of wastewater</p>

	<p>WSUD/greening elements in new infrastructure projects. This tool is expected to be trialled by metropolitan councils during 2018/19.</p> <p>Adelaide's performance as a water sensitive city was rated by members of its water industry with the support of the Cooperative Research Centre for Water Sensitive Cities. Adelaide scored well and was recognised for its vision and innovation in diversifying water supply to include stormwater harvesting. Adelaide's experience in stormwater harvesting is attracting international interest.</p> <p>In partnership with other state and local government agencies we continue to work to preserve and enhance the amenity of Torrens Lake through the management of blue green algae growth over summer months. Success was evident, with no lake closures in 2017/18.</p>	<p>and stormwater is maximised for the community.</p> <p>Stormwater infrastructure addresses urban flood risk, riverine water quality and coastal water quality</p>
International water	<p>Established key initiatives such as the Rajasthan Centre of Excellence in Water Resources Management, as well as enabling consortia of business to access new export projects in China and India.</p> <p>Other key outcomes supported include:</p> <ul style="list-style-type: none"> <li>• A project to design a stormwater harvesting and managed aquifer recharge scheme.</li> <li>• A trial of the Hydro-dis water treatment technology to enable local product certification and instillation in villages across Rajasthan</li> <li>• A Memorandum of Understanding with the Government of Maharashtra to facilitate technology transfer and commercialisation of South Australian technologies for the Indian market.</li> <li>• Agreement from water agencies in Hong Kong to implement pilot projects in partnership with South Australian entities in watercourse rehabilitation, wastewater reuse and smart water metering</li> </ul> <p>A series of measures are being developed to assess the effectiveness</p>	<p>DEW has continued to play a key coordination role in facilitating new international water engagement, trade and investment outcomes for the South Australian sector.</p>

	of work in relation to the facilitation of new international water investment and trade activity.	
Murray-Darling Basin Plan	<p>Delivered and influenced the implementation of the Murray-Darling Basin Plan and Murray-Darling Basin Agreement.</p> <p>South Australia is on track to meet its requirements pursuant to the National Partnership Agreement (NPA) on Implementing Water Reform in the Murray-Darling Basin Plan.</p> <p>South Australia is on track to deliver its 30 June 2019 water recovery task (183.8 gigalitres) through a combination of water recovery initiatives and the sustainable diversion limit adjustment projects that offset water recovery.</p> <p>South Australia put forward six projects to offset the state's water recovery target and was co-proponent for another five environmental works projects across the Southern Connected Basin.</p> <p>South Australia submitted its first water resource plan, required under the Basin Plan, for accreditation by the Commonwealth Minister.</p>	<p>A healthy river system is essential to the economic, social, cultural and environmental future of our state. The Murray-Darling Basin Plan aims to restore health to the river by balancing competing demands.</p> <p>Achieving the annual milestones for Basin Plan implementation under the national partnership agreement secures Commonwealth funding to partially offset implementation costs and progresses implementation of the Basin Plan.</p> <p>South Australia has met its contribution to the surface water recovery target across the Murray-Darling Basin of 2,680 gigalitres per year by 30 June 2019.</p>
Murray-Darling Basin (MDB) joint venture program	<p>River operations and programs are managed in accordance with the MDB Agreement (MDBA) and the Service Level Agreement between the MDB Ministerial Council and the MDBA.</p> <p>Build, maintain, and improve the River Murray system assets to achieve best practice standards in accordance with the MDBA.</p>	<p>South Australia receives its share of the MDB water resources as set out in the Murray Darling Agreement, including the utilisation of upstream storages to set aside water for critical human water needs in dry years.</p> <p>Improving and maintaining a healthy River Murray through activities such as salinity management, environmental monitoring and evaluation and environmental water programs such as The Living Murray.</p>
Managing state water resources of significance	Of the 26 prescribed water resources in South Australia, there are 17 water allocation plans adopted (some of these will be combined with other water allocation plans)	<p>Water resource planning ensures the state's prescribed water resources are sensibly and responsibly allocated across environmental, social and economic needs.</p> <p>Water entitlements provide the holder with security of access to</p>

		<p>the prescribed water resource and is a valuable property right. There is an estimated \$3.6 billion of water entitlements in South Australia that supports the economy.</p>
River Murray Operations	<p>Provided 51 River Murray Flow Reports.</p> <ul style="list-style-type: none"> <li>1,175 gegalitres (GL) of environmental water was delivered to South Australia.</li> <li>Barrage releases occurred on 342 days with approximately 850 GL released. Fishways remained opened every day for the entire year.</li> <li>137.6 GL of South Australian entitlement flow was deferred for use in future dry years.</li> <li>South Australia River Murray water access entitlement holders were entitled to use 100% water allocation.</li> <li>Lake Albert salinity varied seasonally, with a downward overall trend of 170 EC during 2017-18. Lake Albert salinity at the end of 2018 was approximately 1520 EC against a target of 1500 EC.</li> <li>Coorong ecosystem health and resilience requires the salinity to be maintained between 100 and 60 parts per thousand (ppt) in the Coorong Southern Lagoon. The average daily salinity in the Coorong Southern Lagoon was maintained below 100 ppt for 100% of the time but was slightly below 60 ppt during spring.</li> <li>Murray Mouth remained open due to the dredging program and barrage releases.</li> <li>Water levels in the Lower Lakes were maintained above 0.4 m Australian Height Datum (AHD).</li> </ul>	<p>The River Murray Flow reports provide industry and the community with information about River Murray operations, water allocations, water quality, levels and flows.</p> <p>Improved floodplain and wetland habitats.</p> <p>Targeted barrage releases supported:</p> <ul style="list-style-type: none"> <li>upstream migration of pouched lamprey, a species still recovering from the impacts of the Millennium Drought; and</li> <li>successful black bream breeding event, which was the largest event since the Millennium Drought.</li> </ul> <p>An open River Murray mouth enables the conveyance of salt, nutrients and sediment from the Murray-Darling Basin to the ocean; ensures that tidal exchange assists with maintaining the Coorong's water quality (in particular salinity levels) within the tolerance of the Coorong ecosystem's resilience; and enables the passage of fish by maintaining open fishways.</p> <p>Maintaining the water level in the Lower Lakes above 0.4m AHD provides irrigators with access to water and manages the risk of incurring acid sulfate soils.</p>
Managing water for the environment	<p>1175 GL of water for the environment was delivered to South Australia</p>	<p>Delivering water for the environment supports a healthier, productive and more resilient River Murray system</p>

	<p>exceeding the expected delivery volume.</p> <p>This was as a result of continuing cooperation with the Commonwealth Environmental Water Holder, the MDBA Living Murray Program and discussions with river operators and upstream jurisdictions.</p> <p>The success of the watering and the long-term condition of key sites is assessed through the MDBA Living Murray Program. Monitoring is conducted at <a href="#">Chowilla</a> and the <a href="#">Coorong, Lower Lakes and Murray Mouth</a> Icon sites. A suite of long-term condition indicators are used to track progress at these sites. Results are varied but show general improvement since the millennium drought.</p>	<p>and supports the needs of native flora and fauna.</p> <p>This year, community and scientific collaboration coordinated by DEW, directly informed water delivery and river/barrage operation and led to a major breeding event of black bream in the Coorong.</p>
South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP)	<p>Completed construction of a new regulator and fishway on Margaret Dowling Creek.</p> <p>Completed construction of a new regulator and fishway at Bank J on Eckert Creek on the Katarapko Floodplain</p> <p>Undertook successful lowering of weir pool 6 by 18cm and associated monitoring of ecological risk factors</p>	<p>The upgrade, installation and replacement of water management infrastructure will allow water to be directed into floodplains at crucial stages in the breeding and growth cycles of species like Murray cod and river red gum.</p> <p>Restoring more natural cycles of inundation at the Pike and Katarapko floodplains will help improve the health and resilience of the floodplain ecosystems.</p>
Riverine Recovery Project (RRP)	<p>Commenced construction work at six of the ten Phase 2 wetland sites.</p> <p>12 community projects were chosen by the community to receive grants to deliver projects aimed at increasing understanding, awareness and engagement of stakeholders and the community. Funding was provided to the groups and 5 projects were completed by June 2018.</p>	<p>This environmental recovery project aims to improve management of weir pools, floodplains, anabranches and fringing wetlands within the South Australian borders of the River Murray as well as improving water dependent ecosystem health, optimising conditions for ecological community recovery, increasing community knowledge and improving the scientific knowledge and understanding for the management of floodplains, wetlands and the environment.</p>

South East Flows Restoration Project	<p>Completing construction of 13km of new drain corridor and upgrading 81km of existing drains.</p> <p>Installation of 80 structures.</p>	<p>The project will provide a range of environmental benefits, including assisting salinity management in the Coorong Southern Lagoon, enhancing flows to wetlands in the Upper South East and reducing drainage outflow at Kingston Beach. The project will also have capacity to deliver water to local wetlands <i>en route</i> of the flow path, thereby assisting the restoration of these sites.</p>
Water management in Mount Lofty Ranges	<p>As at 30 June 2018, 95 sites were passing low flows within the Eastern Mount Lofty Ranges.</p> <p>Other opportunities to enhance the current program of returning low flows are currently being investigated to provide greater flexibility to landholders.</p>	<p>Low flow bypasses are being implemented in the Mount Lofty Ranges as a way of re-establishing more natural flow patterns and supporting higher water allocations for production purposes.</p> <p>Securing low flows was developed as a way of maximising allocations to existing water users to support the region's economic prosperity while minimising catchment degradation.</p>
More timely information for River Murray Irrigators	<p>South Australian River Murray water users were advised they have a 100 percent water allocation for the 2018-19 water year. When South Australia's River Murray entitlement is restricted during times of low water availability, the department will incorporate probability scenarios into water allocation announcement procedures.</p> <p>The River Murray Water Allocation Plan provides clarification with regard to carryover and water allocation announcements by the Minister.</p> <p>DEW publishes trade data on its website including volumes, trades, prices and timeframes  <a href="https://www.waterconnect.sa.gov.au/Systems/WTR/Pages/Default.aspx">https://www.waterconnect.sa.gov.au/Systems/WTR/Pages/Default.aspx</a></p>	<p>Providing more timely and accessible information for River Murray irrigators enables them to make business decisions supported by information. This will translate to an economically stronger and better prepared community</p>
Water allocations in the South East NRM Region	<p>Water allocations are within Target Management Limits (TMLs) for 87 of the 95 water management areas in the South East.</p> <p>Reductions to allocations in management areas of the Lower Limestone Coast Prescribed Wells</p>	<p>DEW looks to support its customers to maximise the economic potential of the South East's groundwater resources within sustainable limits, for the longevity of these resources and the dependent industries.</p>



	Area, where TMLs have been exceeded, have been placed on hold by the Minister. A review of the science that underpins the reductions is underway and will determine if further adjustments to allocations within those management areas are required.	
Nature based tourism	<p>Development of nature-based tourism is guided by the 'Nature Like Nowhere Else' Nature-based Tourism Strategy which is a collaboration between DEW, South Australian Tourism Commission (SATC), industry and other stakeholders. In the second year of implementation of the Strategy DEW has:</p> <ul style="list-style-type: none"> <li>Released a <i>New business opportunities</i> package - a package of 18 private sector opportunities in parks, gardens and heritage places.</li> <li>44 Expressions of Interest were received, 40 proceeded to Request for Proposal stage. It is anticipated that DEW will enter into commercial negotiations with preferred proponents in late 2018.</li> </ul>	<p>This program harnesses collective stakeholder effort and builds momentum in the nature sector of tourism. It also drives industry and creates jobs in South Australia, to meet future employment targets.</p> <p>Engagement with the private sector advances regional and urban opportunities for sustainable partnerships and job creation.</p>

<p>Iconic tourism sites</p>	<p>Total revenue from iconic tourism sites was \$9.12 million.</p> <p>Total visitation was 382,276.</p> <p><b>Adelaide Gaol:</b></p> <p>Total revenue was \$355,000, an increase of 4.4% from the previous year.</p> <p>Total visitation was 23,091, an increase of 2.1% from the previous year.</p> <p><b>Naracoorte Caves:</b></p> <p>Total revenue was \$1.388 million, an increase of 6.4% from the previous year.</p> <p>Total visitation was 54,845, an increase of 2.8% from the previous year.</p> <p>In a \$1 for \$1 partnership with the Australian government \$1.078 million was invested in upgrading the visitor experience in the World Heritage Listed Naracoorte Caves.</p>	<p>South Australia's key iconic tourism sites provide cultural, historical and natural experiences attracting local, national and international guests. These sites showcase South Australia and contribute to the state's economy.</p>
<p>Cleland Wildlife Park</p>	<p>Total visitation was 128,642, an increase of 2.8% from the previous year.</p> <p>Released the Cleland Wildlife Park Vision Plan outlining a \$150 million vision to improve Cleland's offerings, and position Cleland as a destination of choice for domestic and international visitors.</p>	<p>A sustained period of ill-health in Cleland's koala population has impacted on revenue as people were not able to undertake the koala holding experience.</p> <p>These projects will help to transform one of South Australia's premier environmental assets to generate tourism exports, activate commercial opportunities for the private sector, create jobs, support regional economic development and advance conservation of South Australia's unique native species.</p>
<p>Nature-based Tourism Kangaroo Island Wilderness Trail (Eco Sensitive accommodation)</p>	<p>Announced the Australian Walking Company (AWC) as the successful proponent to build eco-sensitive accommodation facilities on the KI Wilderness Trail.</p> <p>Announced a grant of over \$800,000 from the Future Jobs Fund to help secure these new facilities.</p>	<p>The construction of the eco-sensitive accommodation is expected to create 30 full-time jobs.</p>



<p>International Koala Centre of Excellence (IKCE)</p>	<p>Established an advisory board to raise and direct breakthrough research into the koala and its habitat.</p> <p>Progressed the development of a public fundraising strategy to guide a fundraising program over the next five years.</p> <p>Developed a koala research program with three streams of research involving the three South Australian universities.</p>	<p>The primary aim of IKCE is to be an international leader and steward of koala research and innovation.</p> <p>Providing a koala research centre at Cleland Wildlife Park will help to educate the community, koala welfare and other interest groups about koala management and conservation in the wild and in captivity.</p>
<p>Built Heritage</p>	<p>Undertook assessments of 662 development referrals affecting State Heritage Places. 80% within the mandatory timeframe. These developments have an estimated worth \$1.52 billion in economic development.</p> <p>Considered 18 places for state heritage-listing, four were confirmed, eight were deemed as not meeting the state heritage threshold and the remainder are still undergoing assessment.</p> <p>Completed the transfer of 19 regional heritage properties to the National Trust of South Australia, with a further five properties being assessed for transfer.</p> <p>The discovery of South Australia's first recorded shipwreck the <i>South Australian</i>, on the 20 April 2018. Achieved in partnership with Silentworld Foundation, National Maritime Museum, South Australian Maritime Museum and Flinders University.</p>	<p>Consideration of places for state heritage-listing are community nominated and are assessed against nationally recognised criteria.</p> <p>The discovery of the <i>South Australian</i> raised the profile of the Government's maritime program across South Australia and maritime tourism more generally. The maritime program also provided for the transfer of relics to local museums making them publically accessible (instead of locked up at Netley)</p>

<p>Effective Public Land Administration</p> <ul style="list-style-type: none"> <li>Public Land Development (Crown land and National Parks)</li> </ul>	<p>Generated \$7.218 million through land disposals. This resulted from 50 sales of Crown land, including both freeholding of leases and other disposals.</p> <p>Facilitated land tenure requirements for key State Government initiatives including</p> <ul style="list-style-type: none"> <li>Redevelopment of Lot 14 (the former RAH site),</li> <li>The completion of the O-Bahn tunnel,</li> <li>Lucky Bay Ferry Terminal, and</li> <li>The Kangaroo Island electricity cable upgrade.</li> </ul>	<p>The disposal of surplus Crown land and buildings are delivered to the property market to enable and facilitate the needs for residential, industrial, infrastructure, conservation and community land. Disposal of Crown land contributes to the growth of the State's economy through supporting businesses commercialise land opportunities and by unlocking resources which grow regional businesses and economies.</p>
<p>Effective Public Land Administration</p> <ul style="list-style-type: none"> <li>Public Land Management and Use (Crown land and National Parks)</li> </ul>	<p>Generated \$2.9 million in revenue from a total of 7226 leases and licences.</p> <p>Issued 111 Filming Agreements.</p>	<p>The program continues to ensure the sustainable, appropriate and effective management and usage of Crown land, including monitoring and compliance functions.</p> <p>Leases, licences, easements and access rights are negotiated in a fair and equitable manner.</p>
<p>Effective Public Land Administration</p> <ul style="list-style-type: none"> <li>Public Land Tenure Administration</li> </ul>	<p>Commenced the introduction of the 'iApply' system to improve information management practices, accessibility and customer service.</p> <p>Provided appropriate resolution of native title in granting secure land tenure, and contributing to the State implementing ILUA's and finalising native title claims.</p> <p>Facilitated the statutory creation of reserves and dedication and closure of roads.</p>	<p>The program supported economic development by providing land administration and information services to property buyers and sellers, developers, councils, conveyancers, surveyors, traditional owners and financial institutions.</p>
<p>Botanic Gardens and State Herbarium (BGSH)</p> <ul style="list-style-type: none"> <li>Creating destination gardens</li> </ul>	<p>Over 2 million visits to the Botanic Gardens and State Herbarium's three estates (Adelaide, Mount Lofty and Wittunga).</p>	<p>This work contributes to South Australia's economic and social prosperity through events, education, conservation and research and providing destination gardens.</p>

<p>Botanic Gardens and State Herbarium</p> <ul style="list-style-type: none"> <li>• Deepening our science</li> </ul>	<p>Safeguarded 75% of South Australian threatened plant species in the South Australian Seed Conservation Centre for future use in species recovery efforts.</p> <p>Delivered 730,801 specimen records to the Atlas of Living Australia and the Australasian Virtual Herbarium data repositories leading to downloading of 55,708,200 records by users.</p>	<p>BGSH is at the forefront of cutting edge research that underpins evidence-based decisions informing effective legislation, policies, education, management and land use practices on a state level.</p>
<p>Botanic Gardens and State Herbarium</p> <ul style="list-style-type: none"> <li>• Lifelong learning and engagement</li> </ul>	<p>Over 40,000 volunteer hours contributed to BGSH activity</p> <p>Engaged with approximately 24,000 schools students, adults and teachers in its public programs.</p>	<p>Through BGSH, South Australian's have unique opportunities to connect with the botanical world throughout their lives.</p>
<p>Retaining shacks as part of vibrant holiday communities</p>	<p>The government has put in a place a new policy framework for shack administration. The objectives of the framework will be achieved through policy development (underway) and implementation (from 2019).</p>	<p>The new policy framework for shack administration will:</p> <ul style="list-style-type: none"> <li>• halt automatically terminating leases upon the death of the last person named on the lease,</li> <li>• provide certainty of tenure to families by expanding the eligibility to maintain a lease,</li> <li>• investigate more freeholding of shacks located on Crown land,</li> <li>• provide renewable tenure options to shacks located within national parks,</li> <li>• seek fair valuation advice for the sale of shack sites, and</li> <li>• strengthen links between local rangers and Friends of Park groups and shack lessees.</li> </ul>

## Legislation administered by the agency

*Adelaide Dolphin Sanctuary Act 2005*  
*Animal Welfare Act 1985*  
*Arkaroola Protection Act 2012*  
*Botanic Gardens and State Herbarium Act 1978*  
*Climate Change and Greenhouse Emissions Reduction Act 2007*  
*Coast Protection Act 1972*  
*Crown Land Management Act 2009*  
*Crown Rates and Taxes Recovery Act 1945*  
*Dog and Cat Management Act 1995*  
*Dog Fence Act 1946*  
*Groundwater (Border Agreement) Act 1985*  
*Ground Water (Qualco-Sunlands) Control Act 2000*  
*Heritage Places Act 1993*

*Historic Shipwrecks Act 1981*

*Irrigation Act 2009*

*Lake Eyre Basin (Intergovernmental Agreement) Act 2001*

*Lands for Public Purposes Acquisition Act 1914*

*\*Local Government (City of Enfield Loan) Act 1953*

*\*Local Government (City of Woodville West Lakes Loan) Act 1970*

*Marine Parks Act 2007*

*Metropolitan Drainage Act 1935*

*Murray-Darling Basin Act 2008*

*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*

*Renmark Irrigation Trust Act 2009*

*River Murray Act 2003*

*River Murray Waters Agreement Supplemental Agreement Act 1963*

*River Murray Waters (Dartmouth Reservoir) Act 1971*

*South Eastern Water Conservation and Drainage Act 1992*

*South-Western Suburbs Drainage Act 1959*

*Water (Commonwealth Powers) Act 2008*

*Water Efficiency Labelling and Standards (South Australia) Act 2013*

*Water Industry Act 2012*

*Water Resources Act 1997*

*Wilderness Protection Act 1992*

*\* Denotes Act of limited application*

## **Organisation of the agency**

The Department for Environment and Water comprises the following divisions:

- Climate Change
- Water
- Parks and Regions
- Economic and Sustainable Development
- People and Performance
- Science and Information

## **Other agencies related to this agency (within the Minister's area/s of responsibility)**

- Environment Protection Authority
- Green Industries SA
- South Australian Water Corporation (Trading as SA Water)

## Employment opportunity programs

Program name	Result of the program
Graduate and Trainees Program	DEW has engaged 5 graduates and 5 trainees during 2017/2018.
Aboriginal Recruitment Program	<p>As at 30 June 2018, DEW had 41 employees who identified as Aboriginal or Torres Strait Islander, equating to 2.5% of total headcount.</p> <p>DEW encourages use of the Aboriginal Employment Register when filling vacancies.</p> <p>DEW are currently developing an Aboriginal Workforce Plan that links to the department's Reconciliation Action Plan launched in early 2018.</p>
Disability Employment Register	<p>As at 30 June 2018, DEW had 26 employees who identified as having a disability, equating to 1.6% of total headcount.</p> <p>DEW encourages use of the Disability Employment Register when filling vacancies.</p>

## Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
<p>DEW Performance Review and Development (PRD) Process</p> <p>Compliance is measured through reporting uptake of the requirement for all managers to undertake two formal PRD conversations with their staff.</p> <p>The data is captured through the CHRIS 21 data base once managers have completed their conversation.</p>	<p>Employees whose last PRD occurred:</p> <ul style="list-style-type: none"> <li>- Between 1 January to 30 June 2018 = 98.6%</li> <li>- Between 1 July to 31 December 2017 = 96%</li> </ul> <p>Effectiveness of PRD conversations are measured through the Staff Perspective Survey and Gallup survey:</p> <ul style="list-style-type: none"> <li>- 87.3% of staff are clear about the goals and expectations of their role</li> <li>- 88% said their performance was fairly assessed through the PRD process</li> <li>- 87% felt they were able to raise any concerns they have during the PRD discussion.</li> </ul> <p>A series of development programs have been delivered for staff and managers to support them in the PRD process.</p>

## Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness
Aggression and Violence in the Workplace	<p>DEW processes for managing potential risks in relation to violence and aggression in the workplace have been reviewed and updated to simplify processes for identifying risks and relevant control measures. Undertaking of relevant risk assessments has been included in business planning in relevant business areas.</p> <p>A system has been implemented to enable diverse operations in DEW share safety information regarding known hazards and recommend safety controls. This information may relate to entities known to have threatened, assaulted, or otherwise acted in a way to threaten DEW staff.</p> <p>Training for DEW Authorised Officers has been reviewed and updated to ensure staff have the skills to reduce the risk of interpersonal conflict.</p> <p>The effectiveness of these strategies will be measured through the number of incidents of aggression reported and an anticipated reduction in the perceived risk of aggression in the workplace.</p>
Psychological Wellbeing	<p>DEW is committed to protecting and advancing the psychological wellbeing of workers. This is done through measures to control safety hazards (both physical and psychological) and providing opportunities to improve physical, psychological and social wellbeing through a framework that incorporates all three. DEW has developed a Psychological Wellbeing Strategy which provides a range of measures including formal training for staff and managers to recognise the signs of strain on their colleagues and to build their resilience, and staff consultative development processes. Values workshops, skin cancer checks, influenza vaccinations and celebrating staff achievement and milestones are all planned activities that contribute to psychological wellbeing. The Significant Psychological Injury Rate for DEW has reduced to 0.60 at 30 June 2018, from 1.51 in 2012.</p>

Program name and brief description	Effectiveness
Safe Driving	<p>A working group was established to review DEW arrangements for safe driving with a focus on improving a safe driving culture and accountability. Process improvements have been made to improve reporting of vehicle related incidents to Executive. The DEW Safe Driving Strategy has been endorsed by executive.</p> <p>The strategy includes the development of a CE Driver Safety Commitment Statement, design and delivery of driver training, competency assessments for drivers and investigating the use of technology to monitor vehicle operations and driver behaviour.</p> <p>Effectiveness will be evidenced by the number of vehicle incidents following implementation.</p>

### Work health and safety and return to work performance

	2017-18	2016-17	% Change (+ / -)
<b>Workplace injury claims</b>			
Total new workplace injury claims	28	34	-18%
Fatalities	0	0	No change
Seriously injured workers*	0	0	No Change
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	5.37	4.8	+12%
<b>Work health and safety regulation</b>			
Number of notifiable incidents ( <i>WHS Act 2012, Part 3</i> )	7	4	+75%
Number of provisional improvement, improvement and prohibition notices ( <i>WHS Act 2012 Sections 90, 191 and 195</i> )	3	0	-
<b>Return to work costs**</b>			
Total gross workers compensation expenditure (\$)	660,845	816,199	-19%
Income support payments – gross (\$)	266,446	428,201	-38%

\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the *Return to Work Act 2014 (Part 2 Division 5)*

\*\*before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

**Fraud detected in the agency**

Category/nature of fraud	Number of instances
Not applicable	0

**Strategies implemented to control and prevent fraud**

The revised DEW Fraud and Corruption Control Policy establishes a high-level framework for DEW's commitment to preventing, detecting and responding to fraud, corruption and other criminal conduct, misconduct and maladministration.

The revised procedure provides detail as to the process for reporting and managing incidents of fraud and corruption, allowing for the clear identification of responsibilities.

DEW's new Fraud and Corruption Control Program, consistent with the requirements of the South Australian Public Sector Fraud and Corruption Control Policy, identifies measures to prevent, detect and respond to fraud, corruption and other criminal conduct, misconduct and maladministration. The program also identifies the roles of key individuals and branches for delivery of these measures.

An internal audit was commenced assessing the effectiveness of the controls in the Fraud and Corruption Control Policy, Procedure and Program. All other internal audits undertaken within the agency are conducted with an appreciation for, and an awareness of fraud.

DEW Executive continue to regularly communicate the department's expectations regarding acceptable business practices and ethical behaviour in accordance with the Code of Ethics to staff through The Weekly electronic newsletter and targeted training sessions.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

**Whistle-blowers' disclosure**

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the <i>Whistle-blowers' Protection Act 1993</i>	0
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Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>



## Executive employment in the agency

Executive classification	Number of executives
SAES 2	4
SAES 1	23

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

The [Office of the Commissioner of Public Sector Employment](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Business Name	Purpose	Value
<b>Consultancies below \$10,000 each</b>	various	\$ 12 991
<b>Consultancies above \$10,000 each:</b>		
Investec Australia Ltd	Preparation of the business case for Cleland Wild Park	\$ 118 115
Kerri Muller NRM Pty Ltd	Planning for the evaluation of environmental outcomes of the Basin Plan (Matter 8)	\$ 29 875
KPMG	Review of Major Projects branch and related areas	\$ 14 206
<b>Total consultancies</b>		<b>\$ 175 187</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

## Contractors

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Contractor Name	Purpose	Value
<b>Contractors below \$10,000 each</b>	various	\$ 28 663
<b>Contractors above \$10,000 each:</b>		
Randstad Pty Ltd	Temporary Staff for Finance & Business Services, SA Murray-Darling Basin region, Water Science, Coastal Protection, Northern & Yorke Region, SA Arid Lands Region, South Australian Riverland Floodplains Integrated Infrastructure program, Iconic Tourism Sites, Water Resource Monitoring, Coorong, Lower Lakes and Murray Mouth	\$ 428 539
Hays Specialist Recruitment	Temporary Staff for Finance & Business Services, Environmental Science, Native Vegetation Management, People & Performance, Water Resource Monitoring	\$ 297 981
Paxus Australia Pty Ltd	Temporary staff for Fire & Flood and Information Technology	\$ 235 972
Hudson Global	Temporary staff for Information Technology, People Partnering, Water Licensing	\$ 188 569
Talent International	Temporary staff for Information Technology and Adelaide Living Beaches	\$ 138 083
Maxima	Temporary Staff for the Botanic Gardens & Herbarium and Northern & Yorke Region	\$ 99 684
Dialog Pty Ltd	Temporary Staff for the Water Management Solutions program	\$ 95 229
CKM Management Solutions	Temporary Staff for the Adelaide Living Beaches programme	\$ 76 344
Manpower Services Pty Ltd	Temporary staff for Information Technology	\$ 62 809
DFP Recruitment Agency Services	Temporary Staff for the Protected Areas and Economic & Development	\$ 50 252
Ajilon Australia Pty Ltd	Temporary staff for Information Technology and Fire & Flood.	\$ 40 461
Urban & Regional Planning	Temporary Staff for Climate Change	\$ 39 295
Gramac Solutions	Temporary Staff for the South East Region and Naracoorte Caves	\$ 28 911
Burrandies Aboriginal Corporation	Temporary Staff for the South East Region	\$ 20 430
City of Marion	Temporary Staff for the Adelaide & Mount Lofty Ranges region	\$ 11 423
<b>Total contractors</b>		<b>\$ 1 842 646</b>

Data is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

The details of all South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tender and Contacts website [here](#).

The website also provides details of across government contracts [here](#).

## Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2017-18 are attached to this report.

### Financial Overview

The table below summarises the statement of comprehensive income of the department for the year ended 30 June 2018. The results are compared with the 2017-18 budget and the results for the previous year.

#### Statement of Comprehensive Income

	<b>2017-18 Budget* \$'000</b>	<b>2017-18 Actual \$'000</b>	<b>2016-17 Actual \$'000</b>
Expenses	300 466	296 065	319 264
Income	206 353	222 437	159 092
<b>Net Cost of Providing Services</b>	<b>94 113</b>	<b>73 628</b>	<b>160 172</b>
Revenues from SA Government	158 834	156 903	148 986
Payments to SA Government	-	( 94)	(8 273)
<b>Net result surplus/(deficit)</b>	<b>64 721</b>	<b>83 181</b>	<b>(19 459)</b>
Other Comprehensive Income	-	32 489	49 179
<b>Total Comprehensive result</b>	<b>64 721</b>	<b>115 670</b>	<b>29 720</b>

\*Revised budget

The table above shows that for the financial year ending 30 June 2018, DEW's net result was an operating surplus of \$83.2 million, which was \$18.5 million favourable compared to budget.

Major variations included:

Total expenses in 2017-18 were \$4.4 million lower than budget primarily as a result of lower supplies and services expenses of \$2.7 million. This related to reduced legal fees and consumables expenses. Employee benefits expenses were \$2.4 million lower than budget much of which was due to lower long service leave expenses.

Total income was \$16.1 million higher than budget mainly as a result of resources received free of charge (largely associated with donated assets to DEW and services received free of charge from Shared Services SA) and the sale of goods and services, partially offset by a decrease in grant revenue from other SA Government entities.

Total expenses in 2017-18 were \$23.2 million lower than in 2016-17 primarily as a result of a reduction in costs associated with the 2016 severe storm events, works associated with the Great Artesian Basin Sustainability Initiative, lower depreciation and amortisation costs and a decrease in the net loss from disposal of non-current assets.

Total income in 2017-18 increased by \$63.3 million from 2016-17 largely due to an increase in Commonwealth grant funding for the SA Riverland Floodplains Integrated Infrastructure Program (SARFIIP), Riverine Recovery Program, Flows for the Future Program and the Coorong, Lower Lakes and Murray Mouth (CLLMM). In addition, there was an increase in resources received free of charge.

#### Statement of Financial Position

	<b>2017-18 Budget* \$'000</b>	<b>2017-18 Actual \$'000</b>	<b>2016-17 Actual \$'000</b>
Total Assets	869 339	944 778	802 533
Total Liabilities	111 798	112 296	109 717
<b>Net Assets</b>	<b>757 541</b>	<b>832 482</b>	<b>692 816</b>

**Other financial information**

Nil to report

**Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

Nil to report

## Section B: Reporting required under any other act or regulation

### ***Adelaide Dolphin Sanctuary Act 2005***

#### Section 26 - Annual report

- (1) The Minister must on or before 30 September in each year prepare a report on the operation of this Act for the financial year ending on the preceding 30 June.
- (2) The annual report must include -
  - (a) information on the extent to which the objects and objectives of this Act are being achieved; and
  - (b) reports on the following matters for the preceding financial year:
    - (i) the referral of matters to the Minister under any related operational Act; and
    - (ii) the enforcement of the general duty of care; and
    - (iii) action taken by the Minister or authorised officers under Part 6; and
  - (c) a programme setting out the Minister's proposals for the implementation of the ADS Management Plan during the current financial year.

#### Objective 1 - Protection of the Dolphins

Throughout this reporting period, Adelaide and Mount Lofty Ranges (ALMR) marine parks rangers completed nine boat-based monitoring surveys of the ADS dolphin population, collecting demographic, locational and photo identification data. Filtering of this photo identification data commenced in July, assisted by a new citizen science project, 'Discover-a-dolphin', enabling Adelaide Dolphin Sanctuary (ADS) Action Group volunteers to contribute to this scientific monitoring programme.

Rangers were also assisted with monitoring patrols by ADS Action Group volunteers who undertook regular observations of dolphins and monitored individual dolphins.

One dolphin entanglement was recorded during the reporting period and eight dolphin deaths were recorded in the ADS. Two bodies were unable to be recovered, while causes of death for the remaining animals was disease (one individual) and unknown (five individuals). Severe blunt trauma was evident in two individuals, however the cause of the blunt trauma is not known.

To ensure compliance with legislation to protect marine mammals, set out in Section 68 of the *National Parks and Wildlife Act 1972* and *Marine Mammal Regulations 2010*, rangers completed 151 land and water patrols. Rangers investigated and/or responded to three incidents of breaching approach distances to dolphins, one incident potentially involving intentional harm to a marine mammal, and ten incidents of speeding vessels. To enable more effective responses to vessel speeding incidents, all four AMLR marine parks staff are now authorised officers under the *Harbours and Navigation Act 1993* along with a further three staff from the Department for Environment and Water (DEW).

ADS volunteers also acted as marine mammal observers for the "Superfoiler" yacht racing event at Outer Harbor. The role of marine mammal observers was to monitor the fringes of the race area to ensure dolphin safety.

#### Objective 2 - Protection of key habitat features

The actions in Table 1 (below) were funded by the Adelaide and Mount Lofty Ranges NRM Board to address threats to specific vegetation communities within the ADS. Works were undertaken to assess and improve the vegetation condition with priority for the control of declared weeds in highest conservation priority areas as identified in the *Metropolitan Adelaide and Northern Coastal Action Plan 2009*.

Marine parks and Adelaide International Bird Sanctuary (AIBS) rangers worked together to coordinate on-ground works across ADS and AIBS landscapes.

**Table 1:** Habitat protection and restoration works within the ADS

Location	Investment	works
Port Gawler	\$4,500 (AMLR NRM Board) \$3,500 (in-kind volunteer and Council)	Weed Control – (Bridal creeper, Calomba Daisy control, African Boxthorn). Planted 1,000 seedlings Rubbish Clean Up
Buckland Park	\$6,600 (AMLR NRM Board)	Weed control ( <i>Casuarina glauca</i> , Artichoke thistle, <i>Juncus acutus</i> , Boxthorn, Euphorbia, Bridal Creeper, Horehound, Sharp Rush
Bird Island	\$25,450 (AMLR NRM Board) \$11,800 (in-kind volunteer)	Rat Control and monitoring Revegetation. Control of boxthorn coastal <i>Galenia Euphorbia paralias</i> , African boxthorn
Playford Road side sites	\$1,200 (AMLR NRM Board)	Roadside Weed control
<b>TOTAL</b>	<b>\$53,050</b>	

Rangers and volunteers also undertook significant conservation works on Bird Island, including pest plant and animal control, revegetation and bird monitoring.

#### Objective 3 – Improvement of water quality

Rangers support the EPA's water quality monitoring programme during compliance and monitoring patrols by collecting water samples for EPA analysis. Samples are collected monthly at five sites throughout the Port River and Barker Inlet.

The EPA investigated and provided publicly available information on the compliance of water-based industrial activities and instances of fuel spills throughout the Port River.

Eight Aquatic Activity Licences referred to DEW under the *Harbours and Navigation Act 1993* were assessed for their potential to cause turbidity. Developments, activities and planning documents were referred to DEW and were assessed for their potential impact on sediment disturbance and appropriate actions were recommended to minimise any disturbance. Staff continued to remove floating marine debris while on patrol and during scheduled community-based clean up events.

#### Objective 4 – Recognition of local interests and participation in management processes

- The ADS Action Group has 75 registered volunteers who contributed 552 volunteer hours during the 2017-18 year. Their activity directly supports the management of the ADS and includes patrols, monitoring, administration tasks, community engagement and promotion projects.
- Rangers delivered several training programmes for ADS Action Group volunteers, providing an introduction to the ADS and marine parks, and information on dolphin biology, dorsal fin identification, and marine safety training.

- Rangers provided advice and conducted assessments for existing ADS Commercial Tour Operator permit applications under the Tour Operator Licensing and Permitting Policy, in support of the *National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010*.
- Rangers continue to work with the Department of Planning, Transport and Infrastructure (DPTI Marine Operations) to discuss current and future management of speed limits throughout the ADS, recognising the increased use of the waters by passive nature-based tourism activities such as kayaking.
- A discussion paper was prepared for the Parks and Wilderness Council to inform the review of the Adelaide Dolphin Sanctuary management plan. A workshop was held with the Council in October to discuss inclusions in the future revised plan. Rangers have met with key stakeholders to discuss the management plan revision and to ensure that views of stakeholders are considered in the preparation of a revised plan. Preparation of a draft plan for public consultation is underway.

#### Objective 5 – Promotion of public awareness of ecological importance of the area

The values and purpose of the ADS and the state's marine parks were promoted to individuals, community groups, organisations and public forums including:

- North Haven Primary School Junior Dolphin Ranger Day
- North Haven Primary mangroves presentation
- Whale Time Playtime Festival
- World Environment Fair
- Bird Island Planting Days
- Boating/Fishing/4WDing Shows
- SARDI Open Day
- St Kilda Bioblitz
- ADS Action Group volunteers helped in a series of community engagement and conservation events including the Tennyson Dunes Open Day and the Semaphore Street Fair. The Action Group also held two pop-up stalls, at Port Adelaide lighthouse and Garden Island.
- ADS Action Group volunteers participated in a clean-up of the Garden Island and North Arm Markets area on Australia Day.
- ADS volunteers acted as marine mammal observers for the "Superfoiler" yacht racing event at Outer Harbor.
- The children's documentary *Totally Wild* filmed the activities of the ADS Action Group volunteers for an episode which aired in June 2018.
- Environmental interpretation was provided for a field trip around the ADS for participants in the shellfish reef conference.
- Online presence has been significantly boosted by the inclusion of the ADS on the National Parks and Wildlife web page, with key information for visitors.

A DEW caravan was restored and wrapped with beautiful marine images, including a bottlenose dolphin. This caravan was used throughout the year to promote the ADS and marine parks at community events throughout the AMLR region.

Staff distributed the *ADS Users Guide* at community outlets. A new visitor guide map with key points of interest was also finalised and distributed.

The first stage of new directional and park arrival signs were installed throughout the ADS which will increase the awareness and profile of the Sanctuary, and assist visitors with locating key dolphin viewing places.

**Objective 6 – Promotion of the principles of ecological sustainable development**

Staff provided advice on eight referrals under the *Harbors and Navigation Act 1993*, eight under the *Fisheries Management Act 2007*, and comments were also provided on a range of development related projects or plans. A summary of referrals is below.

<b><i>Harbors and Navigation Act 1993</i></b>	
1	Port Adelaide Sailing Club
2	Port Adelaide Speedboat Club
3	Port River Sailing Club
4	North Haven Surf Life Saving Club
5	Superfoiler Grand Prix
<b><i>Fisheries Management Act 2007</i></b>	
1	SARDI
2	Biosecurity
3	Estuary Care Foundation
4	Flinders University
<b>Development Advice</b>	
1	Fishermen's Wharf Retirement Living proposal
2	Veolia Energy Park, Gillman
3	Origin Energy Gas storage

**Objective 7 – Enforcement of general duty of care**

There were no reported instances when the general duty of care was breached.

**Objective 8 – Issuance of protection or other orders**

No protection or reparation orders/authorisations were issued.

**Objective 9 – Annual implementation programme for management plan**

Section 26(2)(c) of the Act requires the preparation of a programme setting out the Minister's proposals for the implementation of the ADS Management Plan for the current financial year. The Management Plan is a seven-year document and includes a broad description of activities to be considered over this time period.

The Annual Implementation Programme for 2018-19 is included as Appendix 1 and has been prepared in line with the strategies and actions outlined in the ADS Management Plan.

**Appendix 1 – ADS annual implementation programme 2018-19**

Additional management resources and support has been made available to the ADS through integrating the Sanctuary's management with the state's Marine Parks Programme. This brings both operational efficiencies and additional resources in key management areas including stewardship, education, compliance, monitoring and policy/planning.

The following actions will be undertaken by staff in Natural Resources, Adelaide and Mount Lofty Ranges region, supported by the DEW Marine Parks Program along with supporting agencies during 2018-19 to achieve the objectives of the *Adelaide Dolphin Sanctuary Act 2005* and strategies outlined in the ADS Management Plan 2008.



***Objective 1 - 'The protection of the dolphin population of the Port Adelaide River estuary and Barker Inlet from direct and physical harm is to be maintained and improved' Adelaide Dolphin Sanctuary Act Section 8(1)(a)***

**Issue 1.1 Lack of scientific knowledge about ADS dolphins**

Actions:

- Continue dolphin monitoring surveys throughout ADS
- Develop citizen science opportunities to enable the community to improve our understanding of the dolphin population.
- Support on-going research into ADS dolphins and other South Australian dolphins where relevant and appropriate, and seek partnerships with local and interstate universities, the SA Museum and other researchers to explore possibilities for collaborative and low impact, non-invasive research in the ADS.
- Continue the collection of deceased dolphins for examination by the SA Museum to inform the ADS dolphin research and monitoring programme.

**Issue 1.2 Vessel strike (commercial shipping, fishing and recreational vessels)**

Actions:

- DEW and DPTI continue dialogue regarding speed limits throughout the ADS to ensure dolphin safety and safety for recreational users of the area.
- DEW and DPTI to implement management measures as required.

**Issue 1.3 Entanglement in vessel and fishing gear**

Actions:

- Work with existing community education programmes and undertake specific education programmes to increase awareness of the impacts of litter on dolphins and their habitat.
- Support the AMLR Natural Resources Management Board and Port Adelaide Enfield & Salisbury Councils to implement Hook, Line and Thinker programme, installing Tangler Bins within the ADS for disposal of fishing line and hooks.

**Issue 1.4 Intentional harm**

Actions:

- Continue regular land and sea patrols to ensure compliance with the National Parks and Wildlife (Protected Animals—Marine Mammals) Regulations 2010.
- Develop and implement an ADS compliance strategy.
- Develop education programmes to increase awareness of dolphins and support members of the public who report observations of actual or potential incidents.

**Issue 1.5 Impacts from human interaction**

Actions:

- Maintain regular observation of resident animals to observe any major behavioural changes.
- Maintain an overview of Australian and international studies of impacts of human interactions on dolphins and review findings that may be applicable to the ADS.

**Objective 2 - 'The key habitat features in the Port Adelaide River estuary and Barker Inlet that are necessary to sustain the dolphin population are to be maintained, protected and restored'** Adelaide Dolphin Sanctuary Act Section 8(1)(b)

#### **Issue 2.1 Food Supply**

Actions:

- Support research (and promote findings) to determine specific prey species of ADS dolphins.

#### **Issue 2.2 Loss of vegetation: seagrass, mangroves and supporting species**

Actions:

- Building on existing work, support research on seagrasses, mangroves and supporting vegetation (including saltmarsh) in the ADS to determine overall health and possible areas for rehabilitation action; and to monitor possible impacts of climate change.
- Support government agency, local council and community group efforts to rehabilitate and re-establish vegetation.
- Support ongoing seagrass research and rehabilitation programmes undertaken by SARDI, Adelaide Coastal Waters Study and the Coast Protection Board.

#### **Issue 2.3 New developments**

Actions:

- Continue to work with proponents of new and existing developments to ensure that ADS objectives are appropriately considered.
- Work with DPTI and local councils to develop performance guidelines for development to support achievement of ADS objectives.

#### **Issue 2.4 Marine pests: *Caulerpa taxifolia*, *Caulerpa racemosa* and others**

Actions:

- Support PIRSA initiatives and research in identifying and controlling introduced species.

**Objective 3 - 'Water quality within the Port Adelaide River estuary and Barker Inlet should be improved to a level that sustains the ecological processes, environmental values and productive capacity of the Port Adelaide River estuary and Barker Inlet'** Adelaide Dolphin Sanctuary Act Section 8(1)(c)

#### **Issue 3.1 Discharges - nutrients**

Actions:

- Work with the EPA to implement the Port Waterways Water Quality Improvement Plan and address recommendations outlined in the Adelaide Coastal Waters Study which are relevant to the ADS.
- Work with the EPA to monitor pollutants of concern including perfluorinated chemicals and persistent organic pollutants.
- Support research efforts into the effect of excess nutrients, particularly as they relate to prey species, vegetation health and pest species.
- Work with the EPA to monitor water quality at points throughout the Port River and Barker Inlet.

### **Issue 3.2 Discharges - pollutants**

#### **Actions:**

- Provide information to support the use of the world's best practice methods for any new dredging and other sediment disturbance activities to minimise distribution of possibly contaminated sediments and introduced species such as *Caulerpa taxifolia*.
- DEW will continue to work with the EPA in relation to the investigation of PFCs in the water, dolphins and other marine life in the Port River and Barker Inlet.
- Support research efforts into the effects of thermal pollution, particularly as it relates to prey species, vegetation health and pest species.
- Maintain litter management activities including collection of marine debris on patrols and regular clean up days with the ADS Action Group.

### **Issue 3.3 Turbidity and release of toxins from sediment**

#### **Actions:**

- Undertake work on vegetation protection to support stabilisation of sediments.
- Ensure aquatic licence assessments address activities with the potential to cause turbidity.

**Objective 4 - 'The interests of the community are to be taken into account by recognising indigenous and other cultural, and historical, relationships with the Port Adelaide River estuary and Barker Inlet and surrounding areas, and by ensuring appropriate participation in processes associated with the management of the Port Adelaide River estuary and Barker Inlet'** Adelaide Dolphin Sanctuary Act Section 8(1)(d)

### **Issue 4.1 Inclusion of all stakeholders**

#### **Actions:**

- Public consultation on any ADS Management Plan amendments will follow statutory process.
- DEW will continue to work with key stakeholders and community volunteers to protect the dolphins and improve their environment, and will continue to seek new opportunities for partnerships.
- The Parks and Wilderness Council of community representatives will provide the Minister for Environment and Water with advice as required by the ADS Act.
- The online presence of the ADS will be updated as required.

### **Issue 4.2 Support of recreational users**

#### **Actions:**

- DEW will continue ongoing assessment of referrals for aquatic licences (under section 26 of Harbors and Navigation Act 1993).
- DEW will collaborate with DPTI in relation to the management of recreational uses of the ADS and the achievement of ADS objectives.

#### **Issue 4.3 Support of industry interests**

Actions:

- DEW will investigate establishment of an industry stewardship programme for the ADS area to provide opportunities to best achieve ecologically sustainable development in collaboration with each other and with government.

#### **Issue 4.4 Protection of indigenous values in the area**

Actions:

- Work with Kaurna to ensure ADS information reflects Kaurna culture accurately and appropriately.
- Work with Kaurna to ensure activities of the ADS respect and nurture Kaurna cultural values.
- Ensure Kaurna are consulted and views reflected in the review of the ADS Management Plan.

#### **Issue 4.5 Support for tourism activities**

Actions:

- Liaise with existing operators to assess the current cumulative impact of activities and work with operators to develop appropriate ADS interpretative material.
- Work with operators and the public to ensure understanding of the *National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010* and support compliance with these Regulations.
- Support the growth of sustainable nature based tourism within the ADS to ensure activities are compatible with all ADS objectives.

**Objective 5 - 'Public awareness of the importance of a healthy Port Adelaide River estuary and Barker Inlet to the economic, social and cultural prosperities of the local communities, and the community more generally, is to be promoted'** *Adelaide Dolphin Sanctuary Act Section 8(1)(e)*

#### **Issue 5.1 Supply of informative, timely and accessible information about the ADS**

Actions:

- DEW will work with relevant government agencies, including PIRSA Fisheries, DPTI and EPA, to ensure consistent delivery of messages.
- DEW will continue to support the Junior Dolphin Ranger Programme and distribute ADS interpretative materials.
- DEW will work with stakeholders to maximise communication opportunities with relevant government agencies.

#### **Issue 5.2 ADS Sign Strategy**

Actions:

- DEW will investigate further opportunities to implement additional stages of the ADS sign strategy and update interpretive signage at key locations.

**Objective 6 - ‘The principles of ecological sustainable development in relation to the use and management of the Port Adelaide River estuary and Barker Inlet are to be promoted’** *Adelaide Dolphin Sanctuary Act Section 8(1)(f)*

**Issue 6.1 Promote the implementation of economically sustainable development (ESD) principles with local industries and new developments**

Actions:

- In conjunction with other agencies, DEW will work with new and existing industries to support the achievement of ESD principles.
- Prepare industry specific ADS information as required.

***Climate Change and Greenhouse Emissions Reduction Act 2007***

**20—Administrative unit report**

(1) The annual report of the Minister's department must include a report on work undertaken within the department in relation to the development of climate change policy and related initiatives.

(2) The Chief Executive of the Minister's department must consult with the Premier's Climate Change Council in connection with the preparation of the report required under subsection (1).

Refer to the pages 15 to 16 for work undertaken in relation to:

- Premier's Climate Change Council
- Climate Change Policy and Programs
- Carbon farming projects in South Australia
- Carbon Neutral Adelaide
- Building Upgrade Finance
- International and National Engagement

***Crown Land Management Act 2009***

**Section 25 – Disposal by transfer or grant of fee simple**

(3) If, during a financial year, the Minister—

(a) disposes of Crown land other than by public auction, public tender or other open competitive process on the basis that he or she is satisfied that special circumstances exist in accordance with subsection (1)(f); or

(b) disposes of Crown land for less than the market value of the Crown's interest in the land or for no consideration on the basis that he or she, and the Treasurer, are satisfied that special circumstances exist in accordance with subsection (2)(d),

the Minister must ensure that details of the disposal (including a description of the land, the market value of the Crown's interest in the land and the consideration, if any, for the disposal) are set out in the annual report presented by the Department to the Minister under the *Public Sector Act 2009* in relation to that financial year.

**PERPETUAL LEASES**

A number of perpetual leases still exist within the State. The Report of the Select Committee on the *Crown Lands (Miscellaneous) Bill 2002* recommended that these leases 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:

<b>Single perpetual lease</b>	\$6,000 or twenty times the annual rent, whichever is the greater, except where a lower purchase price is fixed PLUS documentary fees.
<b>Multiple perpetual leases</b>	\$6,000 for up to four 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.
<b>War service</b>	The purchase price nominated in the lease (or portion commensurate with the area for a partial surrender) PLUS documentary fees.
<b>Waterfront land</b>	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 a Certificate of Title in this manner:

<b>LAND DESCRIPTION</b>	<b>MARKET VALUE*</b>	<b>CONSIDERATION</b>
Sections 701 & 901 Berri Irrigation Area	\$145,000	\$6,281
Sections 777 & 778 Hundred of Bookpurnong	\$81,000	\$4,725
Section 53 Hundred of Kelly	\$54,000	\$6,000
Sections 43 44 63 76 77 79 & 80 Hundred of Townsend	\$2,550,000	\$6,000
Section 281 Hundred of Conmurra and Section 135 Hundred of Ross	\$1,200,000	\$22,994
Section 536 Hundred of Penola	\$89,000	\$15,110
Section 839 Hundred of MacDonnell	\$1,150,000	\$14,996
Sections 440 & 441 Hundred of Eurelia	\$1,200	\$6,000
Sections 43 57 59 60 72 73 78 163 165 167 168 276 & 277 Hundred of Oladdie	\$303,500	\$9,600
Sections 312 313 & 314 Hundred of Walloway	\$17,500	\$6,000
Sections 98 121 237 245 270-281 296 & 297 Hundred of Coomooroo	\$107,300	\$7,200
Section 24 Hundred Panitya	\$172,000	\$6,000

\* Note: the nominated Market Value was taken from the Valuer-General's site value as at June 2018.

Under amendments to the *Crown Land Management Act 2009* via the *Statutes Amendment and Repeal (Simplify) Act 2017*, perpetual lease freeholdings are undertaken using specific sections [25(1)(cb) and 25(2)(ab)] rather than the special circumstances provisions. The above table identifies the freeholdings that were approved prior to these amendments.

The following parcels were sold, without a market process, at market value determined by the Valuer General, to facilitate the development of a tourist cabin park in Port Augusta, as the Minister determined that special circumstances existed.

LAND DESCRIPTION	TOTAL MARKET VALUE*	CONSIDERATION**
Allotment 51 and portions of Allotments, 50 and 52 in Deposited Plan 93846	\$480,000	\$480,000

The following parcels were sold, without a market process, at market value determined by the Valuer General, due to significant improvements being erected on the land and insufficient survey data in the area as the Minister determined that special circumstances existed.

LAND DESCRIPTION	TOTAL MARKET VALUE*	CONSIDERATION**
Sections 345 and 346, Hundred of Cadell	\$233,500	\$233,500

The following parcels were sold, without a market process, at less than market value, directly to the National Trust as the Minister and Treasurer determined that special circumstances existed.

LAND DESCRIPTION	TOTAL MARKET VALUE*	CONSIDERATION**
Allotment 31 in the Town of Burra	\$42,000	\$0
Allotments 19, 20, 29 and 30 in the Town of Burra	\$77,000	\$0
Section 3530 in Hundred of Koorunga	\$49,000	\$0
Allotment 91 FP 207085	\$78,000	\$0
Allotment 200 in the Town of Wallaroo	\$340,000	\$0
Allotment 130 DP 27663	\$275,000	\$0
Allotment 142 in the Town of Port Pirie	\$48,000	\$0
Allotment 26 in the Town of Port Pirie	\$162,000	\$0
Allotment 88 in the Town of Penneshaw	\$225,000	\$0
Section 195 in the Hundred of Nuriootpa	\$126,000	\$0
Section 5681 in the Hundred of Yatala	\$520,000	\$0



Allotment 5 DP 35322	\$55,000	\$0
Allotment 301 DP 51777	\$80,000	\$0
Allotment 222 in the Town of Naracoorte	\$62,000	\$0
Section 284 and 288 in the Hundred of Bonython	\$130,000	\$0
Section 338 in the Hundred of Hutchison	\$97,000	\$0
Allotment 109 DP 25739	\$35,000	\$0
Allotment 101 DP 29469	\$380,000	\$0
Allotments 139 and 140 DP 1691	\$180,000	\$0

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

Portion of the following land parcel was sold, without a market process, at less than market value to Michael Dean Shepley for no consideration, as part of a land swap with the Crown for protected area purposes as the Minister and Treasurer determined that special circumstances existed.

LAND DESCRIPTION	TOTAL MARKET VALUE*	CONSIDERATION**
Portion of A101 in D95664, being 14.68 hectares of that land parcel.	\$18,650	\$0

### ***National Parks and Wildlife Act 1972***

#### **13—Information to be included in annual report**

(1) The annual report of the Department must include the following information:

- (a) the aggregate amount of fees paid for entrance to reserves during the relevant year; and
- (b) the aggregate amount paid pursuant to leases, licences and other agreements referred to in section 35 during the relevant year; and
- (c) the aggregate amount of fees and other charges paid for camping and other accommodation on reserves during the relevant year; and
- (d) the aggregate amount paid for guided tours during the relevant year.

Aggregated totals of park revenue for 2017-18 are categorised below:

Admissions and guided tours	\$ 9,391,421
Property rental and related income	\$ 1,249,177
Sale of goods	\$ 2,495,498
Camping, accommodation, parking and hire fees	\$ 1,944,503
Levies, Licences and other*	\$ 658,229
Total park revenue	\$15,738,828

\*Please note that this includes the Cleland bequest of \$556,917

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

## **River Murray Act 2003**

### **10—Annual report**

- (1) The Minister must on or before 30 September in each year prepare a report on the operation of this Act for the financial year ending on the preceding 30 June.
- (2) The report must include—
  - (a) information on the implementation of this Act (taking into account the provisions of the Implementation Strategy); and
  - (b) information on the extent to which the objects of this Act and the ORMs are being achieved; and
  - (c) reports on the following matters for the relevant financial year:
    - (i) the referral of matters to the Minister under any related operational Act; and
    - (ii) the enforcement of the general duty of care; and
    - (iii) action taken by the Minister or an authorised officer under Part 8.

### **River Murray – Compliance operations 2017-18**

DEW has continued routine compliance operations throughout the year.

A number of minor reports of unlawful constructions and riverbank clearance were satisfactorily resolved by warning and education. With the aim to minimise unauthorised incidents, the Crown Lands Program continues to work proactively with local government to educate staff members and residents on what constitutes illegal activity. Two incidents in 17/18 required assistance from the Department's Compliance Unit. An Authorised Officer attended Crown land at Ponde, near Mannum, in relation to continued unauthorised occupation of Crown Land and a breach of the licensee's licence terms and conditions. Secondly, the Department's Compliance Unit provided notice to a group of individuals who were illegally camping on Crown land at Thiele's Sandbar near the Township of Loxton and in breach of section 61 of the Crown Land Management Act 2009. This was a joint effort involving District Council of Loxton Waikerie, Housing SA, SA Murray-Darling Basin and SAPOL.

The DEW River Murray Operations Branch incorporates an Infrastructure Operations Unit whose role is to operate structures and maintain banks, regulators, waste disposal stations and other assets. The group provides some passive and active monitoring of infrastructure sites operated under the *River Murray Act 2003*. While the team does not engage in direct compliance activities, its operations and maintenance functions contribute to the achievement of multiple environmental and water management goals under the Murray-Darling Basin Plan and other legislation.

### **RIVER MURRAY – DEVELOPMENT CONTROL 2017-18**

Ensuring development in the River Murray Protection Areas complied with the objects of the *River Murray Act 2003* was undertaken by providing advice and direction on 403 development applications under delegation from the Minister for Environment and Water. Input to eight development plan amendment was also provided under delegation from the Minister.

### **Referral of matters under the related operational Acts**

In 2017-18 there were 474 statutory referrals made to the Minister for Environment and Water with the majority of referrals made through the *Development Act 1993* (the Development Act) (refer to the table on the following page).

Referrals were received for statutory authorisations including applications proposing the construction of buildings and structures, earthworks, land division, mining exploration and

leases, aquatic activity licences and exemptions to provisions of the *Fisheries Management Act 2007*. A smaller number of statutory instruments were also referred, including Development Plan Amendments (DPAs) under the Development Act.

**Referral of matters under related operational Acts:**

Act	Statutory Authorisations	Statutory Instruments
Development Act 1993	403	3
Mining Act 1971	12	0
Petroleum and Geothermal Energy Act 2000	1	0
Harbors and Navigation Act 1993	38	0
Fisheries Management Act 2007	20	0
Total	474	3

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

**Referrals under the *Development Act 1993***

Statutory Authorisations

A range of applications for statutory authorisations were referred to the Minister for Environment and Water including buildings (e.g. dwellings or sheds), river structures (e.g. jetties, pontoons, mooring posts, and boat ramps), earthworks within the floodplain, activities requiring River Murray water (e.g. irrigation, feedlots, or aquaculture) and land divisions. All referrals were assessed against the *River Murray Act 2003* Objectives(s) for a healthy River Murray (ORMs) and Objects.

All development referrals in 2017-18 were mandatory referrals under Schedule 8 of the *Development Regulations 2008*. All were addressed within the statutory time frame of eight weeks.

In addition, a number of non-mandatory referrals were made to the Minister for Environment and Water. In these instances, recommendations were provided to the referring body for consideration in their decision-making process.

Applications received were initially reviewed to examine any key issues and decide whether specific advice would be required. Where required, advice on the referrals was sought from a range of specialist staff and groups within DEW and other agencies as part of the one-stop-shop service (refer to the table on the following page). This advice resulted in referrals being examined in relation to their impact on a range of natural resource assets, for example water resources, environmental flows, vegetation and cultural heritage.

**Referrals under the *Development Act 1993*:**

Group/Agency	Percentage of applications referred (approx.)
Aboriginal Heritage (DPC)	76
Crown Lands (DEW)	24
Marine Transport Safety (DPTI)	14

Native Vegetation (DEW)	8
Water Licensing (DEW)	5
State Heritage & Historic Shipwrecks (DEW)	7
Natural Resources SAMDB (DEW)	4
Coast Protection (DEW)	1
Other (e.g. DEW Hazards, RM Operations)	1
No internal referrals required	14

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

Applicants were also advised of their obligations under other legislation including the *Crown Land Management Act 2009*, the *Natural Resources Management Act 2004*, the *Native Vegetation Act 1991*, the *Coast Protection Act 1972*, the *Heritage Places Act 1993*, the *Historic Shipwrecks Act 1981*, the *Aboriginal Heritage Act 1988*, the *Environment Protection Act 1993*, the *Harbors and Navigation Act 1993* and the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

For the majority of mandatory referrals, conditions were attached to the approval. The conditions generally required, as a minimum, that during works, the site be appropriately maintained, that waste material be properly contained and disposed of, and that the potential for erosion and sedimentation of water resources be minimised through responsible stormwater management.

The majority (90 percent) of mandatory referrals during 2017-18 related to activities occurring within the River Murray Floodplain Area. Ten percent of mandatory referrals related to activities within the River Murray Tributaries Area, while no referrals were received pertaining to activities outside of those areas but within the Murray-Darling Basin.

#### Statutory Instruments

A number of statutory instruments relating to the *Development Act 1993* were referred in 2017-18 to the Minister for Environment and Water as required under Section 24(3) of the *Development Act 1993*. This included three DPAs relating to land within the SA Murray-Darling Basin region. Such instruments are important in determining future land use, with proposals scrutinised to ensure that any changes of land use were appropriate in the context of the *River Murray Act 2003* River Health Objectives. DEW provided responses (including recommendations and comments) for the Minister for Planning's approval.

This assessment is subsequent to earlier assessment by DEW at the Statement of Intent stage and the Agency Consultation stage of the DPA process. Relevant matters are typically addressed in the earlier referrals. The assessment at the final stage acts as an important final check to ensure that the *River Murray Act 2003* Objectives for a healthy River Murray and Objects are not compromised.

#### **Referrals under the *Mining Act 1971* and *Petroleum and Geothermal Energy Act 2000***

A total of 12 mining applications were referred in 2017-18 including exploration licences and mining leases in accordance with the *Mining Act 1971*, while one statement of environmental objectives was referred in accordance with the *Petroleum and Geothermal Energy Act 2000*. In all instances, advice was provided to applicants regarding their obligations on matters such as water use and native vegetation.

### **Referrals under the *Harbors and Navigation Act 1993***

A total of 38 Aquatic Activity Licence applications were referred in 2017-18 in accordance with the regulations of the *Harbors and Navigation Act 1993*. Activity licences typically included closing off part of the river for special activities such as regattas, and wakeboarding and water skiing competitions. The role of the referral process in this respect is to provide education regarding relevant responsibilities to the organisers and the public for protecting the river.

### **Referrals under the *Fisheries Management Act 2007***

The Minister for Primary Industries and Regional Development must consult with the Minister for Environment and Water prior to issuing a licence, permit, or an exemption from the requirement for a licence under the *Fisheries Management Act 2007* for activities that relate to waters within the River Murray system. In 2017-18, 20 such matters were referred in relation to projects conducted for research, scientific, or conservation purposes that were found to further the Objectives for a healthy River Murray and Objects of the *River Murray Act 2003*.

## ***Wilderness Protection Act 1992***

### **7—Annual report**

- (1) The Minister must cause a report to be prepared annually setting out the following information:
  - (a) the names and locations of the wilderness protection areas and wilderness protection zones constituted under this Act and the extent to which the wilderness criteria are met by each area and zone; and
  - (b) the name or some other identification of the former reserves or parts of reserves that have been constituted as wilderness protection areas or zones; and
  - (c) the extent of mining operations in wilderness protection zones; and
  - (d) information as to the management of wilderness protection areas and zones and particulars of any activities to restore land and its ecosystems to their condition before European colonisation; and
  - (e) a list of management plans adopted under this Act; and
  - (f) the portions (if any) of wilderness protection areas or zones that the Minister has declared to be prohibited areas and the reasons for making those declarations; and
  - (g) an account of money received and expended in relation to the management of wilderness protection areas and wilderness protection zones; and
  - (h) in the case of wilderness protection zones, an account of the royalties (if any) received in respect of the mining tenements in force in those zones and the money expended in administering those mining tenements by an administrative unit of the Public Service.
- (2) The report must include a copy of the Wilderness Code of Management in force under Division 3.

The following report is provided in accordance with section 7 of the *Wilderness Protection Act 1992*.

**The names and locations of the wilderness protection areas and wilderness protection zones constituted under this Act and the extent to which the wilderness criteria are met by each area and zone.**

Billiatt Wilderness Protection Area

*Location*

The Billiatt Wilderness Protection Area, proclaimed on 24 July 2008, covers an area of 59,125 hectares comprising Sections 13 and 26-28, Hundred of Auld, Sections 14-16, 18, 19 and 21-30, Hundred of Billiatt, and Sections 42-45, 48, 49 and 53, Hundred of Kingsford. The wilderness protection area was excised from the Billiatt Conservation Park and is located approximately 30 kilometres north of Lamerloo.

*Wilderness Quality*

Billiatt is a key component of a biological corridor connecting mallee areas in southern and eastern Australia. The area consists of large sand dunes dominated by mallee vegetation and open shrub land, which is in a relatively undisturbed condition and provides habitat for the fauna of the Murray Mallee Region. It also provides habitat for a number of nationally threatened birds.

Cape Bouguer Wilderness Protection Area

*Location*

Cape Bouguer Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 5,300 hectares comprising Allotment 150 of DP 38341, excised from the Kelly Hill Conservation Park. The area is on the southern coast of Kangaroo Island approximately 65 kilometres south-west of Kingscote.

*Wilderness Quality*

The area is significant for its expanse of untracked native vegetation, and for its biological diversity. The coastal landscape, with its unspoilt sweeping bays, is scenically outstanding. Wilderness quality is recorded as high over the entire area, except in the south-western corner where the only evidence of modern technology is the Kangaroo Island Wilderness Trail that connects Hanson Bay with Kelly Hill Caves. This trail provides an opportunity for visitors to observe native flora and fauna, access the coast and experience the wilderness. Management policies under the Act ensure that public use of the track is compatible with the protection of the wilderness quality of the environment.

Cape Gantheaume Wilderness Protection Area

*Location*

Cape Gantheaume Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 20,100 hectares comprising Section 52, Hundred of Seddon, Sections 66-67, 100-101 Hundred of Macgillivray, Sections 258, 277-279 and 375, Hundred of Haines. The area was excised from the Cape Gantheaume Conservation Park and is located on the southern coast of Kangaroo Island approximately 35 kilometres south-west of Kingscote.

*Wilderness Quality*

The area is prime coastal wilderness with high ecological and aesthetic integrity. It is undulating country that has an excellent cover of mallee vegetation and diverse coastal landscapes with high scenic and habitat value. Wilderness quality is evaluated as high in all of the wilderness protection area except for a narrow strip on the east coast where it is

affected to a minor extent by the presence of a rough track along the eastern coastline. The management provisions of the Act will ensure that the impacts of this track on wilderness quality will be minimised. There is no evidence elsewhere in the wilderness protection area of the impacts of modern technology and no feral animals or pest plants have been recorded.

#### Cape Torrens Wilderness Protection Area

##### *Location*

Cape Torrens Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 940 hectares comprising Sections 10 and 12, Hundred of Borda, and Allotment 100 of Deposited Plan 31584, formerly the Cape Torrens Conservation Park. The area is located on the north-western coast of Kangaroo Island, eight kilometres west of Western River Wilderness Protection Area, and approximately 12 kilometres east of Cape Borda.

##### *Wilderness Quality*

The area is outstanding for the biological integrity of its native forest and woodland, and for its wild coastal scenery. It also contains habitat for the endangered Glossy Black Cockatoo. The wilderness quality of Cape Torrens Wilderness Protection Area is recorded as high, as it is undisturbed by structures and impacts of modern technology. There are no internal tracks and the vegetation is virtually pristine.

#### Danggali Wilderness Protection Area

##### *Location*

The Danggali Wilderness Protection Area, proclaimed on 28 May 2009, covers an area of 202,815 hectares comprising Sections 729 and 730, Out of Hundreds (Chowilla), and Allotment 100 of Deposited Plan 78460. The Wilderness Protection Area was excised from the Danggali Conservation Park and is located on the western edge of the Murray Darling Basin approximately 70 kilometres north of Renmark.

##### *Wilderness Quality*

As part of one of the largest relatively intact natural areas in the southern pastoral zone of Australia, the wilderness quality within Danggali substantially contributes as a core protected area. The large size and relatively undisturbed condition of the Wilderness Protection Area provides highly significant habitat for the fauna of the Danggali area. In particular Danggali has a rich diversity of bats, with 10 species having been recorded.

#### Hambidge Wilderness Protection Area

##### *Location*

Hambidge Wilderness Protection Area, proclaimed on 30 September 2004, is located on the Eyre Peninsula, approximately 140 kilometres from Port Lincoln and 15 kilometres from Lock. The 37,890 hectare reserve was originally Hambidge Conservation Park under the *National Parks and Wildlife Act 1972*. The reserve comprises Section 7, Hundred of Hambidge, Section 35, Hundred of Palkagee, and Section 364, Out of Hundreds (Kimba).

##### *Wilderness Quality*

This area comprises an extensive system of parallel dunes with ridges (6 to 12 metres in height) running north west to south east. Clay pans are scattered throughout the inter-dunal area. Vegetation comprises a low mallee scrub association dominated by *Eucalyptus dumosa*, *E. socialis*, *E. oleosa*, *E. incrassata*, *E. calycogona*, *Melaleuca uncinata*, and *M. lanceolata* with an understorey comprising *Santalum acuminatum*, *Triodia*, *Hibbertia*, *Rinzia*, *Boronia* and *Dodonaea* species. The area is home to a wide variety of mallee birds, including the endangered malleefowl, vulnerable blue-winged

parrot, and the rare shy heathwren. Visitors occasionally enter the reserve to visit Prominent Hill.

#### Hincks Wilderness Protection Area

##### *Location*

Hincks Wilderness Protection Area, proclaimed on 30 September 2004, is located on the Eyre Peninsula, approximately 85 kilometres from Port Lincoln and 30 kilometres from Lock. The 66,650 hectare reserve was excised from the Hincks Conservation Park and comprises Sections 2 and 3, Hundred of Hincks, Sections 11-14, Hundred of Nicholls, Sections 46-48, Hundred of Tooligie, Section 25, Hundred of Murlong, and Section 365, Out of Hundreds (Kimba).

##### *Wilderness Quality*

Originally set aside as a flora and fauna reserve in 1941, it is one of the largest expanses of mallee on Eyre Peninsula. Over 450 species of vascular plants have been recorded within the wilderness protected area, including at least 35 orchids. Of these 450 plant species, four are listed as vulnerable and a further 24 as rare in South Australia under the *National Parks and Wildlife Act 1972*. The wilderness protection area is dominated by mallee, with a small portion covered by forest, woodland, or shrubland. Visitors occasionally travel through the reserve or camp on the North-South Track.

#### Investigator Group Wilderness Protection Area

##### *Location*

Investigator Group Wilderness Protection Area, proclaimed on 25 August 2011, is a series of islands located off the west coast of South Australia, between 25 and 70 kilometres south-west of Elliston township. The 440 hectare reserve was originally part of the Investigator Group Conservation Park under the *National Parks and Wildlife Act 1972*. The reserve comprises Ward Islands, Top-Gallant Isles, Pearson Isles, Veteran Isles and Dorothee Island, all to the low water mark. Of this land, the Investigator Group Wilderness Protection Area excludes Allotment 1 of Deposited Plan 19499 out of Hundreds (Elliston) (Pearson Isles), which is land held by Australian Maritime Safety Authority for lighthouse purposes.

##### *Wilderness Quality*

Investigator Group Wilderness Protection Area has a high degree of intactness, free from the human impacts associated with land clearing and introduced plants and animals. It contains important haul-out areas for the Australian sea lion and New Zealand fur seal. Notable birds found on the islands include white-faced storm petrels, cape barren geese and mutton birds which breed on the island. In particular, the Pearson Island Black-footed Rock-wallaby is of conservation significance.

#### Memory Cove Wilderness Protection Area

##### *Location*

Memory Cove Wilderness Protection Area, proclaimed on 30 September 2004, is located on the Eyre Peninsula, approximately 25 kilometres south of Port Lincoln. The 8,940 hectare reserve extends to low water mark and includes Little Island, Lewis Island, Hopkins Island, Smith Island and Williams Island. It was formerly part of the Lincoln National Park. The reserve comprises the following parcels of land:

- Sections 6, 12, 13, 22 and 23, Hundred of Flinders;
- Allotments 1, 2, 4 and 6 of Deposited Plan 64397, Hundred of Flinders;
- Allotment 102 of Deposited Plan 64387, Out of Hundreds (Lincoln);



- Sections 873 (Little Island), 874 (Lewis Island), 875 (Smith Island), and 876 (Hopkins Island), Out of Hundreds (Lincoln);
- Allotments 17, 18, 19, and 21 of Deposited Plan 35926, Out of Hundreds (Lincoln); and
- Allotment 2 of Deposited Plan 19500 (Williams Island), Out of Hundreds (Lincoln).

#### *Wilderness Quality*

Over 210 species of native flora have been recorded within Memory Cove Wilderness Protection Area, including seven species of conservation significance. The reserve also has a significant cultural history. Prior to European settlement two groups of Aboriginal people, the Barngarla and the Nauo groups, occupied the area. In 1802, Matthew Flinders sailed the coast in the Investigator, and during this expedition seven of his crew and the ship's master drowned when their cutter capsized during their search for fresh water. Entry to Memory Cove Wilderness Protection Area is regulated by a locked gate within the adjoining Lincoln National Park. A maximum of 15 vehicles per day are permitted entry. Yachts and boats regularly anchor in the sheltered waters at Memory Cove and Williams Island and recreational fishing is often undertaken at Memory Cove Wilderness Protection Area. Camping is permitted at the camp ground.

#### Nullarbor Wilderness Protection Area

##### *Location*

Nullarbor Wilderness Protection Area, proclaimed on 6 June 2013, is located in the far west of South Australia, adjacent to the State's border with Western Australia. The 894,245 hectare reserve was originally part of the Nullarbor National Park and Nullarbor Regional Reserve under the *National Parks and Wildlife Act 1972*. The reserve comprises Pieces 32-37 in Deposited Plan 113589, Allotment 21 of Deposited Plan 89720 and Allotment 10 of Deposited Plan 31597.

##### *Wilderness Quality*

Nullarbor Wilderness Protection Area protects the iconic Nullarbor Plain, with its open flat plains and spectacular Bunda Cliffs. When connected to the Great Australian Bight Marine Park, it creates a land and sea conservation estate of global significance. The reserve also conserves one of the world's largest semi-arid karst environments and provides habitat for around 230 species of plant and 180 species of animal, including threatened species such as the slender-billed thornbill, Australian bustard and Nullarbor daisy. The Nullarbor has long been a popular tourist destination, providing opportunities to experience the overland journey of southern Australia and to observe migrating whales in the Great Australian Bight.

#### Nuyts Archipelago Wilderness Protection Area

##### *Location*

Nuyts Archipelago Wilderness Protection Area, proclaimed on 25 August 2011, is located off the west coast of South Australia, between 20 to 75 kilometres west of Ceduna township. The 2,460 hectare reserve comprises the former Isles of St. Francis Conservation Park and part of Nuyts Archipelago Conservation Park, proclaimed under the *National Parks and Wildlife Act 1972*, and several islands (Evans, Lilliput and Blefuscu Islands) that were unalienated Crown land. The reserve comprises Purdie Islands, Lound Island, Goat Island, Lacy Islands, Evans Island, Lilliput Island, Franklin Islands, Blefuscu Island, Egg Island, Freeling Island, Smooth Island, Dog Island, West Island, St Francis Island, Masillon Island, Fenelon Island and Hart Island, all to the low water mark. Of this land, the Nuyts Archipelago Wilderness Protection Area excludes Allotment 1 of Deposited Plan 19501, Out of Hundreds (Nuyts) (Evans Island) and Section 220, Out of Hundreds (Nuyts) (St Francis Island), which is land held by the Australian Maritime Safety Authority for lighthouse purposes.

*Wilderness Quality*

Nuyts Archipelago Wilderness Protection Area provides important island habitat for species such as the Stick-Nest Rat and Brush-Tailed Bettong (which are part of re-introduction programs) and species such as the carpet python and the Nuyts Archipelago subspecies of the southern brown bandicoot. Other notable species breeding on the island include the Australian sea-lion and muttonbirds. The islands' remoteness from the mainland provides an important and secure refuge for vulnerable wildlife and small mammals free from introduced predators.

Ravine des Casoars Wilderness Protection Area*Location*

The Ravine des Casoars Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 41,360 hectares comprising Section 11, Hundred of Borda, Section 64, Hundred of Gosse, and Allotments 50 and 52 of Deposited Plan 38340. The Wilderness Protection Area was excised from the Flinders Chase National Park and is located at the north-western end of Kangaroo Island, approximately 35 kilometres west of Parndana, the nearest town, and approximately 70 kilometres west of Kingscote.

*Wilderness Quality*

The lack of access within the wilderness protection area has allowed the extensive woodlands and forests to remain largely undisturbed. The area contains several complete natural drainage systems, from watershed to their discharge at sea. Wilderness quality is recorded as high over the entire area except where it is reduced in a narrow north-south band by the presence of Shackle Road, an unsealed public access road. The vegetation is biologically intact and many endemic plants are present.

Western River Wilderness Protection Area*Location*

Western River Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 2,470 hectares comprising of Sections 8, 47, 51, 65 and 66, Hundred of Gosse, and Allotment 1 of Deposited Plan 31609. It was formerly the Western River Conservation Park. The area is located on the north-western coast of Kangaroo Island, approximately 65 kilometres west of Kingscote and 30 kilometres north-west of Parndana.

*Wilderness Quality*

While there are some relatively minor impacts of modern technology, the area has distinctive wilderness attributes and warrants protection and restoration in accordance with the provisions of the Act. In addition to its rugged terrain and high coastal cliffs that are characteristic of the northern coast of Kangaroo Island, Western River Wilderness Protection Area is highly valued for the presence of habitat for the endangered Glossy Black Cockatoo. Plant species diversity is high and the vegetation exhibits a wide cross-section of Kangaroo Island vegetation. Few exotic plants occur in the wilderness protection area and these are largely confined to perimeter and internal access tracks. Management policies under the Act require that exotic plants and animals are controlled or eradicated and that management is directed towards enhancement of wilderness quality.

Yellabinna Wilderness Protection Area*Location*

Yellabinna Wilderness Protection Area, proclaimed on 11 August 2005, is located approximately 110 kilometres north of Ceduna along Goog's Track. The approximately 500,700 hectare reserve was originally part of Yellabinna Regional Reserve, under the *National Parks and Wildlife Act 1972*. The reserve comprises Allotment 101, of Deposited Plan 67929.

### Wilderness Quality

Yellabinna Wilderness Protection Area forms a link between vegetation communities in south-eastern Western Australia and Eyre Peninsula in South Australia. Yellabinna Wilderness Protection Area contains a variety of woodland and shrubland communities dominated by Eucalyptus or Acacia species on dunes and swales and more diverse communities associated with isolated rocky outcrops. These communities support over 350 native plant species and 120 native fauna species, including a number of threatened species such as the Mt Finke grevillea, desert greenhood and malleefowl. The enhanced protection of the reserve may encourage recreational activities such as camping, bush walking and wildlife observation.

Figure 1: The location of wilderness protection areas within South Australia



**The name or some other identification of the former reserves or parts of reserves that have been constituted as wilderness protection areas or zones**

<b>Wilderness Protection Area</b>	<b>Former Reserve</b>
Billiatt Wilderness Protection Area	Billiatt Conservation Park (part)
Cape Bouguer Wilderness Protection Area	Kelly Hill Conservation Park (part)
Cape Gantheaume Wilderness Protection Area	Cape Gantheaume Conservation Park (part)
Cape Torrens Wilderness Protection Area	Cape Torrens Conservation Park
Danggali Wilderness Protection Area	Danggali Conservation Park (part)
Hambidge Wilderness Protection Area	Hambidge Conservation Park
Hincks Wilderness Protection Area	Hincks Conservation Park (part)
Investigator Group Wilderness Protection Area	Investigator Group Conservation Park (part)
Memory Cove Wilderness Protection Area	Lincoln National Park (part)
Nullarbor Wilderness Protection Area	Nullarbor National Park (part) Nullarbor Regional Reserve (part)
Nuyts Archipelago Wilderness Protection Area	Nuyts Archipelago Conservation Park (part) Isles of St. Francis Conservation Park
Ravine des Casoars Wilderness Protection Area	Flinders Chase National Park (part)
Western River Wilderness Protection Area	Western River Conservation Park
Yellabinna Wilderness Protection Area	Yellabinna Regional Reserve (part)

**The extent of mining operations in wilderness protection zones**

There are currently no wilderness protection zones declared within South Australia under the *Wilderness Protection Act 1992*. Accordingly, no mining operations occurred.

**Information as to the management of wilderness protection areas and zones and particulars of any activities to restore land and its ecosystems to their condition before European colonisation**

Wilderness Protection Areas (WPA) are managed in accordance with the Wilderness Code of Management (Appendix 1). Below is a summary of management activities on wilderness protection areas.

Kangaroo Island Region

- Maintenance of facilities at Harveys Return Campground in Ravine des Casoars WPA.
- Gazettal of season closures of parts of Cape Gantheaume WPA and Cape Torrens WPA to protect coastal raptor breeding refuges.
- Maintenance of KI Wilderness Trail within Cape Bouguer WPA.
- Prescribed burning planning, fire management, track and trail assessment and mechanical hazard reduction.
- Patrols of Cape Gantheaume WPA and Western River WPA.
- Trapping for KI Dunnart using Elliott traps, pitfall traps and camera traps in Ravine des Casoars WPA. In addition baited camera traps.

- Visitor and compliance monitoring programs in Ravine des Casoars WPA.
- Completion of KI feral goat eradication & Judas goats. Deer eradication and camera trapping in Western River WPA.
- Australian Sea Lion survey within Cape Gantheaume WPA.
- Hooded Plover surveys on beaches on KI, including within Ravine des Casoars WPA, Cape Bouguer WPA and Cape Gantheaume WPA.

#### Eyre Peninsula and Alinytjara Wilurara Regions

##### *Nullarbor WPA*

- Buffel grass inspections and control.
- Sandalwood monitoring and mapping; contracted to Ceduna Aboriginal Corporation and Phil Landless a private pest controller.
- Visitor access management strategic plan site visit.

##### *Yellabinna WPA*

- Sandalwood monitoring and mapping.
- Buffel Grass inspections; no control required.
- Visitor access management planning and site assessment field trip.

##### *Memory Cove WPA*

- 2 ground based fox baiting applications and 2 aerial fox bait drops were carried out.

##### *Investigator Group WPA (Pearson Island)*

- Monitoring of sea lion pup production, mapping of island using Remotely Piloted Aircraft (RPA) technology.

##### *Nuyts Archipelago WPA (Nuyts Reef, Lounds Island, Breakwater Reef, Gliddon Reef)*

- Monitoring of sea lion pup production, mapping of islands using RPA technology.

Two wilderness protection areas are covered by co-management agreements between the Minister and the Far West Coast Aboriginal Corporation. In this reporting period, the Nullarbor Parks Advisory Committee and the Yumbarra Conservation Park Co-management Board, which has an advisory role over Yellabinna Wilderness Protection Area, continued the development of management plans for these parks and reserves.

#### South Australia Murray-Darling Basin Region

- Following up feral goat management in past years at Danggali WPA; goat browse impact monitoring was undertaken. Subsequent data analysis shows a corresponding reduction in the impact of feral goats on native vegetation, including plant species particularly palatable to goats.
- To protect the legacy of this threat abatement program, a review was conducted into the status of the remaining pastoral water points on the Danggali WPA and neighbouring conservation reserves. This will contribute to a landscape scale strategy to increase the resilience of the Wilderness Area against future feral goat infestations by returning surface water availability to a natural state.
- In response to an alarming drop in reporting rates of the Striated Grasswren *Amytornis striatus* in the South Australian mallee, large scale surveys were undertaken across their habitat in Danggali WPA and surrounds. Some patches of very good quality habitat supporting strong populations of the grasswren were found in the WPA.
- Fire break maintenance included around 300km of spot spraying rolled fire tracks in Danggali WPA.

- To monitor for any impacts to the WPA's a reconnaissance flight was undertaken. This included looking for pest animals over Billiatt WPA to determine if a control program was required. Minimal numbers of goats were detected.
- Infrastructure maintenance included some signage replacements and interpretation updates within Billiatt WPA.
- An infestation of *Gazania*s was removed from the periphery of Billiatt WPA.

#### **A list of management plans adopted under this Act**

<b>Wilderness Protection Area</b>	<b>Status of Management Plan</b>	<b>Adopted in</b>
Billiatt Wilderness Protection Area	Adopted	2011
Cape Bouguer Wilderness Protection Area	Adopted	2000, amended 2017
Cape Gantheaume Wilderness Protection Area	Not yet available	
Cape Torrens Wilderness Protection Area	Adopted	2006
Danggali Wilderness Protection Area	Adopted	2011
Hambidge Wilderness Protection Area	Adopted	2007
Hincks Wilderness Protection Area	Adopted	2007
Investigator Group Wilderness Protection Area	Not yet available	
Memory Cove Wilderness Protection Area	Adopted	2005
Nullarbor Wilderness Protection Area	In development	
Nuyts Archipelago Wilderness Protection Area	Not yet available	2006
Ravine des Casoars Wilderness Protection Area	Adopted	2000, amended 2017
Western River Wilderness Protection Area	Adopted	2006
Yellabinna Wilderness Protection Area	Adopted (New plan in development)	2013

During the reporting period, draft management plans covering Nullarbor Wilderness Protection Area and Yellabinna Wilderness Protection Area were released for consultation. The consultation period for both has now closed and the final plans are in preparation.

#### **The portions (if any) of wilderness protection areas or zones that the Minister has declared to be prohibited areas and the reasons for making those declarations**

The Franklin Islands section of the Nuyts Archipelago Wilderness Protection Area was declared a Prohibited Area in 2012 in order to protect from disturbance the habitat of the Greater Stick-nest Rat and the Nuyts Archipelago subspecies of the Southern Brown Bandicoot. This declaration under the *Wilderness Protection Act 1992* followed the previous (1974) prohibited area declaration under the *National Parks and Wildlife Act 1972*.

There are no other portions of wilderness protection areas that have been declared prohibited areas.

**An account of money received and expended in relation to the management of wilderness protection areas and wilderness protection zones**

Expense	Kangaroo Island	Eyre Peninsula/ Alinytjara Wilurara	SA Murray-Darling Basin	Total
Administration (incl. vehicle costs etc.)	3,600	2,500	7,500	13,600
Staff costs	8,590	7,000	45,000	60,590
Asset/infrastructure maintenance	1,000	2,600	1,200	4,800
Conservation programs (incl. feral animal control, abundant species management, scientific monitoring)	8,900	32,000	*13,000	53,900
Fire Management (incl. suppression and bushfire recovery)	5,500		3,000	8,500
Compliance	1,000		1,000	2,000
<b>Total expenditure</b>	<b>\$28,590</b>	<b>\$44,100</b>	<b>\$70,700</b>	<b>\$143,390</b>

\* SAMDB: Conservation programs consisted of goat browse survey (\$6,000), grasswren survey (\$3,000) and dam review (\$4,000).

**In the case of wilderness protection zones, an account of the royalties (if any) received in respect of the mining tenements in force in those zones and the money expended in administering those mining tenements by an administrative unit of the Public Service.**

There are currently no wilderness protection zones declared within South Australia under the *Wilderness Protection Act 1992*. Accordingly, no mining tenements were in force.

### **Wilderness Code of Management**

#### **INTRODUCTION**

- 1.1 This Code is the Wilderness Code of Management prescribed in the *Wilderness Protection Act 1992*.
- 1.2 Any terms used in this Code have the same meaning as those used in the *Wilderness Protection Act 1992* and the *National Parks and Wildlife Act 1972*.
- 1.3 A wilderness area means land constituted under the *Wilderness Protection Act 1992* as a Wilderness Protection Area or Wilderness Protection Zone.

#### **OBJECTIVES OF WILDERNESS MANAGEMENT**

- 2.1 To maximise the naturalness and remoteness, i.e. the wilderness quality, of wilderness areas, and in particular:
  - (i) protect and, where practicable, enhance wilderness quality;
  - (ii) protect wildlife and ecological processes;
  - (iii) control and, where practicable, eradicate non-indigenous plants and animals;
  - (iv) protect geographical features;
  - (v) protect sites of scientific significance;
  - (vi) protect sites of historical significance;
  - (vii) protect sites of Aboriginal cultural significance;

- (viii) provide for public use and enjoyment where compatible with maximising wilderness quality; and
- (ix) promote public awareness of, and education in, the natural features of and proper use of wilderness protection areas and wilderness protection zones.

## MANAGEMENT PRINCIPLES

### 3.1 General Principles

- (i) All management operations will be carried out in a manner consistent with maximisation of wilderness quality except where provided for in this Code (see 3.10).
- (ii) A Plan of Management will be prepared for a designated wilderness area as soon as practicable after the area's constitution. The Plan will provide clear direction for the protection and management of the wilderness area, in particular:
  - (a) proposals to achieve the management objectives (2 above);
  - (b) priorities for actions, including:
    - the removal of existing incompatible uses and/or structures except those permitted under this Code; and
    - appropriate rehabilitation to be undertaken following the removal of structures and incompatible uses;
  - (c) recognition of the need to review management if indicated by results of monitoring and research;
- (iii) No additional incompatible uses and/or structures will be permitted except those provided for in this Code.
- (iv) Nothing in this Code derogates from any rights exercised in mining tenements in wilderness protection zones. In relation to mining operations in wilderness protection zones, environmental protection policies in section 5 of this Code will apply.

### 3.2 Access and Transport

- (i) The use of vessels, motorised or wheeled transport will be permitted only on prescribed access routes, and for emergency and essential management operations (see 3.10) when alternative measures which do not degrade the wilderness quality of an area are unavailable.
- (ii) Access routes may be prescribed in a plan of management for use by vessels, motorised or wheeled transport in circumstances where this type of transport is essential for effective management.
- (iii) Construction of vehicle or walking tracks will be permitted only where re-direction of existing access requires construction of alternative tracks or for management works to achieve objectives identified in a plan of management. The construction of vehicle tracks for specific operations as provided for under 3.6(vi), 3.10 and 5.0 may be permitted on the basis that they will be rehabilitated as soon as possible.
- (iv) Vehicle and walking tracks that are not essential for management purposes as specified in 3.10, or for mining operations in wilderness protection zones (see 5.0) will be closed and rehabilitated as prescribed in a plan of management.
- (v) Over-flying for recreational purposes under an altitude of 1500m above ground level will be prohibited.
- (vi) The landing of aircraft will be prohibited, except by permission of the Director and for emergency and essential management operations. Helipads and airstrips that are identified as essential for emergencies and management



operations will be maintained. All other strips or helipads will be rehabilitated as soon as possible or allowed to regenerate naturally.

### 3.3 Tourism

- (i) Commercial tours may be accommodated where their size and planned activities are compatible with maintenance of wilderness quality. Those permitted will have obtained a licence and will be conducted in accordance with licence conditions, the Visitor Management Strategy for the wilderness area (see 3.4), and the Minimum Impact Code (see Appendix C). Tour groups will be monitored and regulated where necessary to prevent significant adverse impacts on wilderness quality and opportunities for solitude.

### 3.4 Recreation

- (i) The level and type of visitor use and visitor conduct will be managed in accordance with the objectives stated in section 2.0 of this Code.
- (ii) A visitor management strategy that specifies an acceptable level and type of visitor use and visitor conduct will be included in the management plan for each wilderness area.
- (iii) Visitor management strategies will include the promotion of the Minimum Impact Code and the distribution of any information about the wilderness values of particular wilderness areas. The following information should be used as a basis for monitoring the effectiveness of each strategy:
  - (a) the long-term limits of acceptable change for environmental (wilderness quality) and social (opportunities for wilderness dependent experiences) conditions within the wilderness area; and
  - (b) change in environmental and social conditions within the wilderness area.
- (iv) Constructed walking tracks, signs, track markers and other management devices or structures will be used only for essential management operations (see 3.2(ii) and 3.10).
- (v) Recreation will be in accordance with the Wilderness Regulations and the Minimum Impact Code.

### 3.5 Cultural Heritage

- (i) Places, sites and objects of significance to Aboriginal people are protected under State and Commonwealth Aboriginal heritage legislation.
- (ii) Access by Aboriginal people to their sites of significance and protection of these sites will, as far as possible, be by methods compatible with the maintenance of wilderness quality.
- (iii) Nothing in this Code prevents Aboriginal people from doing anything in relation to Aboriginal sites, objects or remains in accordance with Aboriginal tradition. Furthermore, this Code does not prevent the taking, by Aboriginal people, of native plants, protected animals, or the eggs of protected animals, in accordance with the relevant provisions in the *National Parks and Wildlife Act 1972*.
- (iv) Sites of historic significance will be conserved, using access and methods compatible with maintenance of wilderness quality in the long-term.
- (v) Non-Aboriginal structures and artefacts that are of no historic significance, as determined by the relevant authority, will be removed or allowed to deteriorate naturally. Removal will not be undertaken if the only method of removal significantly reduces wilderness quality in the long-term.

### 3.6 Fire

- (i) Fire management will be based on continuing research into the fire history of the area, the relationships between fire and the natural communities occurring within the area, and on the maintenance of wilderness quality.
- (ii) Deliberately lit fires will be used only in emergency situations, and in essential management operations as listed in 3.10 and subject to (i) above.
- (iii) Other human caused fires should, where practicable, be extinguished consistent with maintenance of wilderness quality.
- (iv) Naturally caused fires will be extinguished when, in view of the direction, intensity and extent of the fire and the fire suppression techniques available, they pose a threat to human life and property, and to habitats requiring protection.
- (v) Where fire suppression action is required, the methods utilised will be, wherever possible, those which will have the least long-term impact on wilderness quality.
- (vi) The use of heavy machinery for fire suppression within a wilderness area will be prohibited except:
  - (a) where it is considered to be the only way of preventing greater long-term loss of wilderness quality;
  - (b) where specific machinery use techniques, that do not result in significant disturbance to the landscape or create a new access network, are considered the only feasible method of preventing long-term loss of wilderness quality; or
  - (c) to mitigate hazard to human life, where alternative measures which do not impact on the wilderness quality of the area are unavailable.
- (vii) Wherever possible, fire management practices designed to protect land adjacent to or within a wilderness area will be conducted outside the wilderness area.

### 3.7 Research

- (i) Research that will contribute to the implementation of the objectives of wilderness management will be encouraged.
- (ii) Research that will not affect wilderness quality and cannot be carried out elsewhere may be permitted.
- (iii) Research not covered under (i) and (ii) will not be permitted.

### 3.8 Biological Conservation

- (i) Management of threatened species, communities and habitats will, as far as possible, be consistent with maintenance of wilderness quality.
- (ii) Action will be taken to maintain and, where possible, restore natural processes, communities and habitats.

### 3.9 Non-indigenous Species

- (i) Non-indigenous species which significantly affect the wilderness quality of a wilderness area will be controlled or eradicated.
- (ii) Action will be taken to prevent the establishment of non-indigenous species.

### 3.10 Emergency and Essential Management Operations

- (i) All emergency and essential management operations will be carried out with the least possible impact on wilderness quality.
- (ii) Actions that cause short-term degradation of wilderness quality but are necessary for emergency and/or essential management operations will be permitted. The only specific situations acknowledged in this Code as possibly requiring such actions are:

- control or eradication of non-indigenous species;
- conservation of threatened species, communities and habitats;
- protection of fire-sensitive species and communities;
- management of visitor use;
- management action or use of devices to mitigate hazard to human life;
- restoration of natural processes, communities and habitats; and
- research

Where degradation has occurred as a result of these activities, rehabilitation will be undertaken as soon as practicable.

### 3.11 Wilderness Protection Zones

- (i) Protection of wilderness quality in wilderness protection zones will be negotiated with tenement holders on the basis of the environmental protection policies in section 5. Management undertakings will be incorporated in a plan of management.

### EXTERNAL INFLUENCES

- 4.1 Close liaison with adjoining landholders and managers will be established to ensure that adverse impacts on the wilderness quality of an area resulting from activities outside that area are minimised or prevented.
- 4.2 Where a wilderness area does not comprise a whole catchment, close liaison with upstream landholders and relevant authorities will be established to encourage the maintenance of water quality and flow regimes as close as practicable to their natural state.
- 4.3 Wherever possible management activities essential to the maintenance of the wilderness quality of a wilderness area are to be on land outside the wilderness area.

### EXERCISE OF MINING RIGHTS IN WILDERNESS PROTECTION ZONES

The holder of a mining tenement shall:

- 5.1 have regard to the provisions of the plan of management under section 31 of the *Wilderness Protection Act 1992*; and
- 5.2 in undertaking any operations:
  - (i) protect native flora and fauna;
  - (ii) avoid the pollution of land, water and air;
  - (iii) avoid disturbance to known sites of natural, scientific, Aboriginal and non-Aboriginal cultural significance;
  - (iv) minimise the potential for wind and water erosion;
  - (v) avoid unnecessary track creation;
  - (vi) avoid introduction of non-indigenous species;
  - (vii) establish environmental monitoring and rehabilitation programs; and
  - (viii) upon completion of the operation remove or obliterate all structures and materials used in the carrying out of mining operations.

## Section C: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

Public complaints received by the Department for Environment and Water	
Category of complaints by subject	Number of instances
Professional behaviour	6
Communication	20
Service delivery	93
Policy	55
Service quality	75

DEW is continuing to advance an agency wide culture that values feedback as an opportunity to improve customer service and agency systems. As a result of education and the implementation of more centralised collection of complaint data from across the agency, higher complaint numbers have been being captured this year. DEW is continuing to work towards implementing a system to streamline the collection and reporting of complaints data from across the agency.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/dew-annual-report-data>

### Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Refuse and lack of bins within parks	<p>The DEW National Parks Code asks park visitors to take their rubbish with them and the removal of rubbish bins from parks has been policy for several years. It has been found the rubbish bins in parks tend to add to the impacts of litter rather than address them, by attracting overflow refuse and enabling access and scattering of rubbish by wildlife and wind. There have also been ongoing problems with servicing individual bins, associated rubbish management and well-being, health and safety risks.</p> <p>DEW to continue to educate park visitors to manage their own refuse and this message is reinforced through signs, promotion on the National Parks South Australia web page and on social media.</p>

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
<p>Online Bookings</p> <ul style="list-style-type: none"> <li>- requirement to plan and book in advance</li> <li>- lack of information regarding which campsites would suit individual visitor needs</li> <li>- no ability to pay in person at the site</li> </ul>	<p>In 2017-18 there were 109,443 online bookings for campsites in national parks. The implementation of online bookings initially led to an increase in complaints. As a result of this, the department has re-designed the National Parks SA website which has improved website usability and highlights the need to book online. The website now also includes campground maps to help visitors choose the best site for them.</p> <p>Significant work has also been undertaken to communicate 'Book before you go' including a radio and print media campaign, web content, blog stories, events and social media content.</p> <p>In the event that online booking is not possible local businesses in the regions have been set up as park agents who can take cash payments in person.</p> <p>Complaints regarding online bookings have declined significantly since these changes were implemented.</p>
<p>Access to licensed water well drillers contact details</p>	<p>A draft plan has been has been developed to have an online licensed water well drillers register, with the intention that this will be implemented in 2018-19.</p>
<p>Streamflow monitoring station on Warburton River in Far North was not operating</p>	<p>DEW upgraded battery power supply to improve reliability of site.</p>

## **Appendix: Audited financial statements 2017-18**



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## To the Chief Executive Department for Environment and Water

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Environment and Water for the financial year ended 30 June 2018.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Environment and Water as at 30 June 2018, its financial performance and its cash flows for year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2018
- a Statement of Administered Financial Position as at 30 June 2018
- a Statement of Administered Changes in Equity for the year ended 30 June 2018
- a Statement of Administered Cash Flows for the year ended 30 June 2018
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department for Environment and Water. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

### **Responsibilities of the Chief Executive 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 issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

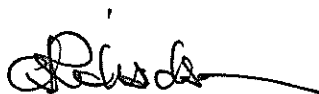
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



I communicate with the Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

20 September 2018

**Department for Environment and Water  
(DEW)**

**Financial Statements**

For the year ended 30 June 2018

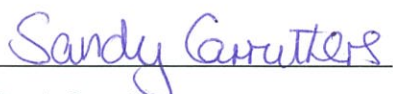
**Department for Environment and Water**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2018*

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

- 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
- present a true and fair view of the financial position of the Department for Environment and Water as at 30 June 2018 and the results of its operations and cash flows for the financial year.

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



Sandy Carruthers  
Acting Chief Executive  
12 September 2018



Shaun O'Brien  
Chief Financial Officer  
12 September 2018

**Department for Environment and Water**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2018*

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		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>			
Employee benefits	3	158 542	155 455
Supplies and services	5	73 351	93 433
Grants and subsidies	6	34 373	31 954
Depreciation and amortisation	7	23 564	25 481
Net loss from disposal of non-current assets	8	35	-
Other expenses	9	6 200	12 958
<b>Total expenses</b>		<b>296 065</b>	<b>319 281</b>
<b>Income</b>			
Fees and charges	10	102 768	97 436
Grants	11	97 069	58 769
Interest	12	769	672
Resources received free of charge	13	19 760	-
Net gain from disposal of non-current assets	8	-	17
Other income	14	2 071	2 215
<b>Total income</b>		<b>222 437</b>	<b>159 109</b>
<b>Net cost of providing services</b>		<b>73 628</b>	<b>160 172</b>
<b>Revenues from / (payments to) SA Government</b>			
Revenues from SA Government	15	156 903	148 986
Payments to SA Government	15	(94)	(8 273)
<b>Total net revenues from SA Government</b>		<b>156 809</b>	<b>140 713</b>
<b>Net result</b>		<b>83 181</b>	<b>(19 459)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	22	32 489	49 179
<b>Total other comprehensive income</b>		<b>32 489</b>	<b>49 179</b>
<b>Total comprehensive result</b>		<b>115 670</b>	<b>29 720</b>

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

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Department for Environment and Water**  
**Statement of Financial Position**  
*as at 30 June 2018*

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	16	183 569	144 329
Receivables	17	12 471	14 345
Inventories	18	2 109	2 103
Other assets	19	1 019	1 095
<b>Total current assets</b>		<b>199 168</b>	<b>161 872</b>
<b>Non-current assets</b>			
Receivables	17	19	33
Other financial assets	20	3	3
Property, plant and equipment	22	739 880	635 654
Intangible assets	23	5 708	4 971
<b>Total non-current assets</b>		<b>745 610</b>	<b>640 661</b>
<b>Total assets</b>		<b>944 778</b>	<b>802 533</b>
<b>Current liabilities</b>			
Payables	25	38 137	34 263
Employee benefits	26	15 475	15 181
Provisions	27	489	550
Other liabilities	28	1 955	1 728
<b>Total current liabilities</b>		<b>56 056</b>	<b>51 722</b>
<b>Non-current liabilities</b>			
Payables	25	3 167	3 198
Employee benefits	26	34 572	34 439
Provisions	27	725	1 260
Other liabilities	28	17 776	19 098
<b>Total non-current liabilities</b>		<b>56 240</b>	<b>57 995</b>
<b>Total liabilities</b>		<b>112 296</b>	<b>109 717</b>
<b>Net assets</b>		<b>832 482</b>	<b>692 816</b>
<b>Equity</b>			
Contributed capital		22 612	22 612
Retained earnings		390 064	282 887
Asset revaluation surplus		419 806	387 317
<b>Total equity</b>		<b>832 482</b>	<b>692 816</b>

**The total equity is attributable to the SA Government as owner.**

Unrecognised contractual commitments	32
Contingent assets and liabilities	33

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Department for Environment and Water**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2018*

		Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 30 June 2016</b>		22 612	339 606	288 150	650 368
Error correction - property, plant and equipment		-	-	(339)	(339)
<b>Restated balance at 30 June 2016</b>		<b>22 612</b>	<b>339 606</b>	<b>287 811</b>	<b>650 029</b>
<b>Opening balance at 1 July 2016</b>		22 612	339 606	287 811	650 029
Error correction - receivables	17	-	-	85	85
Error correction - Groundwater monitoring wells		-	-	13 363	13 363
Error correction - property, plant and equipment	22	-	(343)	(46)	(389)
<b>Restated opening balance at 1 July 2016</b>		<b>22 612</b>	<b>339 263</b>	<b>301 213</b>	<b>663 088</b>
Net result for 2016-17		-	-	(19 459)	(19 459)
Equity transfer on asset disposal		-	(1 125)	1 125	-
Gain/(loss) on revaluation of property, plant and equipment		-	49 179	-	49 179
<b>Total comprehensive result for 2016-17</b>		<b>-</b>	<b>48 054</b>	<b>(18 334)</b>	<b>29 720</b>
<b>Balance at 30 June 2017</b>		<b>22 612</b>	<b>387 317</b>	<b>282 879</b>	<b>692 808</b>
Error correction - inventories	18	-	-	(464)	(464)
Error correction - other liabilities	28	-	-	472	472
<b>Restated balance at 30 June 2017</b>		<b>22 612</b>	<b>387 317</b>	<b>282 887</b>	<b>692 816</b>
<b>Opening balance at 1 July 2017</b>		22 612	387 317	282 887	692 816
Error correction - property, plant and equipment	22	-	-	23 996	23 996
<b>Restated opening balance at 1 July 2017</b>		<b>22 612</b>	<b>387 317</b>	<b>306 883</b>	<b>716 812</b>
Net result for 2017-18		-	-	83 181	83 181
Gain/(Loss) on revaluation of property, plant and equipment		-	32 489	-	32 489
<b>Total comprehensive result for 2017-18</b>		<b>-</b>	<b>32 489</b>	<b>83 181</b>	<b>115 670</b>
<b>Balance at 30 June 2018</b>		<b>22 612</b>	<b>419 806</b>	<b>390 064</b>	<b>832 482</b>

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

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Department for Environment and Water**  
**Statement of Cash Flows**  
*for the year ended 30 June 2018*

		<b>2018</b>	<b>2017</b>
		<b>(Outflows)</b>	<b>(Outflows)</b>
		<b>Inflows</b>	<b>Inflows</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(158 794)	(156 156)
Payments for supplies and services		(85 870)	(102 201)
Payments of grants and subsidies		(37 810)	(37 913)
Other payments		(3 907)	(760)
<b>Cash used in operations</b>		<b>(286 381)</b>	<b>(297 030)</b>
<b>Cash inflows</b>			
Fees and charges		107 802	105 113
Receipts from grants		100 232	60 972
Interest received		747	678
GST recovered from the Australian Taxation Office		11 998	11 646
Other receipts		2 278	2 429
<b>Cash generated from operations</b>		<b>223 057</b>	<b>180 838</b>
<b>Cash flows from SA government</b>			
Receipts from SA government		156 903	148 986
Payments to SA government		-	(8 273)
<b>Cash generated from SA government</b>		<b>156 903</b>	<b>140 713</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>30</b>	<b>93 579</b>	<b>24 521</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(54 355)	(27 654)
<b>Cash used in investing activities</b>		<b>(54 355)</b>	<b>(27 654)</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		16	34
<b>Cash generated from investing activities</b>		<b>16</b>	<b>34</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(54 339)</b>	<b>(27 620)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>39 240</b>	<b>(3 099)</b>
Cash and cash equivalents at the beginning of the reporting period		144 329	147 428
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>16</b>	<b>183 569</b>	<b>144 329</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**1 Basis of financial statements**

**1.1 Reporting entity**

The Department for Environment and Water (DEW) is a government department of the State of South Australia and operates within the *Public Sector Act 2009*. DEW is an administrative unit acting on behalf of the Crown.

The name Department for Environment and Water came into effect by way of Proclamation (Administrative Unit – Alteration of Titles) under section 26 of the *Public Sector Act 2009* on 17 May 2018. For the period 1 July 2017 to 16 May 2018, the Department was known as the Department of Environment, Water and Natural Resources. The Alteration of Titles proclamation did not impact on the purpose, objectives and structure of the Department. The comparative year information reflects the previously titled Department of Environment, Water and Natural Resources.

The financial statements and accompanying notes include all the controlled activities of DEW (refer to the Disaggregated Schedule for details of the DEW's controlled activities). 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 DEW'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.

**1.2 Statement of compliance**

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with 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*.

DEW has applied Australian Accounting Standards that are applicable to not-for-profit entities, as DEW is a not 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 the department for the period ending 30 June 2018.

**1.3 Basis of preparation**

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

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.

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

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

Significant accounting policies are set out in the notes.



**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**1 Basis of financial statements (continued)**

**1.4 Taxation**

DEW is not subject to Income Tax. DEW is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST), Emergency Services Levy (ESL), land tax equivalents and local government rate equivalents.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), 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 ATO 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 ATO is classified as part of operating cash flows.

DEW 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, DEW is liable for the GST payments and entitled to the GST receipts associated with these entities and items.

**2 Objectives and activities**

**2.1 Objectives**

DEW plays a significant role in managing the state's unique natural environment for the prosperity and wellbeing of current and future generations of South Australians.

To support this, the department:

- safeguards the state's natural environment through sustainable management, evidence based decision making and service delivery that has the community and stakeholders at the centre
- connects and involves people with nature by opening up parks and places
- unlocks the potential of the state's natural environment to contribute to the economic development and prosperity of South Australia.

**2.2 Activities**

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

***Sustainability***

Ensure the effective management of South Australia's landscapes through statewide policy, planning and frontline service delivery for the benefit of the community, the economy and ecosystems.

***Water***

Sustainably manage South Australia's water resources including the River Murray, for the benefit of the economy, community and environment.

***Parks and public assets***

Conserve, sustain and build South Australia's parks and reserves system to enhance visitor experiences, improve management practices and help mitigate against the impacts of bushfire.

The Disaggregated Disclosures schedules presents expenses and income information attributable to each of the activities for the years ended 30 June 2018 and 30 June 2017.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**2 Objectives and activities**

**2.2 Activities (continued)**

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

**Disaggregated disclosures - Expenses and income by activity**

	Sustainability		Water		Parks and Public Assets		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>								
Employee benefits	54 953	54 207	34 906	38 227	68 683	63 021	158 542	155 455
Supplies and services	19 471	24 228	17 100	32 383	36 780	36 822	73 351	93 433
Grants and subsidies	3 587	4 295	29 020	24 158	1 766	3 501	34 373	31 954
Depreciation and amortisation	4 383	4 255	6 245	6 931	12 936	14 295	23 564	25 481
Net loss from disposal of non-current assets	14	-	4	-	17	-	35	-
Other expenses	542	4 052	3 429	1 666	2 229	7 240	6 200	12 958
<b>Total expenses</b>	<b>82 950</b>	<b>91 037</b>	<b>90 704</b>	<b>103 365</b>	<b>122 411</b>	<b>124 879</b>	<b>296 065</b>	<b>319 281</b>
<b>Income</b>								
Fees and charges	42 763	40 013	34 430	32 856	25 575	24 567	102 768	97 436
Grants	7 295	8 397	83 081	45 017	6 693	5 355	97 069	58 769
Interest	5	6	749	644	15	22	769	672
Resources received free of charge	8 022	-	2 174	-	9 564	-	19 760	-
Net gain from disposal of non-current assets	-	7	-	2	-	8	-	17
Other income	840	535	630	1 588	601	92	2 071	2 215
<b>Total income</b>	<b>58 925</b>	<b>48 958</b>	<b>121 064</b>	<b>80 107</b>	<b>42 448</b>	<b>30 044</b>	<b>222 437</b>	<b>159 109</b>
<b>Net cost of providing services</b>	<b>24 025</b>	<b>42 079</b>	<b>(30 360)</b>	<b>23 258</b>	<b>79 963</b>	<b>94 835</b>	<b>73 628</b>	<b>160 172</b>
<b>Revenues from / (payments) to SA Government</b>								
Revenues from SA Government	61 861	59 739	21 297	18 031	73 745	71 216	156 903	148 986
Payments to SA Government	-	(3 359)	(94)	(910)	-	(4 004)	(94)	(8 273)
<b>Total net revenues from SA Government</b>	<b>61 861</b>	<b>56 380</b>	<b>21 203</b>	<b>17 121</b>	<b>73 745</b>	<b>67 212</b>	<b>156 809</b>	<b>140 713</b>
<b>Net result</b>	<b>37 836</b>	<b>14 301</b>	<b>51 563</b>	<b>(6 137)</b>	<b>(6 218)</b>	<b>(27 623)</b>	<b>83 181</b>	<b>(19 459)</b>

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

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**3 Employee benefits expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	121 041	119 835
Employment on-costs - superannuation *	13 515	13 416
Annual leave	10 899	11 150
Employment on-costs - other	7 656	7 403
Long service leave (LSL)	3 744	2 337
Targeted Voluntary Separation Packages (refer below)	455	131
Skills and experience retention leave (SERL)	661	608
Board and committees fees	329	234
Other employee related expenses	242	341
<b>Total employee benefits expenses</b>	<b>158 542</b>	<b>155 455</b>

\* The superannuation employment on-cost charge represents DEW's contributions to superannuation plans in respect of current services of current employees.

**Targeted Voluntary Separation Packages (TVSPs)**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid during the reporting period to separated employees:		
TVSPs	455	131
Annual leave, LSL and SERL paid to those employees	72	88
<b>Net cost to the department</b>	<b>527</b>	<b>219</b>

The number of employees who received a TVSP during the reporting period was: 5 2

**Key management personnel**

Key management personnel of DEW include the Minister, the Chief Executive and the 7 members of the Executive Team who have responsibility for the strategic direction and management of the department. There were 3 key management personnel that left DEW during the 2017-18 financial year. The compensation detailed below excludes salaries and other benefits paid or payable to the Minister for Environment and Water. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Compensation</b>		
Salaries and other short term employee benefits	1 742	1 621
Post-employment benefits	183	182
Other long-term employment benefits	93	-
Termination benefits	310	-
<b>Total compensation</b>	<b>2 328</b>	<b>1 803</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**3 Employee benefits expenses (continued)**

**Remuneration of employees**

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

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
\$147 000 – 149 000*	-	2
\$149 001 – 159 000	3	5
\$159 001 – 169 000	6	3
\$169 001 – 179 000	2	3
\$179 001 – 189 000	5	5
\$189 001 – 199 000	2	1
\$199 001 – 209 000	2	2
\$209 001 – 219 000	-	3
\$219 001 – 229 000	2	1
\$229 001 – 239 000	-	2
\$249 001 – 259 000	1	-
\$279 001 – 289 000	2	-
\$299 001 – 309 000	-	1
\$309 001 – 319 000	1	-
\$349 001 – 359 000	-	1
\$379 001 – 389 000	1	-
\$469 001 – 479 000	-	1
\$689 001 – 699 000	1	-
<b>Total</b>	<b>28</b>	<b>30</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2016-17.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, 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 \$6.170 million (2017: \$6.062 million).

**4 Remuneration of board and committee members**

Members during 2017-18 financial year were:

**Animal Welfare Advisory Committee**

M S Doroudi\* (Chair)

R F Eyers

M J Greenslade

S J Hazel

S A Joppich

R I Mussell

D E Noonan (retired 17 May 2018)

M D Peters\* (Observer)

P S Warren

**Flinders Ranges National Park Co-Management Board**

J E Schutz\* (Chair, retired 31 December 2017)

G M Coulthard\* (Deputy Chair, retired 31 December 2017)

M Barker\* (retired 31 December 2017)

T C Coulthard (retired 31 December 2017)

L M Loan\* (retired 31 December 2017)

S A M Paul\* (retired 31 December 2017)

C I Waye (retired 31 December 2017)

A L Wilton (retired 31 December 2017)

B M Patterson (deputy member, retired 31 December 2017)

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**4 Remuneration of board and committee members (continued)**

**Arabana Parks Advisory Committee**

F J Gill\* (Chair)  
F J Singer (Deputy Chair)  
K J Blaylock\*  
E J Bravington\*  
K Buzzacott  
R Dodd (deputy member)  
T B Gotch\*  
D A Leek\*

**Witjira National Park Board of Management**

G A Pelton\* (Chair)  
M R Ah Chee (Deputy Chair)  
A Ah Chee  
V T N Fuschtei  
A B Magor\*  
R Tjami  
K A Villiers\*

**Ngaut Ngaut Conservation Park Co-Management Board**

I M Campbell (Chair)  
P G Gillen\* (Deputy Chair)  
I L Campbell  
S T Dominelli\*  
A B Hunter (deputy member)  
C M Hutchinson  
J Tesoriero\*

**Vulkathunha-Gammon Ranges National Park Cooperative Management Committee**

P J McKenzie (Chair, retired 6 November 2017)  
S A M Paul\* (Deputy Chair, retired 6 November 2017)  
M F G Anderson (retired 6 November 2017)  
J M Coulthard (retired 6 November 2017)  
K Johnson (retired 6 November 2017)  
L M Loan\* (retired 6 November 2017)  
T L Naismith\* (retired 6 November 2017)  
M Toscano\* (retired 6 November 2017)

**YYP A Committee Coongie Lakes National Park**

R Singleton\* (Chair, retired 14 June 2018)  
C R Allen (retired 14 June 2018)  
E S Dahl\* (retired 14 June 2018)  
T J Elliott (retired 14 June 2018)  
T J Gallo (retired 9 December 2017)  
J A Gates\* (retired 14 June 2018)  
J L Gregg-Smith\* (retired 14 June 2018)  
V M Linton\* (retired 14 June 2018)  
L J Nicholls (deputy member, retired 14 June 2018)

**Premier's Climate Change Council**

B J Carter (Chair, appointed 18 July 2017)  
A S Ferguson (appointed 18 July 2017)  
N M Halsey (appointed 18 July 2017)  
J K O'Brien (appointed 18 July 2017, retired 27 April 2018)  
J A Paradiso (appointed 18 July 2017)  
J B Scales (appointed 18 July 2017, retired 27 April 2018)  
A M Stock (appointed 18 July 2017)  
S M J Verschoor (appointed 18 July 2017)  
C N Wilkins (appointed 18 July 2017)  
C Woolford (appointed 18 July 2017)

**South Australian Heritage Council**

J M Carr (Chair, retired 1 April 2018)  
K A Conlon (Chair, appointed 2 April 2018)  
S L Beazley (retired 1 April 2018)  
M J H Constantine (appointed 16 April 2018)  
R T Donaldson (retired 24 October 2017)  
J D Ferguson (appointed 2 April 2018)  
G W M Hobbs (retired 1 April 2018)  
G J Leydon (retired 1 April 2018)  
D M Lindsay (retired 1 April 2018)  
A G Mackinnon  
K McDougall (appointed 2 April 2018)  
M J Rolfe (appointed 16 April 2018)  
J Schulz  
D J Stevenson (appointed 16 April 2018)  
R J Taylor (appointed 2 April 2018)  
C A Wigg (retired 1 April 2018)  
A Ben Kahn (Acting Member)

**Kangaroo Management Reference Group**

Q L B Agius  
T Ackland (deputy member)  
R Borda  
N D De Preu  
A Freebairn\*  
A G Lewis  
J H Neal  
G W Tansell  
R M Warwick (deputy member)  
S L Williams  
M L Winen (deputy member)

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**4 Remuneration of board and committee members (continued)**

**Nullarbor Wilderness Protection Area Co-Management Advisory Committee**

C Lawrie (Chair)  
M J Ward\* (Deputy Chair)  
M J Anderson\*  
M Clements (deputy member)  
S F Keen\* (retired 3 August 2017)  
K Kerdel\*  
V Lawrie (deputy member)  
D Miller  
N Miller (deputy member)  
J Peel (retired 30 November 2017)  
P J Richter\*

**Yumbarra Conservation Park Co-management Board**

M J Ward\* (Chair)  
L G Miller (Deputy Chair)  
M J Anderson\*  
S R Haseldine  
S F Keen\* (retired 03 August 2017)  
W Miller  
W Newchurch (deputy member)  
P J Richter\*  
E Roberts

**DEW Risk Management and Audit Committee**

J C Grant\* (Chair)  
A D Copus\*  
P Martin  
R Parker-Benton\* (retired 4 August 2017)  
S Spadavecchia  
A Swanson\*  
M Swart\*

**Parks and Wilderness Council**

A McEwen (Presiding Member)  
M I Bossley  
G M Coulthard\*  
C B Daniels  
E J Forster  
K James  
W R McIntosh  
W D F MacKenzie

**Pastoral Board**

G D Mills (Presiding member)  
A L Barclay\*  
K J Bellette (retired 31 March 2018)  
M A Fennell  
G R Johnston (deputy member, retired 20 February 2018)  
K L Slade  
A K Tschirner  
J Treloar (deputy member)

\* 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 DEW are on conditions no more favourable than those that it is reasonable to expect DEW would have adopted if dealing with the related party at arm's length in the same circumstances.

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

	<b>2018</b>	<b>2017</b>
\$0 - \$9 999	120	130
\$10 000 - \$19 999	11	8
\$30 000 - \$39 999	1	-
<b>Total number of members</b>	<b>132</b>	<b>138</b>

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

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**4 Remuneration of board and committee members (continued)**

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 \$267 000 (2017: \$194 000).

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.

**5 Supplies and services**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Fee for service	12 985	19 765
Accommodation and property management	12 480	14 011
General administration	10 355	12 341
Information technology & communication	9 730	9 758
Minor works, maintenance & equipment	4 780	10 285
Vehicle and aircraft	4 707	4 710
Sand replenishment	4 705	6 087
Bore drilling services	2 158	4 299
Contractors	1 843	1 789
Travel and accommodation	1 629	1 961
Cost of goods sold	1 466	1 553
Staff development	1 304	1 482
Scientific and technical services	576	307
Transportation	382	459
Monitoring fees	205	245
Consultants	175	282
Other	3 871	4 099
<b>Total supplies and services</b>	<b>73 351</b>	<b>93 433</b>

**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.

**Consultants**

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

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Number</b>	<b>\$'000</b>	<b>Number</b>	<b>\$'000</b>
Below \$10 000	4	13	8	41
\$10 000 or above	3	162	8	241
<b>Total paid / payable to the consultants engaged</b>	<b>7</b>	<b>175</b>	<b>16</b>	<b>282</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**6 Grants and subsidies**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Murray Darling Basin Authority	22 784	19 444
Goyder Institute	2 000	2 000
South East Confined Aquifer Well Rehabilitation	1 109	-
Administration of the <i>Animal Welfare Act 1985</i>	1 104	1 077
Marine parks	641	780
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	344	1 219
Building upgrade finance	275	885
Nilpena Station Ediacaran Fossil site	-	1 730
Other	6 116	4 819
<b>Total grants and subsidies</b>	<b>34 373</b>	<b>31 954</b>

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

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Marine parks	-	300
Other	1 194	410
<b>Total grants and subsidies - SA Government entities</b>	<b>1 194</b>	<b>710</b>

**7 Depreciation and amortisation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings and improvements	3 341	4 935
Park infrastructure	2 379	3 896
Roads, tracks and trails	4 368	5 636
Groundwater monitoring wells	4 288	2 271
Salinity disposal schemes	440	445
Patawalonga seawater circulation and Barcoo outlet	590	610
Sand pumping infrastructure	1 006	1 006
Surface water monitoring network	170	157
Waste disposal stations	170	168
Regulators and embankments	1 431	1 272
Plant and equipment	2 827	2 442
Leasehold improvements	1 788	1 788
Other	18	18
<b>Total depreciation</b>	<b>22 816</b>	<b>24 644</b>

**Amortisation**

Application software - internally generated	580	555
Application software - externally purchased	146	260
Other - war services leases	22	22
<b>Total amortisation</b>	<b>748</b>	<b>837</b>

<b>Total depreciation and amortisation</b>	<b>23 564</b>	<b>25 481</b>
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**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
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**7 Depreciation and amortisation (continued)**

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.

Land is not depreciated.

**Useful life**

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

<b>Class of asset</b>	<b>Useful life (years)</b>
<i>Property, plant and equipment</i>	
Buildings and improvements	5-150
Groundwater monitoring wells	48
Regulators and embankments	10-200
Park infrastructure	3-120
Patawalonga seawater circulation and Barcoo Outlet	6-99
Plant and equipment	3-40
Roads, tracks and trails	4-50
Salinity disposal schemes	15-99
Surface water monitoring network	40-80
Waste disposal stations	50
Sand pumping infrastructure	10-50
Leasehold improvements	12
Other	45-60
<i>Intangible assets</i>	
Externally acquired	3-10
Internally acquired	3-12
War services leases	44

**Revision of accounting estimates**

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

DEW altered the useful lives of various assets in accordance with normal periodic assessment procedures. In accordance with AASB108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the resulting adjustments have been applied prospectively in the current year.

DEW assessed the impacts of the revised useful lives and deemed that whilst the expected pattern of consumption of the future economic benefits embodied in relevant depreciable assets will impact on the depreciation expense for the current period and for each future period during the asset's remaining useful life, the revised lives had no material impact on the financial statements.

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

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Plant and equipment</b>		
Proceeds from disposal	16	34
Less net book value of assets disposed	(51)	(17)
<b>Net (loss) / gain from disposal of plant and equipment</b>	<b>(35)</b>	<b>17</b>
<b>Total assets</b>		
Proceeds from disposal	16	34
Less net book value of assets disposed	(51)	(17)
<b>Total net (loss) / gain from disposal of non-current assets</b>	<b>(35)</b>	<b>17</b>

Gains/losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

**9 Other expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Settlement of legal claims	3 100	-
Capital project costs not capitalised	1 313	1 325
Assets transferred for nil consideration ***	1 306	7 692
Audit fees *	506	489
Property, plant and equipment write-offs	215	2 130
Intangible asset write-offs	88	-
Bad and doubtful debts	72	592
Impairment loss	-	862
Movement in Inventory	(72)	(133)
Reversal of impairment loss **	(329)	-
Other	1	1
<b>Total other expenses</b>	<b>6 200</b>	<b>12 958</b>

\* Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.425 million (2017: \$0.415 million). No other services were provided by the Auditor-General's Department

\*\* DEW recognised the reversal of prior-year asset impairments in the current reporting period. A reversal of \$0.282 million reinstated the value of an Intangible asset (water licence) to the asset's initial cost. Refer to note 23 for further details of this item. A reversal of \$0.047 million reinstated the value of a Buildings and improvement asset to the asset's fair value. Refer to note 22 for further details of this item.

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**9 Other expenses (continued)**

**\*\*\* Assets transferred free of charge**

During the current year, assets to the value of \$0.588 million (2017: \$1.379 million) were transferred to the Board of the Botanic Gardens and State Herbarium, assets to the value of \$0.600 million (2017: \$0.706 million) were transferred to DEW Administered items (Crown Lands), and assets to the value of \$0.118 million were transferred to the District Council of Loxton Waikerie. The prior year included assets to the value of \$3.014 million transferred to the Renmark Paringa Council and assets to the value of \$2.593 million transferred to Pastoralists in the Great Artesian Basin region free of charge.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Land	600	706
Buildings and improvements	145	1 346
Park infrastructure	368	-
Regulators and embankments	118	-
Roads, tracks and trails	-	3 014
Plant and equipment	75	33
Groundwater monitoring wells	-	2 593
<b>Total assets transferred free of charge</b>	<b>1 306</b>	<b>7 692</b>

**10 Revenues from fees and charges**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
NRM Board salary recovery	31 238	30 040
Sale of support services	20 182	18 804
Service recoveries	18 444	17 995
Admissions and guided tours	9 682	9 283
Sale of professional services	8 095	5 725
Property rental and related income	6 013	5 857
Sale of goods	4 041	3 991
Fees, levies and licences	2 472	2 622
Other salary recoveries	1 558	1 828
Sale of spatial information	915	783
Sale of freehold titles	83	222
Taxation revenue - River Murray rehabilitation Levy	45	286
<b>Total revenues from fees and charges</b>	<b>102 768</b>	<b>97 436</b>

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.

NRM board salary recovery relates to salary recoups for DEW employees providing services to the NRM Boards. Sale of support services predominantly includes revenue received for work undertaken by DEW on behalf of other entities as well as the recovery of costs previously expensed. Service recoveries relate to water planning management cost recoveries from SA Water and the sale of professional services includes professional advice as well as fees received from providing camping and accommodation facilities. Property rental and related income includes revenue from pastoral leases, irrigation licences, reimbursement of property related expenses and income from shack rentals.

**Department for Environment and Water**  
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**11 Grant revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grant revenues from the Commonwealth</b>		
SA Riverland Floodplain Infrastructure Program	36 500	15 000
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	18 823	14 413
Murray Futures - Riverine Recovery	15 303	584
Flows for the future	6 700	1 800
Implementing the Murray Darling Basin reform	1 486	1 486
The Living Murray - Chowilla	1 015	1 002
The Living Murray - Lower Lakes, Coorong and Murray Mouth	834	828
Tourism Demand Driver Infrastructure	539	739
Great Artesian Basin Sustainability Initiative	-	4 281
SA State Priority Project Design Funding	-	713
National Bushfire Mitigation Program	-	449
Nature Links	-	364
Other	378	115
<b>Total grant revenues from the Commonwealth</b>	<b>81 578</b>	<b>41 774</b>
<b>Grant revenues from SA Government</b>		
Community Emergency Services Funding	2 908	3 194
Adelaide Living Beaches strategy	2 721	2 655
Carbon Neutral Adelaide	1 042	518
Compliance and Monitoring	742	781
Botanic Gardens - Aquifer Storage and Recovery	655	655
Water Industry Act	170	165
Highbury Aqueduct fire prevention	-	375
Other	4 639	5 110
<b>Total grant revenues from SA Government</b>	<b>12 877</b>	<b>13 453</b>
<b>Grant revenues from private industry and local government</b>		
Implementing the Limestone Coast and Coorong Coastal Action Plan	-	486
Other	2 614	3 056
<b>Total grant revenues from private industry and local government</b>	<b>2 614</b>	<b>3 542</b>
<b>Total grant revenues</b>	<b>97 069</b>	<b>58 769</b>

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

Generally, DEW has obtained control or the right to receive:

- contributions with unconditional stipulations – this will be when the agreement becomes enforceable; that is the earlier of when the receiving entity has formally been advised that the contribution (for example, grant application) has been approved; agreement/contract is executed; and/or the contribution is received
- contributions with conditional stipulations – that is 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.

**Department for Environment and Water**  
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**11 Grant revenues (continued)**

**Contributions with conditions of expenditure**

DEW received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2018 \$86.351 million (2017: \$76.509 million) of grants, which have been recognised as revenues in the Statement of Comprehensive Income, are yet to be spent in the manner specified by the contributors.

**12 Interest revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	769	672
<b>Total interest revenues</b>	<b>769</b>	<b>672</b>

**13 Resources received free of charge**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Assets received free of charge	15 379	-
Services received free of charge - Shared Services SA	4 381	-
<b>Total resources received free of charge</b>	<b>19 760</b>	<b>-</b>

Assets received free of charge in 2017-18 comprised \$12.490 million transferred from DEW Administered Items (Crown lands) following the proclamation of new parks and additions to existing parks and reserves; land valued at \$2.680 million was transferred from Forestry SA; other \$0.209 million.

On the 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA (SSSA) to general government sector agencies. As a result of this change, effective from 2017-18, SSSA is directly appropriation funded for the services provided by SSSA to general government agencies.

Under AASB 1004 *Contributions*, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements.

**14 Other income**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Water sales	573	1 540
Sponsorships, donations, commissions and bequests	570	117
Salaries and wages recoveries	64	88
Insurance recoveries	689	34
Other sundry revenue	175	436
<b>Total other income</b>	<b>2 071</b>	<b>2 215</b>

Other Income is recognised when earned or recovered and is measured at the fair value of the consideration received or receivable.

**Department for Environment and Water**  
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**15 Revenue from / (payments to) SA Government**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the Appropriation Act	153 699	144 698
Appropriations from contingency funds	3 204	4 288
<b>Total revenues from SA Government</b>	<b>156 903</b>	<b>148 986</b>
<b>Payments to SA Government</b>		
Return to consolidated account	(94)	(701)
Return of surplus cash	-	(7 572)
<b>Total payments to SA Government</b>	<b>(94)</b>	<b>(8 273)</b>
<b>Net revenues from SA Government</b>	<b>156 809</b>	<b>140 713</b>

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

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of DEW and the appropriation is recorded as contributed capital.

Total revenues from government consist of \$146.628 million (2017: \$138.526 million) for operational funding and \$10.275 million (2017: \$10.460 million) for capital projects.

**16 Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	183 397	144 150
Cash on hand/imprest account	172	179
<b>Total cash and cash equivalents</b>	<b>183 569</b>	<b>144 329</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

DEW has two deposit accounts with the Treasurer, a General Operating Account and an Accrual Appropriation Excess Funds Account. Although DEW controls the money in the Accrual Appropriation Excess Funds Account its use must be approved by the Treasurer.

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**17 Receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	8 604	10 282
Less allowance for doubtful debts	(785)	(738)
	<u>7 819</u>	<u>9 544</u>
Accrued revenues	77	55
GST input tax recoverable	4 557	4 741
Workers' compensation recoveries	18	5
<b>Total current receivables</b>	<b><u>12 471</u></b>	<b><u>14 345</u></b>
<b>Non-current</b>		
Workers' compensation recoveries	19	33
<b>Total non-current receivables</b>	<b><u>19</u></b>	<b><u>33</u></b>
<b>Total receivables</b>	<b><u>12 490</u></b>	<b><u>14 378</u></b>

Error correction

An error correction of \$85 000 has been disclosed in the Statement of Changes in Equity in respect of the 2016-17 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to receivables held as at 1 July 2016. The impact of the correction was an increase of \$85 000 in retained earnings and \$85 000 increase in receivables.

**Movement in the allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (that is, 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 for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	738	489
Increase/(decrease) in the allowance	47	249
<b>Carrying amount at the end of the period</b>	<b><u>785</u></b>	<b><u>738</u></b>

**Interest rate and credit risk**

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables and accrued revenues are non-interest bearing.

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

Refer to note 34 for further information on risk management.

**Department for Environment and Water**  
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**18 Inventories**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Inventories held for distribution at no or nominal amount</b>		
Inventories held for distribution - at cost	665	632
<b>Total inventories held for distribution at no or nominal amount</b>	<b>665</b>	<b>632</b>
 <b>Inventories held for resale - at cost</b>		
Finished goods held for resale - at cost	1 444	1 471
<b>Total inventories held for resale - at cost</b>	<b>1 444</b>	<b>1 471</b>
 <b>Total inventories</b>	 <b>2 109</b>	 <b>2 103</b>

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 other 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.

Error correction

An error correction of \$0.464 million has been disclosed in the Statement of Changes in Equity in respect of the 2016-17 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to inventories held as at 30 June 2017, and a decrease of \$0.464 million to total equity. The error correction related to an overstatement to the finished goods held for resale at 30 June 2017.

**19 Other assets**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Prepaid supplies and services	1 018	1 094
Other	1	1
<b>Total current other assets</b>	<b>1 019</b>	<b>1 095</b>
 <b>Total other assets</b>	 <b>1 019</b>	 <b>1 095</b>



**Department for Environment and Water**  
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**20 Other financial assets**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>		
Equity in unlisted entities	3	3
<b>Total non-current other financial assets</b>	<b>3</b>	<b>3</b>
<b>Total other financial assets</b>	<b>3</b>	<b>3</b>

**21 Non-current assets**

**Revaluation**

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

DEW revalues its land, buildings and improvements, and other infrastructure assets via a Certified Practising Valuer or internal estimates based on indices or recent transactions. A valuation appraisal by a Certified Practising Valuer is performed at least every six years.

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.

For all property, plant and equipment assets that have been subject to an independent revaluation both the replacement cost and the associated accumulated depreciation have been presented on a gross basis.

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

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**22 Property, plant and equipment**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Land at fair value <sup>(i)</sup>	301 414	267 195
<b>Total land</b>	<b>301 414</b>	<b>267 195</b>
<b>Buildings and improvements</b>		
Buildings and improvements at fair value <sup>(i)</sup>	195 677	194 181
Buildings and improvements at cost (deemed fair value) <sup>(ii)</sup>	4 004	2 542
Accumulated depreciation	(134 855)	(131 809)
<b>Total buildings and improvements</b>	<b>64 826</b>	<b>64 914</b>
<b>Park infrastructure</b>		
Park infrastructure at fair value <sup>(i)</sup>	211 600	208 226
Park infrastructure at cost (deemed fair value) <sup>(ii)</sup>	5 906	8 704
Accumulated depreciation	(193 334)	(191 202)
<b>Total park infrastructure</b>	<b>24 172</b>	<b>25 728</b>
<b>Roads, tracks and trails</b>		
Roads, tracks and trails at fair value <sup>(i)</sup>	230 238	228 014
Roads, tracks and trails at cost (deemed fair value) <sup>(ii)</sup>	21 497	10 545
Accumulated depreciation	(220 062)	(215 236)
<b>Total roads, tracks and trails</b>	<b>31 673</b>	<b>23 323</b>
<b>Groundwater monitoring wells</b>		
Ground monitoring wells at fair value <sup>(i)</sup>	223 231	223 231
Accumulated depreciation	(151 406)	(147 118)
<b>Total groundwater monitoring wells</b>	<b>71 825</b>	<b>76 113</b>
<b>Salinity disposal schemes</b>		
Salinity disposal schemes at fair value <sup>(i)</sup>	43 068	43 067
Accumulated depreciation	(13 943)	(13 502)
<b>Total salinity disposal schemes</b>	<b>29 125</b>	<b>29 565</b>
<b>Patawalonga seawater circulation and Barcoo outlet</b>		
Patawalonga seawater circulation and Barcoo outlet at fair value <sup>(i)</sup>	45 451	45 452
Accumulated depreciation	(15 882)	(15 293)
<b>Total Patawalonga seawater circulation and Barcoo outlet</b>	<b>29 569</b>	<b>30 159</b>
<b>Sand pumping infrastructure</b>		
Sand pumping infrastructure at fair value <sup>(i)</sup>	23 116	-
Sand pumping infrastructure at cost (deemed fair value) <sup>(ii)</sup>	-	20 544
Accumulated depreciation	(5 050)	(4 443)
<b>Total sand pumping infrastructure</b>	<b>18 066</b>	<b>16 101</b>

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**22 Property, plant and equipment (continued)**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Surface water monitoring network</b>		
Surface water monitoring network at fair value <sup>(i)</sup>	12 747	12 622
Accumulated depreciation	(5 660)	(5 490)
<b>Total surface water monitoring network</b>	<b>7 087</b>	<b>7 132</b>
<b>Waste disposal stations</b>		
Waste disposal stations at fair value <sup>(i)</sup>	14 767	6 839
Waste disposal stations at cost <sup>(ii)</sup>	-	1 532
Accumulated depreciation	(5 119)	(2 205)
<b>Total waste disposal stations</b>	<b>9 648</b>	<b>6 166</b>
<b>Regulators and embankments</b>		
Regulators and embankments at fair value <sup>(i)</sup>	83 787	20 559
Regulators and embankments at cost (deemed fair value) <sup>(ii)</sup>	-	17 469
Accumulated depreciation	(31 352)	(16 782)
<b>Total regulators and embankments</b>	<b>52 435</b>	<b>21 246</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value) <sup>(iii)</sup>	38 971	35 335
Accumulated depreciation	(23 403)	(21 092)
<b>Total plant and equipment</b>	<b>15 568</b>	<b>14 243</b>
<b>Leasehold improvements</b>		
Leasehold improvements at cost (deemed fair value) <sup>(iii)</sup>	21 459	21 459
Accumulated depreciation	(3 874)	(2 086)
<b>Total leasehold improvements</b>	<b>17 585</b>	<b>19 373</b>
<b>Other</b>		
Other at cost (deemed fair value) <sup>(iii)</sup>	1 867	1 867
Accumulated depreciation	(704)	(686)
<b>Total other</b>	<b>1 163</b>	<b>1 181</b>
<b>Capital works in progress</b>		
Capital works in progress	65 724	33 215
<b>Total capital works in progress</b>	<b>65 724</b>	<b>33 215</b>
<b>Total property, plant and equipment</b>	<b>739 880</b>	<b>635 654</b>
<b>Carrying amounts of property, plant and equipment</b>		

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## **22 Property, plant and equipment (continued)**

### **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 after allowing for 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 restructure of administrative arrangements then the assets are recognised at book value; that is 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.

Minor assets with an individual value of less than \$10 000 are expensed in the Statement of Comprehensive Income at the time of acquisition, with the exception of Groundwater Monitoring Wells due to the significant number and long useful lives of the assets contained within this class. All assets for this class have been recognised in the Statement of Financial Position regardless of their initial cost of acquisition.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

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 cannot be categorised within the standard Data Dictionary groups. These assets are valued separately by independent professional valuers. Refer to 'Asset revaluations' section below for further details.

#### *(ii) At cost (acquisition cost)*

This class includes one or more items that have an acquisition cost exceeding \$1 million. All assets within this class are temporarily held at cost pending revaluation.

#### *(iii) At cost (deemed fair value)*

These assets have an acquisition cost below \$1 million or have an estimated useful life of less than three years, and have not been revalued in accordance with APF III and are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

### **Asset revaluations**

Independent valuations were performed of the following asset classes during the reporting period:

- sand pumping infrastructure
- waste disposal stations
- regulators and embankments

Specific details relating to the revalued asset classes follow:

DEW's Sand pumping infrastructure assets were revalued as at 30 June 2018. The independent valuation also included a review of the asset's useful lives. Whilst some changes to useful lives were adopted per the valuer's recommendations, the impacts to the financial statements were not considered material. The Chief Valuer was Mr S O'Leary of Jones Lang LaSalle IP Inc (JLL).

**Department for Environment and Water**  
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**22 Property, plant and equipment**

**Asset revaluations (continued)**

As there is no active market for sand pumping infrastructure networks, the asset's fair value was determined by using the cost approach to establish the current gross replacement cost to construct a modern equivalent asset. Current replacement costs were sourced from the department's costings, market related evidence, construction costing publications and internal rates developed by JLL in house quantity surveyors. All replacement costs were based on modern equivalent assets and included all costs directly attributable to bringing the asset to working condition for its intended use including survey and design, materials, labour rates, project overheads, site establishment and professional fees. In determining the modern equivalent asset, consideration was given to contemporary design, materials and construction techniques and the required utility from the asset (excluding betterment). The application of the valuation undertaken resulted in the classification of this asset into level 3 as the measurements/ outputs were deemed unobservable.

DEW's Waste disposal station assets were revalued as at 30 June 2018. The independent valuation also included a review of the asset's useful lives, although these warranted no adjustments. The revaluation was undertaken by Certified Practising Valuer, Mr F Taormina, B.App.Sc (Val), AAPI, of Valcorp Australia Pty Ltd.

As there is no active market for Waste disposal station assets, the asset's fair value was determined by assessing the optimised replacement cost, and gathering and applying market evidence of material supply and construction costs for the major component relevant to each asset (for example, pontoons, land-based control structures, instrument housing and instrumentation), tender and contract administration, supervision and inspection. Significant assumptions underpinning the valuation are:

- the valuation was based on available asset information, underpinned by a high degree of familiarity from previous physical inspections of a sample of assets
- valuation estimates based on current practices in design and construction; future asset replacements may vary in their application of design and construction techniques
- valuation estimates treat replacement of each asset as a distinct exercise
- all assets are adequately maintained as per relevant operation and maintenance standards.

The application of the valuations resulted in the classification of these assets into level 3 as the measurements/outputs were deemed unobservable.

DEW's Regulators and embankments assets were revalued as at 30 June 2018. The independent valuation also included a review of the asset's useful lives. Whilst some changes to useful lives were adopted per the valuer's recommendations, the impacts to the financial statements were not considered material. The Chief Valuers were Ms A Carolan, FAPI and Mr L Mapanzure, AAPI of Public Private Property Pty Ltd.

As there is no active market for regulators and embankments, the asset's fair value was determined by using the cost approach to establish the current gross replacement cost to construct a modern equivalent asset. Current replacement costs were sourced from the department's costings, market related evidence, and current construction costing publications as adopted across the valuation industry. All replacement costs were based on modern equivalent assets and included all costs directly attributable to bringing the asset to working condition for its intended use including survey and design, materials, labour rates, project overheads, site establishment and professional fees. The application of the valuation undertaken resulted in the classification of this asset into level 3 as the measurements/ outputs were deemed unobservable.

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**22 Property, plant and equipment (continued)**

The following table lists details of asset classes subject to independent revaluations:

<b>Class of asset</b>	<b>Date of last independent revaluation</b>	<b>Name of Valuer</b>	<b>Fair Value Input level</b>	<b>Fair Value Approach</b>
Land	1 July 2015	State Valuation Office	3	Market
Buildings and improvements (data dictionary)	1 July 2016	Valcorp Aust. Pty Ltd	3	Cost
Buildings and improvements (unique assets)	1 July 2016	Herron Todd White and Maloney Field Services	3	Cost
Park infrastructure (data dictionary)	1 July 2016	Valcorp Aust. Pty Ltd	3	Cost
Park infrastructure (unique assets)	1 July 2016	Herron Todd White and Maloney Field Services	3	Cost
Roads, tracks and trails	1 July 2016	Valcorp Aust. Pty Ltd	3	Cost
Groundwater monitoring wells	30 June 2017	Jacobs Australia Ltd	3	Cost
Salinity disposal schemes	1 July 2014	Valcorp Aust. Pty Ltd	3	Cost
Patawalonga seawater circulation and Barcoo outlet	1 July 2014	Valcorp Aust. Pty Ltd	3	Cost
Sand pumping infrastructure	30 June 2018	Jones Lang LaSalle Inc.	3	Cost
Surface water monitoring network	30 June 2017	Valcorp Aust. Pty Ltd	3	Cost
Waste disposal stations	30 June 2018	Valcorp Aust. Pty Ltd	3	Cost
Regulators and embankments	30 June 2018	Public Private Property Pty Ltd	3	Cost

*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.

DEW is also custodian of unallotted (unalienated) Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Land dedicated to the Minister and land held by the Minister, either as freehold or reverted land is also recognised as administered land. Administered lands may be subject to third party perpetual leases and other leases and annual licenses.

*Impairment*

DEW holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible. Accordingly, the recoverable amount will be close to or greater than fair value.

DEW also expects for all other non-current tangible assets that any costs of disposal would be negligible and the recoverable amount to be close to or greater than fair value.

As at reporting date no impairment losses were recognised in the Statement of Comprehensive Income (2017: \$0.862 million, primarily relating to assets damaged in the September 2016 storms).

For revalued assets, impairment losses are initially offset against the respective revaluation surplus.

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**22 Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment**

	Land	Buildings & improvements	Park infrastructure	Roads, tracks & trails	Groundwater monitoring wells	Salinity disposal schemes
<b>2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	267 195	64 914	25 728	23 323	76 113	29 565
Acquisitions	600	-	15	-	-	-
Initial recognition	21 729	111	741	1 415	-	-
Transfer between classes	-	(27)	(2 263)	(270)	-	-
Assets received for nil consideration	12 490	1 253	267	1 157	-	-
Assets transferred for nil consideration	(600)	(145)	(368)	-	-	-
Disposals	-	-	-	-	-	-
Write-offs	-	(43)	(153)	(19)	-	-
Transfers to/(from) capital works in progress	-	2 057	2 584	10 435	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-
<b>Subtotal</b>	<b>34 219</b>	<b>3 206</b>	<b>823</b>	<b>12 718</b>	<b>-</b>	<b>-</b>
<b>Gains/(losses) for the period recognised in net result:</b>						
Depreciation	-	(3 341)	(2 379)	(4 368)	(4 288)	(440)
Reversal of impairment loss	-	47	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>(3 294)</b>	<b>(2 379)</b>	<b>(4 368)</b>	<b>(4 288)</b>	<b>(440)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>						
Net revaluation increment/(decrement)	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>301 414</b>	<b>64 826</b>	<b>24 172</b>	<b>31 673</b>	<b>71 825</b>	<b>29 125</b>

	Patawalonga seawater circulation	Sand pumping infrastructure	Surface water monitoring network	Waste disposal stations	Regulators and embankments
<b>2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	30 159	16 101	7 132	6 166	21 246
Acquisitions	-	-	-	-	-
Initial recognition	-	-	-	-	-
Transfer between classes	-	-	-	-	2 560
Assets received for nil consideration	-	-	-	-	-
Assets transferred for nil consideration	-	-	-	-	(118)
Disposals	-	-	-	-	-
Write-offs	-	-	-	-	-
Transfers to/(from) capital works in progress	-	-	125	-	4 312
Capital WIP - expensed in current period	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>6 754</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation	(590)	(1 006)	(170)	(170)	(1 431)
Reversal of impairment loss	-	-	-	-	-
<b>Subtotal</b>	<b>(590)</b>	<b>(1 006)</b>	<b>(170)</b>	<b>(170)</b>	<b>(1 431)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	-	2 971	-	3 652	25 866
<b>Subtotal</b>	<b>-</b>	<b>2 971</b>	<b>-</b>	<b>3 652</b>	<b>25 866</b>
<b>Carrying amount at the end of period</b>	<b>29 569</b>	<b>18 066</b>	<b>7 087</b>	<b>9 648</b>	<b>52 435</b>

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**22 Property, plant and equipment (continued)**

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
<b>2018</b>					
Carrying amount at the beginning of the period	14 243	19 373	1 181	33 215	635 654
Acquisitions	575	-	-	58 117	59 307
Initial recognition	-	-	-	-	23 996
Transfer between classes	-	-	-	-	-
Assets received for nil consideration	212	-	-	-	15 379
Assets transferred for nil consideration	(75)	-	-	-	(1 306)
Disposals	(51)	-	-	-	(51)
Write-offs	-	-	-	-	(215)
Transfers to/(from) capital works in progress	3 491	-	-	(24 295)	(1 291)
Capital WIP - expensed in current period	-	-	-	(1 313)	(1 313)
<b>Subtotal</b>	<b>4 152</b>	<b>-</b>	<b>-</b>	<b>32 509</b>	<b>94 506</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation	(2 827)	(1 788)	(18)	-	(22 816)
Reversal of impairment loss	-	-	-	-	47
<b>Subtotal</b>	<b>(2 827)</b>	<b>(1 788)</b>	<b>(18)</b>	<b>-</b>	<b>(22 769)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	-	-	-	-	32 489
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32 489</b>
<b>Carrying amount at the end of period</b>	<b>15 568</b>	<b>17 585</b>	<b>1 163</b>	<b>65 724</b>	<b>739 880</b>

	Land \$'000	Buildings & improvements \$'000	Park infrastructure \$'000	Roads, tracks & trails \$'000	Groundwater monitoring wells \$'000	Salinity disposal schemes \$'000
<b>2017</b>						
Carrying amount at the beginning of the period	267 135	48 404	36 547	23 367	44 387	31 262
Acquisitions	650	367	14	13	-	-
Initial recognition	-	-	-	-	13 363	-
Transfer between classes	(590)	(143)	(12 771)	13	-	-
Assets transferred for nil consideration	(706)	(1 346)	-	(3 014)	(2 593)	-
Disposals	-	-	-	-	-	-
Write-offs	-	(186)	(260)	(10)	(99)	(1 252)
Transfers to/(from) capital works in progress	706	3 256	1 716	6 212	2 831	-
Impairment loss	-	(862)	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-
<b>Subtotal</b>	<b>60</b>	<b>1 086</b>	<b>(11 301)</b>	<b>3 214</b>	<b>13 502</b>	<b>(1 252)</b>
<b>Gains/(losses) for the period recognised in net result:</b>						
Depreciation	-	(4 935)	(3 896)	(5 636)	(2 271)	(445)
<b>Subtotal</b>	<b>-</b>	<b>(4 935)</b>	<b>(3 896)</b>	<b>(5 636)</b>	<b>(2 271)</b>	<b>( 445)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>						
Net revaluation increment/(decrement)	-	20 359	4 378	2 378	20 495	-
<b>Subtotal</b>	<b>-</b>	<b>20 359</b>	<b>4 378</b>	<b>2 378</b>	<b>20 495</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>267 195</b>	<b>64 914</b>	<b>25 728</b>	<b>23 323</b>	<b>76 113</b>	<b>29 565</b>



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**22 Property, plant and equipment (continued)**

	Patawalonga seawater circulation \$'000	Sand pumping infrastructure \$'000	Surface water monitoring network \$'000	Waste disposal stations \$'000	Regulators and embankments \$'000
<b>2017</b>					
Carrying amount at the beginning of the period	30 769	17 107	5 496	5 561	6 880
Acquisitions	-	-	-	-	-
Initial recognition	-	-	-	-	-
Transfer between classes	-	-	-	-	13 491
Assets transferred for nil consideration	-	-	-	-	-
Disposals	-	-	-	-	-
Write-offs	-	-	-	(156)	-
Transfers to/(from) capital works in progress	-	-	224	929	2 147
Impairment loss	-	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>773</b>	<b>15 638</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation	(610)	(1 006)	(157)	(168)	(1 272)
<b>Subtotal</b>	<b>(610)</b>	<b>(1 006)</b>	<b>(157)</b>	<b>(168)</b>	<b>(1 272)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	-	-	1 569	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>1 569</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>30 159</b>	<b>16 101</b>	<b>7 132</b>	<b>6 166</b>	<b>21 246</b>

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
<b>2017</b>					
Carrying amount at the beginning of the period	13 871	21 161	1 199	22 665	575 811
Acquisitions	1 167	-	-	32 295	34 506
Initial recognition	-	-	-	-	13 363
Transfer between classes	-	-	-	-	-
Assets transferred for nil consideration	(33)	-	-	-	(7 692)
Disposals	(17)	-	-	-	(17)
Write-offs	(167)	-	-	-	(2 130)
Transfers to/(from) capital works in progress	1 864	-	-	(20 420)	(535)
Impairment loss	-	-	-	-	(862)
Capital WIP - expensed in current period	-	-	-	(1 325)	(1 325)
<b>Subtotal</b>	<b>2 814</b>	<b>-</b>	<b>-</b>	<b>10 550</b>	<b>35 308</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation	(2 442)	(1 788)	(18)	-	(24 644)
<b>Subtotal</b>	<b>(2 442)</b>	<b>(1 788)</b>	<b>(18)</b>	<b>-</b>	<b>(24 644)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	-	-	-	-	49 179
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49 179</b>
<b>Carrying amount at the end of period</b>	<b>14 243</b>	<b>19 373</b>	<b>1 181</b>	<b>33 215</b>	<b>635 654</b>

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## 22 Property, plant and equipment (continued)

### Error correction

An error correction of \$0.389 million has been disclosed in the Statement of Changes in Equity in respect of the 2016-17 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprised a net decrease (\$0.389 million) to several asset classes (buildings and improvement, park infrastructure and roads, tracks, and trails assets) as at 1 July 2016. The error correction resulted in a reduction of \$0.343 million to the asset revaluation surplus and a decrease of \$0.046 million to retained earnings. The error correction related to the late processing of an independent asset revaluation undertaken for selective assets in the State's southern geographical regions.

In addition, an error correction of \$23.996 million has been disclosed in the Statement of Changes in Equity and has been retrospectively restated as at 1 July 2017 in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The error correction resulted in a net increase of \$23.996 million to retained earnings and adjustments to the carrying values of several asset classes. The carrying value of land has been increased by \$21.729 million to recognise various land parcels gazetted as conservation parks during 2016-17. Other adjustments to the carrying values of assets related to the first time recognition of assets and other asset revisions. The impact of the adjustments were as follows: buildings and improvements (\$0.111 million increase); park infrastructure (\$0.741 million increase) and roads, tracks, and trails (\$1.415 million increase).

## 23 Intangible assets

	2018 \$'000	2017 \$'000
<b>Internally developed intangible assets</b>		
Computer software at cost (deemed fair value)	13 108	12 169
Accumulated amortisation	(11 119)	(11 135)
<b>Total internally generated computer software</b>	<b>1 989</b>	<b>1 034</b>
<b>Externally acquired intangible assets</b>		
Computer software	1 059	1 610
Accumulated amortisation	(677)	(750)
Total computer software	382	860
Water licences	2 610	2 328
<b>Total externally acquired intangible assets</b>	<b>2 992</b>	<b>3 188</b>
<b>Other</b>		
Revenue stream (War services freehold leases) - at cost (deemed fair value)	1 000	1 000
Accumulated amortisation	(273)	(251)
<b>Total other</b>	<b>727</b>	<b>749</b>
<b>Total intangible assets</b>	<b>5 708</b>	<b>4 971</b>

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

The useful lives of intangible assets are assessed to be either finite or indefinite. The 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.

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**23 Intangible assets (continued)**

No amortisation is applied to water entitlements (included in acquired intangible assets) as these have been assessed as having an indefinite term of future economic benefits.

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 *Intangible Assets* are expensed.

DEW recognises the following intangible assets:

**Computer software**

DEW has capitalised the internal development of software for the Tenements and Billing System (TABS), Water Information and Licensing and Management Application system (WILMA) and ARAMIS Solution Software. In addition, certain costs have been capitalised in respect of the Water Connect Portal (Natural Resources Management Information System) and other software specific to DEW's core activities. Some intangibles are currently included in work in progress. Externally acquired computer software relates to ARCGIS software.

**Water licenses**

An intangible asset for water licences has been recognised. These licences relate to environmental water holdings and are held at cost.

**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 DEW 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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**23 Intangible assets (continued)**

**Intangible asset movement reconciliation schedule**

	<b>Internally developed</b>	<b>Externally acquired</b>	<b>Revenue stream</b>	<b>Total</b>
<b>2018</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	1 034	3 188	749	4 971
Transfers to/(from) capital works in progress	1 291	-	-	1 291
Transfers between classes	332	(332)	-	-
Write-offs	(88)	-	-	(88)
Amortisation	(580)	(146)	(22)	(748)
Reversal of impairment loss	-	282	-	282
<b>Carrying amount at the end of the period</b>	<b>1 989</b>	<b>2 992</b>	<b>727</b>	<b>5 708</b>

	<b>Internally developed</b>	<b>Externally acquired</b>	<b>Revenue stream</b>	<b>Total</b>
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	1 122	3 380	771	5 273
Transfers to/(from) capital works in progress	467	68	-	535
Amortisation	(555)	(260)	(22)	(837)
<b>Carrying amount at the end of the period</b>	<b>1 034</b>	<b>3 188</b>	<b>749</b>	<b>4 971</b>

**Assets not recognised**

*Acquisition of Water Licences for Environmental Flows*

While DEW recognises certain water licences controlled by the Minister for Environment and Water as intangible assets, the acquisition and/or transfer of water licences for environmental purposes linked to the provisions of Intergovernmental Agreements to which South Australia is party to is generally expensed when such expenditure is incurred.

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## 24 Fair value measurement

### *Fair value measurement*

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

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

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in an active market and derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

In determining fair value, DEW has taken into account the characteristic of the asset (for example, 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 (that is, physically possible, legally permissible, financially feasible).

DEW's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As DEW 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.

Refer to note 22 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

### **Fair value hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. DEW categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement as follows:

### **Fair value measurement at 30 June 2018**

	<b>Level 3</b>
	<b>\$'000</b>
<b>Recurring fair value measurements</b>	
Land	301 414
Buildings and improvements	64 826
Park infrastructure	24 172
Roads, tracks and trails	31 673
Groundwater monitoring wells	71 825
Salinity disposal schemes	29 125
Patawalonga seawater circulation and Barcoo outlet	29 569
Surface water monitoring network	7 087
Waste disposal stations	9 648
Regulators and embankments	52 435
Sand pumping infrastructure	18 066
Plant and equipment	15 568
Leasehold improvements	17 585
Other	1 163
<b>Total recurring fair value measurements</b>	<b>674 156</b>
<b>Total fair value measurements</b>	<b>674 156</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
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**24 Fair value measurement (continued)**

**Fair value measurement at 30 June 2017**

	<b>Level 3</b>
	<b>\$'000</b>
<b>Recurring fair value measurements</b>	
Land	267 195
Buildings and improvements	64 914
Park infrastructure	25 728
Roads, tracks and trails	23 323
Groundwater monitoring wells	76 113
Salinity disposal schemes	29 565
Patawalonga seawater circulation and Barcoo outlet	30 159
Surface water monitoring network	7 132
Waste disposal stations	6 166
Regulators and embankments	21 246
Sand pumping infrastructure	16 101
Plant and equipment	14 243
Leasehold improvements	19 373
Other	1 181
<b>Total recurring fair value measurements</b>	<b>602 439</b>
 <b>Total fair value measurements</b>	 <b>602 439</b>

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

DEW had no valuations categorised into level 1 or level 2 during 2017 and 2018.

**Valuation techniques and inputs**

Valuation techniques used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements are detailed at note 22. There were no changes in valuation techniques during 2018.

**Department for Environment and Water**  
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**25 Payables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	34 071	30 057
Employment on-costs <sup>^</sup>	3 076	3 135
Accrued expenses	943	1 030
Paid Parental Leave Scheme payable	47	41
<b>Total current payables</b>	<b>38 137</b>	<b>34 263</b>
<b>Non-current</b>		
Employment on-costs	3 167	3 198
<b>Total non-current payables</b>	<b>3 167</b>	<b>3 198</b>
<b>Total payables</b>	<b>41 304</b>	<b>37 461</b>

<sup>^</sup> Employment on-costs include Payroll Tax, workers' compensation levies and superannuation contributions. DEW 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 and externally managed superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the percentage of the proportion of long service leave taken as leave has changed from the 2017 rate of 40% to 41%. This rate is used in the employment on-cost calculation.

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

**Interest rate and credit risk**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. 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.

For further information on risk management refer to note 34.

**Department for Environment and Water**  
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**26 Employee benefits liability**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	9 458	9 712
Long service leave	3 221	2 530
Accrued salaries and wages	1 998	2 054
Skills and experience retention leave	798	885
<b>Total current employee benefits</b>	<b>15 475</b>	<b>15 181</b>
<b>Non-current</b>		
Long service leave	34 572	34 439
<b>Total non-current employee benefits</b>	<b>34 572</b>	<b>34 439</b>
<b>Total employee benefits</b>	<b>50 047</b>	<b>49 620</b>

Employee benefits accrue 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.

**Salaries and wages, annual leave, skills and experience retention and sick leave**

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

The annual leave liability and the skills and experience retention and sick leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

**Long service leave**

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

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

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

AASB 119 *Employee Benefits* requires the use of yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has remained unchanged from 2017 (2.50%).

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



**Department for Environment and Water**  
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**26 Employee benefits liability (continued)**

The actuarial assessment performed by DTF left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as DEW does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of the long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

**27 Provisions**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers' compensation	489	550
<b>Total current provisions</b>	<b>489</b>	<b>550</b>
<b>Non-current</b>		
Provision for workers' compensation	725	1 260
<b>Total non-current provisions</b>	<b>725</b>	<b>1 260</b>
<b>Total provisions</b>	<b>1 214</b>	<b>1 810</b>
<b>Provision movement</b>		
Carrying amount at the beginning of the period	1 810	2 849
Reductions resulting from re-measurement or settlement without cost	(596)	(1 039)
<b>Carrying amount at the end of the period</b>	<b>1 214</b>	<b>1 810</b>

A liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2018 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

DEW is responsible for the payment of workers' compensation claims.

**28 Other liabilities**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease incentive	1 403	1 402
Unearned revenue	350	204
Other	202	122
<b>Total current other liabilities</b>	<b>1 955</b>	<b>1 728</b>
<b>Non-current</b>		
Lease incentive	17 311	18 633
Deposits held	465	465
<b>Total non-current other liabilities</b>	<b>17 776</b>	<b>19 098</b>
<b>Total other liabilities</b>	<b>19 731</b>	<b>20 826</b>

**Department for Environment and Water**  
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**28 Other liabilities (continued)**

Error correction

An error correction of \$0.472 million has been disclosed in the Statement of Changes in Equity in respect of the 2016-17 financial year. The error correction has been retrospectively restated in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and comprises a net decrease to the lease incentive recorded as other liabilities, and an increase of \$0.472 million to total equity. The error correction related to an overstatement to the leasehold incentive liability in respect to DEW's CBD accommodation.

**29 Related party transactions**

Compensation of Key Management Personnel is disclosed as note 3

The Department for Environment and Water is a government administrative unit and is wholly owned and controlled by the Crown.

Related parties of DEW include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

**Collectively, but not individually significant transactions with government related entities.**

Quantitative information about transactions and balances between DEW and other SA Government controlled entities are disclosed at note 39.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
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**30 Cash flow reconciliation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	183 569	144 329
Balance as per the Statement of Cash Flows	183 569	144 329
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>		
Net cash provided by/(used in) operating activities	93 579	24 521
Add payments to SA Government	94	8 273
Less revenues from SA Government	(156 903)	(148 986)
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(23 564)	(25 481)
Capital work-in-progress and asset write-offs	(1 616)	(3 455)
Impairment of non-current assets	329	(862)
Gain/(loss) on disposal of non-current assets	(35)	17
Assets transferred for nil consideration	(1 306)	(7 692)
Supplies and services not requiring cash	(4 381)	-
Resources received free of charge	19 760	-
<b>Movement in assets and liabilities</b>		
(Decrease) in receivables	(1 888)	(3 484)
Increase in inventories	6	144
(Decrease) in other assets	(76)	(156)
Decrease/(increase) in payables	1 109	(5 429)
(Increase) in employee benefits	(427)	(99)
Decrease in provisions	596	1 039
Decrease in other liabilities	1 095	1 478
<b>Net cost of providing services</b>	<b>(73 628)</b>	<b>(160 172)</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
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**31 Budgetary reporting and explanations of major variances between budget and actual amounts**

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

		<b>Original budget 2018 \$'000</b>	<b>Actual 2018 \$'000</b>	<b>Variance \$'000</b>
<b>Statement of Comprehensive Income</b>	<b>Note</b>			
<b>Expenses</b>				
Employee benefits		156 964	158 542	1 578
Supplies and services		78 060	73 351	(4 709)
Grants and subsidies		35 536	34 373	(1 163)
Depreciation and amortisation		21 457	23 564	2 107
Net loss from disposal of non-current assets		-	35	35
Other expenses		2 667	6 200	3 533
<b>Total expenses</b>		<b>294 684</b>	<b>296 065</b>	<b>1 381</b>
<b>Income</b>				
Fees and charges		94 557	102 768	8 211
Grants		106 107	97 069	(9 038)
Interest		124	769	645
Resources received free of charge	a	-	19 760	19 760
Other income		3 026	2 071	(955)
<b>Total income</b>		<b>203 814</b>	<b>222 437</b>	<b>18 623</b>
<b>Net cost of providing services</b>		<b>90 870</b>	<b>73 628</b>	<b>(17 242)</b>
<b>Revenues from / payments to SA government</b>				
Revenues from SA government		153 209	156 903	3 694
Payments to SA government		-	(94)	(94)
<b>Total net revenues from SA Government</b>		<b>153 209</b>	<b>156 809</b>	<b>3 600</b>
<b>Net result</b>		<b>62 339</b>	<b>83 181</b>	<b>20 842</b>

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

- a. Assets received free of charge from external entities was not included in the original budget.

**Department for Environment and Water**  
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**31 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)**

		<b>Original budget 2018 \$'000</b>	<b>Actual 2018 \$'000</b>	<b>Variance \$'000</b>
<b>Investing expenditure summary</b>				
Total new projects		200	184	(16)
Total existing projects	b	107 361	48 980	(58 381)
Total annual program		7 679	10 089	2 410
<b>Total investing expenditure</b>		<b>115 240</b>	<b>59 253</b>	<b>(55 987)</b>

- b. Total expenditure on existing projects was lower than the original budget largely due to issues experienced with the supply of materials delaying works for one project and delays in signing a construction contract for another project.

**32 Unrecognised contractual commitments**

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

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

**Operating lease commitments**

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Within one year	7 233	6 882
Later than one year but not longer than five years	26 048	25 801
Later than five years	31 121	37 098
<b>Total operating lease commitments</b>	<b>64 402</b>	<b>69 781</b>

The operating leases held by DEW 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 DEW 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:

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Within one year	2 042	352
Later than one year but not longer than five years	113	-
<b>Total capital commitments</b>	<b>2 155</b>	<b>352</b>

**Department for Environment and Water**  
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**32 Unrecognised contractual commitments (continued)**

DEW's capital commitments comprised construction works for the Waterfall Gully/Mt Lofty summit trail (\$1.462 million), Riverine Recovery (\$0.257 million) and South Australian Riverland Flood Plains Integrated Infrastructure Program, SARFIIP (\$0.436 million). In 2016-17 capital commitments comprised the Coorong, Lower Lakes and Murray Mouth (CLMM) project (\$0.260 million) and the Tennyson Dunes Coast Park Discovery Trail project (\$0.092 million).

**Expenditure commitments**

Expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	24 684	22 784
Later than one year but not longer than five years	69 395	66 731
<b>Total expenditure commitments</b>	<b>94 079</b>	<b>89 515</b>

DEW's expenditure commitments are for contributions to the Murray-Darling Basin Authority.

**33 Contingent assets and liabilities**

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

DEW 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.

The Minister has a statutory obligation under the *Upper South East Dryland Salinity and Flood Management Act 2002* (USE Act) to consider landholders' requests for compensation and pay landholders, if it is deemed that they are entitled to compensation. As at the reporting date the outcomes of compensation claims that have been lodged by eligible landholders have been quantified and are being submitted to the Minister for consideration.

**Department for Environment and Water**  
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**34 Financial risk management / financial instruments**

**Financial risk management**

Risk management is managed by DEW's corporate services section and departmental 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*.

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

**Liquidity risk**

DEW is funded principally from appropriations by the SA Government. DEW works with DTF 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.

Refer to note 25 for further information.

**Credit and market risk**

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

DEW does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. DEW does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

No collateral is held as security and no credit enhancements relate to financial assets held by DEW.

Refer notes 16, 17 and 19 for further information.

Exposure to interest rate risk may arise through its interest bearing liabilities. DEW's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

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 the respective financial asset/financial liability note.

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**34 Financial risk management / financial instruments (continued)**

The carrying amounts of each of the following categories of financial assets and liabilities: held-to-maturity investments; receivables; and financial liabilities measured at cost are detailed below:

DEW does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 17 and 25).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer note 20).

Category of financial asset and financial liability	Note	2018 Carrying amount / fair value \$'000	2018 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents		183 569	183 569	-	-
<b>Loans and receivables</b>					
Receivables	(1), (2)	7 896	7 896	-	-
<b>Held-to-maturity investments</b>					
Financial assets		3	3	-	-
<b>Total financial assets</b>		<b>191 468</b>	<b>191 468</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at cost</b>					
Payables	(1)	34 569	34 569	-	-
<b>Total financial liabilities</b>		<b>34 569</b>	<b>34 569</b>	<b>-</b>	<b>-</b>

Category of financial asset and financial liability	Note	2017 Carrying amount / fair value \$'000	2017 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents		144 329	144 329	-	-
<b>Loans and receivables</b>					
Receivables	(1), (2)	9 599	9 599	-	-
<b>Held-to-maturity investments</b>					
Financial assets		3	3	-	-
<b>Total financial assets</b>		<b>153 931</b>	<b>153 931</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at cost</b>					
Payables	(1)	30 677	30 677	-	-
<b>Total financial liabilities</b>		<b>30 677</b>	<b>30 677</b>	<b>-</b>	<b>-</b>

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; Auditor-General 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).



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**34 Financial risk management / financial instruments (continued)**

- <sup>(2)</sup> Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 19 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

**35 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 DEW's financial statements. When incorporating these amounts into DEW's financial statements all transactions between the Fund and DEW have been eliminated.

**Statement of Comprehensive Income**

for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>Expenses</b>		
Supplies and services	-	-
<b>Total expenses</b>	-	-
<b>Net cost of providing services</b>	-	-
Revenues from/(payments to) SA Government	-	-
<b>Net result</b>	-	-

**Statement of Financial Position**

as at 30 June 2018

	2018 \$'000	2017 \$'000
<b>Current assets</b>		
Cash and cash equivalents	349	349
<b>Total current assets</b>	349	349
<b>Total assets</b>	349	349
<b>Net assets</b>	349	349
<b>Equity</b>		
Retained earnings	349	349
<b>Total equity</b>	349	349

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**35 South Australian Heritage Fund (continued)**

**Statement of Changes in Equity**  
for the year ended 30 June 2018

	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2016</b>	349	349
Net result for 2016-17	-	-
<b>Balance at 30 June 2017</b>	<b>349</b>	<b>349</b>
Net result for 2017-18	-	-
<b>Balance at 30 June 2018</b>	<b>349</b>	<b>349</b>

**Statement of Cash Flows**  
for the year ended 30 June 2018

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Payments for supplies and services	-	-
<b>Cash used in operations</b>	<b>-</b>	<b>-</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	349	349
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>349</b>	<b>349</b>

**Department for Environment and Water**  
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**36 General Reserves Fund**

The General Reserves Fund (the Fund) was established under section 45 of the *National Parks and Wildlife Act 1972* (the Act) to perform duties in relation to the development and management of reserves. Reserves include any national park, conservation park, game reserve, recreation park or regional reserve constituted under the Act. The functions of the Fund are to undertake programs that are directed to achieving the objectives prescribed in section 37 of the Act, through the operation of a Fund account. The Fund provisions are used as the mechanism to provide expanded visitor facilities and services to the park. 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 DEW's financial statements. When incorporating these amounts into DEW's financial statements all transactions between the Fund and DEW have been eliminated.

**Statement of Comprehensive Income**

for the year ended 30 June 2018

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>		
Supplies and services	13	8
Grants and subsidies	15 726	14 366
<b>Total expenses</b>	<b>15 739</b>	<b>14 374</b>
<b>Income</b>		
Fees and charges	15 158	14 339
Interest	15	21
Other income	566	14
<b>Total income</b>	<b>15 739</b>	<b>14 374</b>
<b>Net cost of providing services</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>-</b>	<b>-</b>

**Statement of Financial Position**

as at 30 June 2018

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	568	1 526
Receivables	1 697	739
<b>Total assets</b>	<b>2 265</b>	<b>2 265</b>
<b>Net assets</b>	<b>2 265</b>	<b>2 265</b>
<b>Equity</b>		
Retained earnings	2 265	2 265
<b>Total equity</b>	<b>2 265</b>	<b>2 265</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**36 General Reserves Fund (continued)**

**Statement of Changes in Equity**  
for the year ended 30 June 2018

	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2016</b>	2 265	2 265
Net result for 2016-17	-	-
<b>Balance at 30 June 2017</b>	<b>2 265</b>	<b>2 265</b>
Net result for 2017-18	-	-
<b>Balance at 30 June 2018</b>	<b>2 265</b>	<b>2 265</b>

**Statement of Cash Flows**  
for the year ended 30 June 2018

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Fees and charges	14 200	14 514
Interest received	16	21
Other receipts	565	14
<b>Cash generated from operations</b>	<b>14 781</b>	<b>14 549</b>
<b>Cash outflows</b>		
Payments for supplies and services	(13)	(17)
Payments of grants and subsidies	(15 726)	(14 366)
<b>Cash used in operations</b>	<b>(15 739)</b>	<b>(14 383)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>(958)</b>	<b>166</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(958)</b>	<b>166</b>
Cash and cash equivalents at the beginning of the reporting period	1 526	1 360
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>568</b>	<b>1 526</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**37 Impact of standards and policies not yet implemented**

DEW did not voluntarily change any of its accounting policies during 2017-18.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by DEW for the period ending 30 June 2018.

**AASB 9 Financial Instruments**

The revision to AASB 9 Financial Instruments applies to reporting periods beginning on or after 1 January 2018, i.e. to financial statements as 30 June 2019. AASB 9 Financial Instruments provides the principles for the classification, measurement, recognition, de-recognition and disclosure associated with financial assets and liabilities. The key changes include simplified requirements for classification and measurement of financial assets and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

Trade receivables and loan receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. DEW will be adopting the simplified approach under AASB 9 Financial Instruments and measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision.

DEW has not yet quantified the impact of applying AASB 9 Financial Instruments on the classification and measurement of its financial assets, and the resulting impact on the statement of comprehensive income.

The unlisted private company shares are currently recognised at cost refer note 20. On adoption of AASB 9 Financial Instruments, these instruments will be measured at fair value. These investments are held for strategic rather than financial purposes and the Department intends to make an irrevocable election on adoption of AASB 9 Financial Instruments, that each individual investment will be categorised as Fair Value through Other Comprehensive Income (FVOCI). As such, while their fair value will be represented in the statement of Financial Position, changes in value will be recognised in Other Comprehensive Income rather than profit. The amount will not be recycled through profit when the investments are disposed of. The fair value as at 1 July 2018 is being determined.

**AASB 16 Leases**

This standard will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The standard supersedes AASB 117 Leases and unlike AASB 117 Leases, AASB 16 Leases introduces a single lease accounting model for lessees, eliminating the distinction between operating and finance leases. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 Leases allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. The Department will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**37 Impact of standards and policies not yet implemented**

**AASB 16 Leases (continued)**

The Department has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 Leases to its current operating leases, including the extent of additional disclosures required. The exact impact will not be known until the year of transition.

It is anticipated that there will be a marginal impact each year on net result due to recognition of depreciation and interest on lease liabilities as expenses. There will be no impact on the total net result over the life of the lease.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

The Department's current operating lease commitments note (see note 32) provides an indication of the amounts to be recognised 'on-balance sheet' at transition (an expected increase in lease liabilities with a corresponding right-of-use asset). The reclassification between supplies and services expense and depreciation/interest has not yet been estimated.

**AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

These standards will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The Department has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts.

**38 Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

Note disclosure is made about events between 30 June 2018 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

DEW is not aware of any event occurring after balance date that would materially affect the financial statements.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**39 Transactions with SA Government**

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Expenses</b>							
Employee benefits	3	-	-	158 542	155 455	158 542	155 455
Supplies and services	5						
Fee for service		4 615	6 077	8 370	13 688	12 985	19 765
Accommodation and property management		9 367	12 475	3 113	1 536	12 480	14 011
General administration		7 355	8 242	3 000	4 099	10 355	12 341
Information technology & communication		2 215	2 062	7 515	7 696	9 730	9 758
Minor works, maintenance & equipment		441	2 853	4 339	7 432	4 780	10 285
Vehicle and aircraft		2 922	3 030	1 785	1 680	4 707	4 710
Sand replenishment		-	-	4 705	6 087	4 705	6 087
Bore drilling services		-	-	2 158	4 299	2 158	4 299
Contractors		-	-	1 843	1 789	1 843	1 789
Travel and accommodation		-	-	1 629	1 961	1 629	1 961
Cost of goods sold		-	-	1 466	1 553	1 466	1 553
Staff development		186	562	1 118	920	1 304	1 482
Scientific and technical services		373	-	203	307	576	307
Transportation		-	-	382	459	382	459
Monitoring fees		106	-	99	245	205	245
Consultants		-	-	175	282	175	282
Other		374	492	3 497	3 607	3 871	4 099
Grants and subsidies	6	1 194	710	33 179	31 244	34 373	31 954
Depreciation and amortisation	7	-	-	23 564	25 481	23 564	25 481
Net loss from the disposal of non-current assets	8	-	-	35	-	35	-
Other expenses	9						
Settlement of legal claims		-	-	3 100	-	3 100	-
Capital project costs not capitalised		-	277	1 313	1 048	1 313	1 325
Assets transferred for nil consideration		1 188	2 085	118	5 607	1 306	7 692
Audit fees		425	415	81	74	506	489
Property, plant and equipment write-offs		-	-	215	2 130	215	2 130
Intangible asset write-offs		-	-	88	-	88	-
Bad and doubtful debts		-	199	72	393	72	592
Impairment loss		-	-	-	862	-	862
Movement in Inventory		-	-	(72)	(133)	(72)	(133)
Reversal of impairment loss		-	-	(329)	-	(329)	-
Other		-	-	1	1	1	1
<b>Total expenses</b>		<b>30 761</b>	<b>39 479</b>	<b>265 304</b>	<b>279 802</b>	<b>296 065</b>	<b>319 281</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**39 Transactions with SA Government (continued)**

	Note	SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Income</b>							
Fees and charges	10						
NRM Board salary recovery		31 021	30 040	217	-	31 238	30 040
Sale of support services		16 916	16 410	3 266	2 394	20 182	18 804
Service recoveries		18 444	17 995	-	-	18 444	17 995
Admissions and guided tours		-	-	9 682	9 283	9 682	9 283
Sale of professional services		4 054	2 432	4 041	3 293	8 095	5 725
Property rental and related income		-	210	6 013	5 647	6 013	5 857
Sale of goods		-	-	4 041	3 991	4 041	3 991
Fees, Levies and licences		-	-	2 472	2 622	2 472	2 622
Other salary recoveries		1 465	1 378	93	450	1 558	1 828
Sale of spatial information		181	109	734	674	915	783
Sale of freehold titles		-	-	83	222	83	222
Taxation revenue - River Murray rehabilitation Levy		-	286	45	-	45	286
Grants	11	12 877	13 453	84 192	45 316	97 069	58 769
Interest	12	769	672	-	-	769	672
Resources received free of charge	13						
Donated assets		15 332	-	47	-	15 379	-
Services received free of charge - Shared Services SA		4 381	-	-	-	4 381	-
Net gain from the disposal of non-current assets	8	-	-	-	17	-	17
Other income	14						
Water sales		-	-	573	1 540	573	1 540
Sponsorships, donations, commissions and bequests		-	-	570	117	570	117
Salaries and wages recoveries		-	-	64	88	64	88
Insurance recoveries		504	-	185	34	689	34
Other sundry revenue		-	-	175	436	175	436
Net revenues from SA Government	15	156 809	140 713	-	-	156 809	140 713
<b>Total income</b>		<b>262 753</b>	<b>223 698</b>	<b>116 493</b>	<b>76 124</b>	<b>379 246</b>	<b>299 822</b>



**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**39 Transactions with SA Government (continued)**

	Note	SA Government		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Financial assets</b>							
Receivables	17						
Receivables		5 104	5 166	2 715	4 378	7 819	9 544
Accrued revenues		-	-	77	55	77	55
GST input tax recoverable		-	-	4 557	4 741	4 557	4 741
Workers' compensation recoveries		-	-	37	38	37	38
Other financial assets	19						
Prepaid supplies and services		-	-	1 018	1 094	1 018	1 094
Other		-	-	1	1	1	1
Equity in unlisted entities	20	-	-	3	3	3	3
<b>Total financial assets</b>		<b>5 104</b>	<b>5 166</b>	<b>8 408</b>	<b>10 310</b>	<b>13 512</b>	<b>15 476</b>
<b>Financial liabilities</b>							
Payables	25						
Creditors		21 558	14 943	12 513	15 114	34 071	30 057
Employment on-costs		3 070	3 051	3 173	3 282	6 243	6 333
Accrued expenses		445	410	498	620	943	1 030
Paid Parental Leave Scheme payable		-	-	47	41	47	41
Other liabilities	28						
Lease incentive		18 714	20 035	-	-	18 714	20 035
Unearned revenue		-	-	350	204	350	204
Deposits held		-	-	465	465	465	465
Other		-	-	202	122	202	122
<b>Total financial liabilities</b>		<b>43 787</b>	<b>38 439</b>	<b>17 248</b>	<b>19 848</b>	<b>61 035</b>	<b>58 287</b>

**Department for Environment and Water**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2018*

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Administered expenses</b>			
Employee benefits		354	350
Supplies and services		670	438
Grants and subsidies	A5	54 091	49 493
Expenses associated with joint operation	A15	10 663	11 115
Other expenses	A6	17 189	1 009
<b>Total administered expenses</b>		<b>82 967</b>	<b>62 405</b>
<b>Administered income</b>			
Fees and charges	A7	17 279	17 129
Grants	A8	13 827	13 612
Income associated with joint operation	A15	5 421	7 109
Interest		66	65
Assets received free of charge	A9	11 700	706
Net gain from the disposal of non-current assets	A10	49	4 618
<b>Total administered income</b>		<b>48 342</b>	<b>43 239</b>
<b>Net cost of providing services</b>		<b>34 625</b>	<b>19 166</b>
<b>Revenues from / (payments to) SA Government</b>			
Revenues from SA Government	A11	23 271	19 056
Payments to SA Government	A11	(6 735)	(8 361)
<b>Total net revenues from SA Government</b>		<b>16 536</b>	<b>10 695</b>
<b>Net result</b>		<b>(18 089)</b>	<b>(8 471)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result:</i>			
Changes in property, plant and equipment asset revaluation surplus	A14	3 265	17 988
<b>Total other comprehensive income</b>		<b>3 265</b>	<b>17 988</b>
<b>Total comprehensive result</b>		<b>(14 824)</b>	<b>9 517</b>

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.

**Department for Environment and Water**  
**Statement of Administered Financial Position**  
*as at 30 June 2018*

	<b>Note</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Administered current assets</b>			
Cash and cash equivalents	A12	12 699	10 360
Receivables	A13	3 092	4 910
<b>Total current assets</b>		<b>15 791</b>	<b>15 270</b>
<b>Administered non-current assets</b>			
Property, plant and equipment	A14	1 346 193	1 369 164
Intangibles	A15	154 016	151 973
<b>Total non-current assets</b>		<b>1 500 209</b>	<b>1 521 137</b>
<b>Total assets</b>		<b>1 516 000</b>	<b>1 536 407</b>
<b>Administered current liabilities</b>			
Payables	A16	6 648	4 407
<b>Total current liabilities</b>		<b>6 648</b>	<b>4 407</b>
<b>Total liabilities</b>		<b>6 648</b>	<b>4 407</b>
<b>Net assets</b>		<b>1 509 352</b>	<b>1 532 000</b>
<b>Administered equity</b>			
Asset revaluation surplus		199 057	195 792
Retained earnings		1 310 295	1 336 208
<b>Total equity</b>		<b>1 509 352</b>	<b>1 532 000</b>

**The total equity is attributable to the SA Government as owner.**

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

**Department for Environment and Water**  
**Statement of Administered Changes in Equity**  
*for the year ended 30 June 2018*

		<b>Asset revaluation surplus</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2016</b>		177 804	1 341 093	1 518 897
<b>Opening balance at 1 July 2016</b>		177 804	1 341 093	1 518 897
Error correction - Crown lands	A14	-	3 586	3 586
<b>Restated opening balance at 1 July 2016</b>		<b>177 804</b>	<b>1 344 679</b>	<b>1 522 483</b>
Net result for 2016-17		-	(8 471)	(8 471)
Changes in property, plant and equipment asset revaluation surplus	A14	17 988	-	17 988
<b>Total comprehensive result for 2016-17</b>		<b>17 988</b>	<b>(8 471)</b>	<b>9 517</b>
<b>Balance at 30 June 2017</b>		<b>195 792</b>	<b>1 336 208</b>	<b>1 532 000</b>
<b>Opening balance at 1 July 2017</b>		195 792	1 336 208	1 532 000
Error correction - Crown lands	A14	-	(7 824)	(7 824)
<b>Restated opening balance at 1 July 2017</b>		<b>195 792</b>	<b>1 328 384</b>	<b>1 524 176</b>
Net result for 2017-18		-	(18 089)	(18 089)
Changes in property, plant and equipment asset revaluation surplus	A14	3 265	-	3 265
<b>Total comprehensive result for 2017-18</b>		<b>3 265</b>	<b>(18 089)</b>	<b>(14 824)</b>
<b>Balance at 30 June 2018</b>		<b>199 057</b>	<b>1 310 295</b>	<b>1 509 352</b>

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

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

**Department for Environment and Water**  
**Statement of Administered Cash Flows**  
*for the year ending 30 June 2018*

		<b>2018</b>	<b>2017</b>
		<b>(Outflows)</b>	<b>(Outflows)</b>
		<b>Inflows</b>	<b>Inflows</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(354)	(350)
Payments for supplies and services		(668)	(432)
Payments of grants and subsidies		(53 981)	(50 209)
<b>Cash used in operations</b>		<b>(55 003)</b>	<b>(50 991)</b>
<b>Cash inflows</b>			
Fees and charges		17 564	17 736
Receipts from grants		13 829	13 611
Interest received		66	65
<b>Cash generated from operations</b>		<b>31 459</b>	<b>31 412</b>
<b>Cash flows from SA government</b>			
Receipts from SA government		23 271	19 056
Payments to SA government		(4 606)	(3 755)
<b>Cash generated from SA government</b>		<b>18 665</b>	<b>15 301</b>
<b>Net cash provided by / (used in) operating activities</b>	A12	<b>(4 879)</b>	<b>(4 278)</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		7 218	8 204
<b>Cash generated from investing activities</b>		<b>7 218</b>	<b>8 204</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>7 218</b>	<b>8 204</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2 339</b>	<b>3 926</b>
Cash and cash equivalents at the beginning of the reporting period		10 360	6 434
<b>Cash and cash equivalents at the end of the reporting period</b>	A12	<b>12 699</b>	<b>10 360</b>

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

**Department for Environment and Water**  
**Schedule of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2018*

Activities - refer note A1	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>						
Employee benefits	-	-	-	-	354	350
Supplies and services	669	438	-	-	-	-
Grants and subsidies	-	-	18 271	16 145	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other expenses	15 657	-	-	-	-	-
<b>Total administered expenses</b>	<b>16 326</b>	<b>438</b>	<b>18 271</b>	<b>16 145</b>	<b>354</b>	<b>350</b>
<b>Administered income</b>						
Fees and charges	-	8	-	-	-	-
Grants	107	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assets received free of charge	11 700	706	-	-	-	-
Net gain from disposal of non-current assets	49	4 618	-	-	-	-
<b>Total administered income</b>	<b>11 856</b>	<b>5 332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of providing services</b>	<b>4 470</b>	<b>(4 894)</b>	<b>18 271</b>	<b>16 145</b>	<b>354</b>	<b>350</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	-	-	18 346	16 214	353	350
Payments to SA Government	(6 735)	(8 361)	-	-	-	-
<b>Total net revenues from SA Government</b>	<b>(6 735)</b>	<b>(8 361)</b>	<b>18 346</b>	<b>16 214</b>	<b>353</b>	<b>350</b>
<b>Net result</b>	<b>(11 205)</b>	<b>(3 467)</b>	<b>75</b>	<b>69</b>	<b>(1)</b>	<b>-</b>

**Department for Environment and Water**  
**Schedule of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2018*

Activities - refer note A1	National Landcare					
	Program		Natural Heritage Trust		NRM Fund	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	13 820	13 729	14	128	21 986	19 491
Expenses associated with joint operation	-	-	-	-	-	-
Other expenses	-	-	-	-	1 532	1 009
<b>Total administered expenses</b>	<b>13 820</b>	<b>13 729</b>	<b>14</b>	<b>128</b>	<b>23 518</b>	<b>20 500</b>
<b>Administered income</b>						
Fees and charges	-	-	-	-	17 293	17 136
Grants	13 720	13 612	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	5	13	-	-	61	52
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
<b>Total administered income</b>	<b>13 725</b>	<b>13 625</b>	<b>-</b>	<b>-</b>	<b>17 354</b>	<b>17 188</b>
<b>Net cost of providing services</b>	<b>95</b>	<b>104</b>	<b>14</b>	<b>128</b>	<b>6 164</b>	<b>3 312</b>
<b>Revenues from / (payments to) SA Government</b>						
Revenues from SA Government	-	-	-	-	4 558	2 478
Payments to SA Government	-	-	-	-	-	-
<b>Total net revenues from SA Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 558</b>	<b>2 478</b>
<b>Net result</b>	<b>(95)</b>	<b>(104)</b>	<b>(14)</b>	<b>(128)</b>	<b>(1 606)</b>	<b>(834)</b>

**Department for Environment and Water**  
**Schedule of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2018*

Activities - refer note A1

	Pastoral Board		Qualco Sunlands	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Administered expenses</b>				
Employee benefits	-	-	-	-
Supplies and services	-	-	1	-
Grants and subsidies	-	-	-	-
Expenses associated with joint operation	-	-	-	-
Other expenses	-	-	-	-
<b>Total administered expenses</b>	-	-	1	-
<b>Administered income</b>				
Fees and charges	-	-	-	-
Grants	-	-	-	-
Income associated with joint operation	-	-	-	-
Interest	-	-	-	-
Assets received free of charge	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-
<b>Total administered income</b>	-	-	-	-
<b>Net cost of providing services</b>	-	-	1	-
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government	14	14	-	-
Payments to SA Government	-	-	-	-
<b>Total net revenues from SA Government</b>	14	14	-	-
<b>Net result</b>	14	14	(1)	-



**Department for Environment and Water**  
**Schedule of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2018*

Activities - refer note A1	DEW Corporate			
	Admin Items		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Administered expenses</b>				
Employee benefits	-	-	354	350
Supplies and services	-	-	670	438
Grants and subsidies	-	-	54 091	49 493
Expenses associated with joint operation	10 663	11 115	10 663	11 115
Other expenses	-	-	17 189	1 009
<b>Total administered expenses</b>	<b>10 663</b>	<b>11 115</b>	<b>82 967</b>	<b>62 405</b>
<b>Administered income</b>				
Fees and charges	(14)	(15)	17 279	17 129
Grants	-	-	13 827	13 612
Income associated with joint operation	5 421	7 109	5 421	7 109
Interest	-	-	66	65
Assets received free of charge	-	-	11 700	706
Net gain from disposal of non-current assets	-	-	49	4 618
<b>Total administered income</b>	<b>5 407</b>	<b>7 094</b>	<b>48 342</b>	<b>43 239</b>
<b>Net cost of providing services</b>	<b>5 256</b>	<b>4 021</b>	<b>34 625</b>	<b>19 166</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA Government	-	-	23 271	19 056
Payments to SA Government	-	-	(6 735)	(8 361)
<b>Total net revenues from SA Government</b>	<b>-</b>	<b>-</b>	<b>16 536</b>	<b>10 695</b>
<b>Net result</b>	<b>(5 256)</b>	<b>(4 021)</b>	<b>(18 089)</b>	<b>(8 471)</b>

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

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A1 Reporting entities and strategic context**

The activities of the administered items are:

***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 (DTF) Consolidated Account.

***Minister's Other Payments***

Grants and subsidies payments of \$18.271 million (2017: \$16.145 million) approved by the Minister for Environment and Water were made to community organisations, associations and local government. This includes grants made to Zoo SA \$5.707 million (2017: \$5.604 million); Adelaide City Council \$1.540 million (2017: \$1.505 million); Stormwater Management Authority \$5.248 million (2017: \$5.120 million); South Eastern Water Conservation and Drainage Board \$2.261 million (2017: \$2.293 million); Native Vegetation Fund \$1.138 million (2017: \$1.108 million); and Coast Protection Fund \$2.377 million (2017: \$0.515 million).

***Special Acts Allocation***

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

***National Landcare Program***

The National Landcare 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).

The program is fully Commonwealth funded and disbursed based on Commonwealth approval.

***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 Water 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 2018 was \$2.410 million (2017: \$3.475 million).

***Natural Resources Management Boards***

The Natural Resources Management Boards (NRM Boards) were established pursuant to subsection 23(1) of the NRM Act. DEW 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.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A1 Reporting entities and strategic context (continued)**

*(i) Government appropriations*

DEW 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.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Regional NRM Board</b>		
Alinyjara Wilurara NRM Board	1 113	1 058
Kangaroo Island NRM Board	1 113	1 058
South Australian Arid Lands NRM Board	332	363
	<b>2 558</b>	<b>2 479</b>

*(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) Expiation fees and other penalties*

Expiation fees and penalties are recovered in respect of offences against the NRM Act (that is for unlawful possession of animals or plants).

**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 Water 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.

**Qualco Sunlands**

*The Ground Water (Qualco-Sunlands) Control Act 2000* established a scheme managed by a Trust to prevent, and reverse, the salinisation and water logging of horticultural land due to irrigation induced factors. Upon request from the Trust, DEW provides a temporary grant, sourced from the DTF, to carry out the specified works. The Trust facilitates the required work, and recharges irrigators for the work undertaken. Once fully collected, the Trust returns the temporary funds to DEW for on-passing back to the Department of Treasury and Finance.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A1 Reporting entities and strategic context (continued)**

**Natural Heritage Trust**

The Natural Heritage Trust (NHT) was established by the *Natural Heritage Trust of Australia Act 1997*. Funding for NHT ceased on 30 June 2008 and all projects were completed by 31 December 2009. 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.

**A2 Administered item's financial arrangements**

The financial activities of the administered items are conducted through a number of deposit accounts with DTF 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 DEW's deposit account.

DEW 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 DEW, 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.

**A3 Basis of preparation and accounting policies**

The basis of preparation for the administered financial statements is the same as the basis outlined in note 1.3. DEW applies the same accounting policies to the administered financial statements as set out in the notes to DEW's financial statements. Deviations from these policies are as follows:

**Property, plant and equipment**

Property, plant and equipment includes land. DEW is the custodian of unallotted (unalienated) Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Land dedicated to the Minister and held by the Minister, either as freehold or reverted land, is also recognised as administered land. Administered lands may be subject to third party perpetual leases and other leases and annual licenses.

Refer to note A14 for further information on the treatment and valuation of land.

**Employee benefits**

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

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**A4 Budgetary reporting and explanations of major variances between budget and actual amounts**

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Paper 4). Budget information has been included for the Administered Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Administered Statement of Financial Position or Administered Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

		<b>Original budget 2018 \$'000</b>	<b>Actual 2018 \$'000</b>	<b>Variance \$'000</b>
<b>Statement of Administered Comprehensive Income</b>				
<b>Expenses</b>				
Employee benefits		360	354	(6)
Supplies and services		609	670	61
Grants and subsidies		51 236	54 091	2 855
Expenses associated with joint operation	a	-	10 663	10 663
Other expenses	b	13 725	17 189	3 464
<b>Total expenses</b>		<b>65 930</b>	<b>82 967</b>	<b>17 037</b>
<b>Income</b>				
Fees and charges		16 305	17 279	974
Grants		13 687	13 827	140
Income associated with joint operation	a	-	5 421	5 421
Interest		-	66	66
Assets received free of charge	c	-	11 700	11 700
Net gain from the disposal of non-current assets		-	49	49
Other income		250	-	(250)
<b>Total income</b>		<b>30 242</b>	<b>48 342</b>	<b>18 100</b>
<b>Net cost of providing services</b>		<b>35 688</b>	<b>34 625</b>	<b>(1 063)</b>
<b>Revenues from / (payments to) SA Government</b>				
Revenues from SA government	d	27 911	23 271	(4 640)
Payments to SA government	b	-	(6 735)	(6 735)
<b>Total net revenues from SA Government</b>		<b>27 911</b>	<b>16 536</b>	<b>(11 375)</b>
<b>Net result</b>		<b>(7 777)</b>	<b>(18 089)</b>	<b>(10 312)</b>

The following are brief explanations of variances between original budget and actual amounts. Explanations are required to be provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

- South Australia's share of income and expenses associated with the joint operation was not included in the original budget
- The budget amount of \$13.7 million includes receipts to be paid to Consolidated Account. The actual figure paid to Consolidated Account was \$6.7 million and is reported under Payments to SA Government

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A4 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)**

- c. Assets being received free of charge from external entities was not included in the original budget
- d. The budgeted working capital held for the Natural Resources Management Boards was not required in 2017-18

		<b>Original budget 2018 \$'000</b>	<b>Actual 2018 \$'000</b>	<b>Variance \$'000</b>
<b>Investing expenditure summary</b>				
Total new projects	e	293	-	(293)
Total annual program		4	-	(4)
<b>Total investing expenditure</b>		<b>297</b>	<b>-</b>	<b>(297)</b>

The following are brief explanations of variances between original budget and actual amounts:

- e. The variance was due to a delay in the transfer of Monarto native vegetation land from PIRSA to DEW.

**A5 Grants and subsidies**

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Payments to Natural Resource Management Boards	21 986	19 491
Minister's other payments	18 271	16 145
National Landcare Program	13 820	13 729
Natural Heritage Trust	14	128
<b>Total grants and subsidies</b>	<b>54 091</b>	<b>49 493</b>

**A6 Other expenses**

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Donated assets	15 558	-
Other expenses	1 631	1 009
<b>Total other expenses</b>	<b>17 189</b>	<b>1 009</b>

Donated assets expense in 2017-18 comprised of Crown land donated free of charge to the DEW Controlled reporting entity for land gazetted to a mix of either National, Conservation and Recreation Parks and Wilderness Protection Areas and Reserves pursuant to the *National Parks and Wildlife Act 1972* (\$12.490 million), land transferred to the National Trust (\$2.961 million) and to other entities (\$0.107 million).

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A7 Revenues from fees and charges**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Water Levies received from licence holders	16 374	16 354
Penalties	919	782
Crown Lands	-	8
DEW Corporate Administered Items	(14)	(15)
<b>Total revenues from fees and charges</b>	<b>17 279</b>	<b>17 129</b>

**A8 Grants revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
National Landcare Program	13 720	13 612
Crown Lands	107	-
<b>Total grant revenues</b>	<b>13 827</b>	<b>13 612</b>

**A9 Assets received free of charge**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Land	11 700	706
<b>Total Assets received free of charge</b>	<b>11 700</b>	<b>706</b>

Assets received free of charge in 2017-18 comprised of land previously dedicated by the Minister for Environment and Water, pursuant to legislative powers vested to the Minister under the *Crown Lands Management Act 2009*, to entities external to the DEW Administered Items. Upon the revocation of dedication, the land has reverted to the Minister, and accounted for in the DEW Administered Items reporting entity.

**A10 Net gain / (loss) from the disposal of non-current assets**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Crown land</b>		
Proceeds from disposal	7 218	8 204
Less net book value of assets disposed	(7 169)	(3 586)
<b>Net gain from disposal of Crown land</b>	<b>49</b>	<b>4 618</b>
<b>Total assets</b>		
Proceeds from disposal	7 218	8 204
Less net book value of assets disposed	(7 169)	(3 586)
<b>Total net gain from disposal of non-current assets</b>	<b>49</b>	<b>4 618</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**A11 Revenues from / (payments to) SA Government**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent appropriations	23 271	19 056
Payments to Consolidated Account	(6 735)	(8 361)
<b>Total revenues from SA Government</b>	<b>16 536</b>	<b>10 695</b>
<b>Net revenues from SA Government</b>	<b>16 536</b>	<b>10 695</b>

**A12 Administered cash flow reconciliation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
National Landcare Program	337	431
Crown Lands	7 489	5 140
Natural Heritage Trust	-	14
Natural Resource Management Fund	2 410	3 475
Pastoral Board	113	99
National Action Plan for Salinity and Water Quality	37	36
Adelaide Dolphin Sanctuary	1	1
The Department's Corporate Administrative Items	2 312	1 164
Cash and cash equivalents disclosed in the Statement of Financial Position	12 699	10 360
Balance as per the Statement of Administered Cash Flows	12 699	10 360
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>		
Net cash provided by/(used in) operating activities	(4 879)	(4 278)
Add payments to SA Government	6 735	8 361
Less revenues from SA Government	(23 271)	(19 056)
<b>Add / (less) non-cash Items</b>		
Expenses associated with joint operation	(10 663)	(11 115)
Income associated with joint operation	5 421	7 109
Assets received free of charge	11 700	706
Donated assets	(15 558)	-
Net gain on disposal of non-current assets	49	4 618
Property, plant and equipment - other changes	(99)	-
<b>Movement in assets and liabilities</b>		
(Decrease) in receivables	(1 819)	(1 615)
(Increase) in payables	(2 241)	(3 896)
<b>Net cost of providing services</b>	<b>(34 625)</b>	<b>(19 166)</b>



**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**A13 Receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Water levies	941	1 230
Penalties	4 126	4 032
Accrued interest	4	5
Other	149	326
Less allowance for doubtful debts	(2 128)	(683)
<b>Total current receivables</b>	<b>3 092</b>	<b>4 910</b>
<b>Total receivables</b>	<b>3 092</b>	<b>4 910</b>

**A14 Property, plant and equipment**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Crown land</b>		
Crown land at fair value	571 605	590 555
<b>Total Crown land</b>	<b>571 605</b>	<b>590 555</b>
<b>Pastoral land</b>		
Pastoral land at fair value	54 116	54 116
<b>Total Pastoral land</b>	<b>54 116</b>	<b>54 116</b>
<b>Buildings and improvements</b>		
Buildings and improvements at cost (deemed fair value)	19	19
Accumulated depreciation	(19)	(19)
<b>Total buildings and improvements</b>	<b>-</b>	<b>-</b>
<b>Park infrastructure</b>		
Park infrastructure at cost (deemed fair value)	88	88
Accumulated depreciation	(88)	(88)
<b>Total park infrastructure</b>	<b>-</b>	<b>-</b>
<b>Roads, tracks and trails</b>		
Roads, tracks and trails at cost (deemed fair value)	6	6
Accumulated depreciation	(6)	(6)
<b>Total roads, tracks and trails</b>	<b>-</b>	<b>-</b>
<b>Joint operation property, plant and equipment</b>		
Joint operation property, plant and equipment	720 472	724 493
<b>Total joint operation property, plant and equipment</b>	<b>720 472</b>	<b>724 493</b>
<b>Total property, plant and equipment</b>	<b>1 346 193</b>	<b>1 369 164</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**A14 Property, plant and equipment (continued)**

**Movement reconciliation of property, plant and equipment**

2018	Joint operation			Total
	Crown land	Pastoral land	PP&E	
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July</b>	590 555	54 116	724 493	1 369 164
Adjustment for Crown Lands not previously recognised	13 905	-	-	13 905
Adjustment for Crown Lands transferred to DEW Controlled	(21 729)	-	-	(21 729)
<b>Restated opening balance at 1 July</b>	<b>582 731</b>	<b>54 116</b>	<b>724 493</b>	<b>1 361 340</b>
Assets received for nil consideration	11 700	-	-	11 700
Donated assets	(15 558)	-	-	(15 558)
Disposals	(7 169)	-	-	(7 169)
Other changes	(99)	-	-	(99)
Joint operations net additions, disposal, other movements	-	-	(7 286)	(7 286)
<b>Subtotal</b>	<b>(11 126)</b>	<b>-</b>	<b>(7 286)</b>	<b>(18 412)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>				
Revaluation increments/(decrements)	-	-	3 265	3 265
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>3 265</b>	<b>3 265</b>
<b>Carrying amount at 30 June</b>	<b>571 605</b>	<b>54 116</b>	<b>720 472</b>	<b>1 346 193</b>

2017	Joint operation			Total
	Crown land	Pastoral land	PP&E	
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July</b>	589 849	54 116	714 386	1 358 351
Adjustment for Crown Lands not previously recognised	3 586	-	-	3 586
<b>Restated opening balance at 1 July</b>	<b>593 435</b>	<b>54 116</b>	<b>714 386</b>	<b>1 361 937</b>
Assets received for nil consideration	706	-	-	706
Disposals	(3 586)	-	-	(3 586)
Joint operations net additions, disposal, other movements	-	-	(7 881)	(7 881)
<b>Subtotal</b>	<b>(2 880)</b>	<b>-</b>	<b>(7 881)</b>	<b>(10 761)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>				
Revaluation increments/(decrements)	-	-	17 988	17 988
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>17 988</b>	<b>17 988</b>
<b>Carrying amount at 30 June</b>	<b>590 555</b>	<b>54 116</b>	<b>724 493</b>	<b>1 369 164</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
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**A14 Property, plant and equipment (continued)**

Error correction

An error correction of (\$7.824 million) adjusted against retained earnings at 1 July 2017 has been disclosed in the Administered Statement of Changes in Equity. The error correction is in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and resulted in a net decrease in the carrying value of Crown Land assets.

The error correction comprises an increasing adjustment of \$13.905 million to recognise Crown Land that had previously been under the dedication and control of other entities, including other Government agencies and holders of leases, including Pastoral leases. Information was not available to be comprehensively verified nor valued in prior reporting periods, hence DEW determined it was impractical to apply retrospective restatement of prior year Crown Land balances in either the Statement of Administered Financial Position or the Administered Statement of Changes in Equity.

In addition, the error correction comprises a decreasing adjustment of (\$21.729 million) to the carrying value of Crown Land held as at 1 July 2017. The adjustment was required to reflect Crown Land that had transferred to DEW Controlled during 2016-17 following the gazettal of various land parcels as conservation parks during the period.

**A15 Interest in joint operation**

The Minister, on behalf of the state of South Australia, has an interest in a joint operation, the Murray-Darling Basin Authority (MDBA) represented by the River Murray Operations and the Living Murray Initiative.

On 3 July 2008, the Commonwealth Government and the Government of New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory (the participants) entered into the Intergovernmental agreement for the *Murray-Darling Basin Reform* (the Reform IGA). The Reform involved the government participants entering into a new *Murray-Darling Basin Agreement* (MDB Agreement) and the Intergovernmental Agreement on *Murray-Darling Basin Reform - referral* (the Referral IGA).

The MDB Agreement essentially dissolved the Murray-Darling Basin Commission (MDBC) and established the Murray-Darling Basin Authority (MDBA), Ministerial Council, Basin Officials Committee and the Basin Community Committee. Under the revised arrangement, the participants have a joint interest in the infrastructure assets and water rights. The state of South Australia's interest in the arrangement is 26.67 percent.

The MDBA was established under the Commonwealth *Water Act 2007* as an independent, expertise based statutory agency and are responsible for developing, implementing and monitoring the Basin Plans. The MDBA undertakes activities that support the sustainable and integrated management of the water resources of the Murray-Darling Basin in a way that meets the social, economic and environmental needs of the Basin and its communities.

Two unincorporated joint arrangements were established under the MDBA to hold assets on behalf of the participants through separate agreements called the "Asset Agreement for River Murray Operations Assets" (RMO) and the "Further Agreement on Addressing Over Allocation and Achieving Environmental Objectives in the Murray-Darling Basin - Control and Management of Living Murray Assets" (LMI). The principal place of the operation is in Australia. The participants are obliged to provide funding to the MDBA for the management of the RMO and LMI assets and operations.

The agreements in relation to the Murray Darling Basin Agreement joint arrangement require unanimous consent from all parties for all relevant activities. The participants own the infrastructure assets and water rights of the joint arrangements, which are being managed through the RMO and LMI and there are no liabilities held for either RMO and LMI. The arrangement is therefore classified as a joint operation and DEW recognises, on behalf of the state, its direct right to the jointly held assets, revenues and expenses based on the percentage interest as described in the table below.

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**A15 Interest in joint operation (continued)**

<b>Name of entity</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Ownership interest</b>	
			<b>2018 (%)</b>	<b>2017 (%)</b>
Murray Darling Basin Authority	To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin	Australia	26.67%	26.67%

Joint operation assets, income and expenses accounted for using the proportionate consolidation method are detailed below:

<b>Murray Darling Basin Authority</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Non-current assets</b>		
<i>Property, plant and equipment</i>		
Infrastructure Assets	694 817	700 858
Work in Progress	20 232	18 224
Other property, plant and equipment assets	5 424	5 411
<i>Intangibles - Water entitlements</i>	154 016	151 973
<b>Total assets</b>	<b>874 489</b>	<b>876 466</b>
<b>Income</b>	<b>5 421</b>	<b>7 109</b>
<b>Expenses</b>	<b>10 663</b>	<b>11 115</b>

Refer note 6 of the DEW Controlled financial statements for details of the State's grant payment made to the MDBA.

The 2018 and 2017 figures were based on the audited RMO and LMI financial statements.

**Contingencies and commitments**

There are no contingencies or commitments arising from DEW's interest in the joint operation.

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**A16 Payables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	6 246	4 184
Accrued expenses	11	6
Other	391	217
<b>Total current payables</b>	<b>6 648</b>	<b>4 407</b>
<b>Total payables</b>	<b>6 648</b>	<b>4 407</b>

**A17 Contingent assets and liabilities**

A contingent asset is acknowledged whereby the Minister for Water and the River Murray has an exclusive right to access 40ML per day from the Langhorne and Currency Creek pipeline. The Minister has not exercised this right. DEW is not aware of the existence of any other contingent liabilities.