



**Government
of South Australia**

**DEPARTMENT FOR
ENVIRONMENT AND WATER
2019-20 Annual Report**

DEPARTMENT FOR ENVIRONMENT AND WATER

81-95 Waymouth Street Adelaide SA 5000

GPO Box 1047, Adelaide SA 5000

www.environment.sa.gov.au

Contact phone number: +61 8 8204 1910

Contact email: DEW.CustomerServiceContact@sa.gov.au

ISSN: 2202-6673

Date presented to Minister: 30 September 2020

To:

Hon David Speirs MP

Minister for Environment and Water

This annual report will 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 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:

John Schutz

Chief Executive

Date 29/9/20

Signature

A handwritten signature in black ink, appearing to read 'J Schutz', written over a horizontal line.

From the Chief Executive



The Department for Environment and Water (DEW) is within the portfolio responsibility of the Minister for Environment and Water. In 2019-20, the department was comprised of the following divisions:

- Environment, Heritage and Sustainability
- National Parks and Wildlife Service
- Strategy, Science and Corporate Services
- Water and River Murray



John Schutz

Chief Executive

Department for Environment and Water

Contents

Contents.....	4
Overview: about the agency.....	5
Our strategic focus	5
Our organisational structure	5
Changes to the agency	7
Our Minister.....	7
Our Executive team 2019-20.....	8
Legislation administered by the agency	9
Other related agencies (within the Minister's area/s of responsibility)	9
The agency's performance.....	10
Performance at a glance.....	10
Agency contribution to whole of Government objectives	11
Agency specific objectives and performance	12
Corporate performance summary	31
Employment opportunity programs	32
Agency performance management and development systems	32
Work health, safety and return to work programs	33
Executive employment in the agency.....	34
Financial performance.....	35
Financial performance at a glance	35
*Revised budget	35
Consultants disclosure	36
Contractors disclosure.....	37
Other financial information.....	38
Other information.....	38
Risk management.....	39
Risk and audit at a glance	39
Fraud detected in the agency	39
Strategies implemented to control and prevent fraud.....	39
Public interest disclosure	40
Reporting required under any other act or regulation	41
Reporting required under the <i>Carers' Recognition Act</i> 2005.....	69
Public complaints.....	70
Number of public complaints reported	70
Appendix: Audited financial statements 2019-20.....	72

Overview: about the agency

Our strategic focus

Our Purpose	To help South Australians conserve, sustain and prosper.
Our Vision	<p>A thriving state built on sound stewardship of our environment and water.</p> <p>DEW's work is critical to South Australia's future social, environmental and economic prosperity. The way we manage, conserve, and sustain our environment and cultural resources is vital for the wellbeing of all South Australians.</p>
Our Values	<p>DEW behaviours and practices are guided by the Public Sector Code of Ethics and the Public Sector Values shared across government, encompassing:</p> <p><i>Service, Professionalism, Trust, Respect, Collaboration and Engagement, Honesty and Integrity, Courage and Tenacity, Sustainability.</i></p>
Our functions, objectives and deliverables	<p>DEW:</p> <ul style="list-style-type: none"> • Manages the state's national parks, botanic gardens and heritage places for their intrinsic value and for people's benefit now and into the future. • Is an authority on the state's natural resources, helping community, industry, and government make good long-term decisions. • Drives the sustainable development of South Australia's natural resources and heritage, to deliver economic prosperity and a vibrant and healthy society.

Our organisational structure

As at 30 June 2020, the agency comprised of the following divisions:

- Environment, Heritage and Sustainability
- National Parks and Wildlife Service
- Strategy, Science and Corporate Services
- Water and River Murray.

The DEW organisational chart is available on the following page.

DEW structure

June 2020



Minister for Environment and Water

Hon David Speirs MP



DEW Chief Executive

John Schutz



Director, Office of the Chief Executive
Kerrie Burnmeister



* Establishment of Landscape Boards and the Green Adelaide Board is subject to Landscapes SA Legislation.

All boards, councils and authorities shown have a direct relationship with Executive Director, Environment, Heritage and Sustainability and have a Ministerial reporting line.

Vacant position

Changes to the agency

Following extensive planning and staff consultation, a whole-of-agency restructure came into effect on 1 July 2019.

The restructure was informed by the key areas of focus for the department and an internal DEW functional review from which opportunities were identified to reduce duplication and achieve efficiencies.

A four-division structure was implemented to establish a leaner, more focussed and efficient agency aligned to the state government's priorities.

The following divisions were dissolved on 30 June 2019 and responsibilities within each transferred into the divisions detailed in 'Our organisational structure':

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

During 2019-20, the department also continued work towards implementing the new *Landscape South Australia Act 2019* (Landscapes Act) which enables the dissolution of Natural Resource Management (NRM) Boards and the establishment of eight new regional Landscapes Boards and a new metropolitan landscape board, Green Adelaide.

Our Minister

The Department for Environment and Water is a portfolio agency of the Minister for Environment and Water, the Hon David Speirs MP.

Our Executive team 2019-20

Ms Cate Hart, Executive Director, Environment, Heritage and Sustainability

Environment, Heritage and Sustainability division develops and delivers policy and projects that protect built and natural heritage, supports climate change adaptation and mitigation, delivers a resilient Adelaide, manages sand movement on metropolitan beaches and supports regional coastal management, establishes arrangements for landscape management, and partners with boards and councils to deliver their strategic objectives.

The division is responsible for the Adelaide Botanic Gardens, state heritage places, coasts and marine environment and native vegetation management, and provides governance support to the Natural Resources Management Boards (until dissolution on 30 June 2020) and the new Landscape Boards and Green Adelaide, Botanic Gardens and State Herbarium Board, Coast Protection Board, South Australian Heritage Council and Native Vegetation Council.

Mr Mike Williams, Executive Director, National Parks and Wildlife Service SA

National Parks and Wildlife Service SA conserves nature, parks and places that enrich our identity and benefit our community. The work of the division supports broad goals associated with conservation and scientific endeavour, nature-based tourism and visitor services, community health and wellbeing, and reconciliation.

The central branches of the division provide strategic leadership and program direction to support regional business delivery, the day to day management of the public land estate and commercial interests and operations.

Ms Sandy Carruthers, Executive Director, Strategy, Science and Corporate Services

Strategy, Science and Corporate Services provides the foundation for organisational excellence to support DEW in delivering policies, programs and services.

The division leads and coordinates agency strategies, communications and engagement, and provides the evidence base that ensures informed decision-making. The division partners and collaborates across the agency to find solutions to business needs, ensures the business and staff have the information, systems and support needed to be effective and efficient in delivering their services, and ensures the agency is compliant with state government corporate requirements.

Mr Ben Bruce, Executive Director, Water and River Murray

The Water and River Murray division is responsible for leading the achievement of the Government of South Australia's priorities in relation to the use, management and conservation of the state's water resources. The division has the added specific responsibility for driving the delivery of the Murray-Darling Basin Plan.

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
Groundwater (Border Agreement) Act 1985
Ground Water (Qualco-Sunlands) Control Act 2000
Heritage Places Act 1993
Historic Shipwrecks Act 1981
Irrigation Act 2009
Landscapes SA Act 2019 - proclaimed 19 December 2019
Lake Eyre Basin (Intergovernmental Agreement) Act 2001
Lands for Public Purposes Acquisition Act 1914
Local Government Act 1999 (Schedule 1A- Implementation of Stormwater Management Agreement)
**Local Government (City of Enfield Loan) Act 1953*
**Local Government (City of Woodville West Lakes Loan) Act 1970*
Marine Parks Act 2007
**Metropolitan Area (Woodville, Henley and Grange) Drainage Act 1964*
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
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 – Parts 1 and 8 repealed 9 April 2020
Wilderness Protection Act 1992

** Denotes Acts of limited application*

Other related agencies (within the Minister's area/s of responsibility)

Environment Protection Agency

Green Industries SA

South Australian Water Corporation (trading as SA Water)

The agency's performance

Performance at a glance

- Glenthorne National Park-Ityamaitpinna Yarta was proclaimed on 28 May 2020 and officially opened to the public on 2 August 2020.
- The Parks 2025 strategy secured a \$22 million initial investment, including \$7 million towards Kangaroo Island bushfire eco-tourism support and stage one funding of \$15 million in statewide projects.
- Launched the \$5 million Nature-based Tourism Co-investment Fund enabling grants for the delivery of sustainable, quality tourism experiences in South Australia.
- Several reservoirs were successfully opened for recreational activities including walking, cycling, picnicking, fishing and kayaking at Bundaleer, Warren and South Para Reservoirs, with land access and shore-based fishing also available at Myponga Reservoir.
- Supported the Country Fire Service during the 2019-20 fire season with over 300 departmental personnel. Almost 190 personnel were also deployed to bushfires in New South Wales and Queensland.
- Implemented priority wildlife recovery activities in the bushfire recovery phase that included rapid on-ground assessment, habitat protection, feral animal control, assistance for wildlife carers and citizen science projects.
- Continued to deliver commitments under the Murray-Darling Basin Plan including finalising two of South Australia's supply measures projects and the completion of construction associated with a third commitment.
- Commenced delivery of the Healthy Coorong, Healthy Basin initiative with the establishment of the Coorong Partnership, completion of a number of early works and investigations and the commencement of on-ground works.
- Provided 40 gigalitres of additional water to 800 farmers across the southern connected Murray-Darling Basin to grow fodder or pasture as part of the Commonwealth's drought response.
- Made significant progress on the state's new water register with the analysis and design phase of the program completed, commencement of the build phase and procurement and commissioning of ICT infrastructure.
- Enacted the *Landscape South Australia Act 2019* and *Landscape South Australia Regulations 2020* resulting in the establishment of eight regional landscape boards and Green Adelaide.
- Moved a total of 121 000 cubic metres of sand from Semaphore to replenish and reduce the sand loss at West Beach.
- Following community consultation and based on scientific advice, Glenelg beach was selected and announced as the location for the Adelaide Oval-sized new shellfish reef.
- Co-designed and implemented a new \$3 million Heritage Agreement grants program Revitalising Private Conservation in South Australia.
- Released Directions for a Climate Change South Australia which sets the government's agenda for practical, on-ground action to address climate related impacts and the Blue Carbon Strategy for South Australia.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>The number of park rangers employed to monitor and care for the state's national parks increased from 103 rangers at the end of 2018-19, to 134 employed by the end of 2019-20.</p> <p>The announcement of an investment of \$1.2 million in a second shellfish reef off Glenelg, along with reef restoration at Windara Reef, will contribute to a thriving marine environment that will create 10 full time jobs in the region.</p> <p>The construction of infrastructure at Pike and Katarapko floodplains, as part of the South Australian Riverland Floodplain Integrated Infrastructure Program (SARFIIP), created an estimated 500 full time jobs for the state. The works at these floodplains will help to improve the environmental health and resilience of wetlands and floodplains in the Riverland.</p> <p>Significant works to rebuild and rejuvenate Kangaroo Island's nature-based tourism in parks were carried out following the summer's devastating bushfires and impacts from the COVID-19 pandemic. These works will help stimulate the local economy and create an estimated 400 jobs across the Island.</p>
Lower costs	<p>The complete transfer to the Parks Online Booking system created an estimated annual saving of \$10,000 by eradicating printing costs and staff time spent transferring hard copy passes into the online system.</p> <p>DEW implemented a new organisational structure on 1 July 2019, resulting in lower costs for the department due to a reduction in the number and cost of Executives.</p>
Better Services	<p>The proclamation of Glenthorne National Park and the opening of a number of South Australian reservoir reserves to the public for recreational use demonstrates the commitment to nature-based tourism and its contribution to the state's economy and future prosperity.</p> <p>A focus on tackling climate change including progressing climate change strategy, increased metropolitan beach replenishment, the creation of a new national park and opening reservoirs for recreational use, contributed to better, more sustainable services.</p> <p>Continued improvements in visitor facilities and infrastructure throughout national parks across South Australia via the parks investment strategy, providing improved accessibility and better services and experiences for park visitors.</p> <p>DEW continued development of a new state water register to improve processing capability for water licence holders, including more efficient interstate trade.</p> <p>An emergency incident mapping app was developed to provide quality mapping support in a short timeline, crucial to effectively managing emergencies such as bushfires, floods and other hazards.</p> <p>Support and information was provided to assist River Murray irrigators in their forward planning, through timely water allocation announcements and scenarios.</p>

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Parks 2025	Release the next stage of nature based tourism opportunities to enhance visitor experiences in our state-owned environmental assets.	<p>In March 2020, the government announced the Parks 2025 strategy. The strategy outlines a \$22m investment into six tourism projects across South Australia that will create more places for people to connect with nature while undertaking a range of outdoor activities. Realisation of the Parks 2025 strategy is intended to increase the tourism offering throughout the state and contribute to regional economies.</p> <p>The investment includes \$7m towards the Kangaroo Island Bushfire Eco-tourism Support project and \$15m for Stage One of the Parks 2025 strategy. This is a range of regionally diverse projects that include developing an international mountain biking destination at Mt Remarkable in the Southern Flinders Ranges, creating a world-class fossil experience in the Northern Flinders Ranges, and reinvigorating CWP and Ikara-Flinders Ranges National Park.</p> <p>Parks 2025 includes the \$5m Nature-based Tourism Co-investment Fund, launched on 24 May 2020, enabling grants to be provided to organisations and businesses to partner with the government in delivering sustainable, quality tourism experiences in South Australia.</p>
Nature Based and Heritage Tourism	<p>Draft Heritage Tourism Strategy</p> <p>Develop and implement a comprehensive heritage policy to rejuvenate South Australia's built heritage, which includes:</p> <p>Developing the Heritage Tourism Strategy to recognise the tourism value of our heritage places</p>	<p>A draft Heritage Tourism Strategy and Action Plan was developed in 2019-20 to recognise the tourism value of our heritage places and will be circulated for public feedback in July 2020.</p> <p>The 'Reimagining Kangaroo Island Parks' engagement process, announced in June 2020, aims to co-create a long-term vision for iconic tourism sites and fire affected parks on Kangaroo Island. The vision will be co-designed alongside the development of a new western Kangaroo Island parks management plan to support best practice conservation management.</p>

<p>New and upgrading of visitor facilities</p>	<p>Park Renewal Investment:</p> <p>Improvements in visitor facilities and infrastructure in priority parks across South Australia. This program will focus on increasing park accessibility for all.</p> <p>Develop a program of works, in consultation with Friends of Parks, park users and other community groups across the state to improve the accessibility of our parks.</p> <p>Commence the Wild South Coast Way project including the development of infrastructure at the Deep Creek Conservation Park and Newland Head Conservation Park (CP).</p> <p>Completing upgrades to the Waterfall Gully to Mount Lofty Summit trail</p> <p>Completion of the Steub Trail in the Cleland Conservation park</p>	<p>Delivery of the 2019-20 program of parks renewal investment works progressed despite delivery issues caused by COVID-19, with a range works complete or in progress including:</p> <ul style="list-style-type: none"> • Coorong National Park (NP) – replacement of a large number of dilapidated park signs at key visitor nodes including 42 Mile Crossing, Tea Tree Crossing, Loop Road, Godfrey's Landing, Barkers Knoll, Parnka Point and Jacks Point. Removal of a range of redundant or abandoned assets that were impacting on visitor amenity at Barkers Knoll and Godfrey's Landing, and other minor improvements to day visitor areas • Ikara-Flinders Ranges NP – renewal of the seven park entry statements at the main entry points into the park including co-naming and new NPWSSA branding, and works to improve the presentation of campgrounds • other sites / planning – urgent park asset renewal including replacement of over 100 dilapidated park signs in Murray River NP and other nearby parks and the commencement of the design for the proposed Newland Head CP campground upgrade. <p>During 2019-20, preliminary design and planning was undertaken for the creation of the Wild South Coast Way on the Heysen Trail (the working title was 'the Great Southern Ocean Walk').</p> <p>The Waterfall Gully summit trail works were completed at a total cost of \$5m. A total length of trail of 3600m has been upgraded including construction of approximately 2950m of exposed aggregate concrete trail, creek bank and the stabilisation and repair of landslides and the construction of 220m of new boardwalks.</p> <p>Thanks to the generous bequest from Mr Ludwig Steub, the 4 km Steub Trail was constructed to provide a gentle shared use trail to connect the CWP with the Mount Lofty Summit. Between these two highly visited icon sites, the trail provides access for walkers, runners, and cyclists with spectacular views over the Cleland Conservation Park and Adelaide.</p>
--	---	---

Establishing Glenthorne National Park	<p>Glenthorne National Park to provide a thriving environmental and recreational precinct in the southern suburbs.</p> <p>The new national park will link a number of portions of land as environmental and recreational community assets.</p> <p>A ranger service in southern Adelaide will be based at Glenthorne National Park.</p> <p>Proclaim Glenthorne National Park and finalise the site masterplan.</p>	<p>Transfer of the Glenthorne property from the University of Adelaide to the state government occurred on 25 October 2019.</p> <p>The proclamation of the land as Glenthorne National Park-Ityamaitpinna Yarta, including the former O'Halloran Hill Recreation Park occurred on 28 May 2020.</p> <p>The Glenthorne National Park Ranger Station was opened in October 2019 and acts as a base for rangers servicing parks across the Glenthorne precinct.</p> <p>The Glenthorne National Park Master Plan was approved and implementation planning started in consultation with the Glenthorne Partnership Group. Initial planning will be aligned to available budget and best outcomes for public access to the park.</p>
Opening Up Reservoirs	<p>Establish a clear timeline and strategy to a staged approach to opening reservoirs, so that issues are strategically identified and worked through to ensure a positive visitor experience and drinking water safety is maintained.</p> <p>Continue to expand visitor experiences by opening new recreation facilities in at least four reservoirs by June 2020</p>	<p>Several reservoirs have been successfully opened for recreational activities including walking, cycling, picnicking, fishing and kayaking at Bundaleer, Warren and South Para Reservoirs, with land access and shore-based fishing also available at the popular Myponga Reservoir.</p>
Establishing the National Parks and Wildlife Service SA (NPWSSA)	<p>Reinstate the National Parks and Wildlife Service SA brand</p>	<p>The NPWSSA brand was launched on 27 July 2019 to recognise the department restructure and focus on delivering on ground action in the state's parks.</p>

<p>Increase Park Rangers</p>	<p>Increase the number of park rangers by 20, from the June 2018 figure of 93.</p> <p>100 volunteer rangers to be placed in the field within four years.</p> <p>Recruit 10 new rangers by June 2020 and continue implementation of a pilot program for volunteer rangers.</p> <p>Provide career pathways for Aboriginal rangers.</p>	<p>DEW has 134 park rangers employed as at 30 June 2020.</p> <p>The Volunteer Ranger Program has progressed with 50 of the 100 volunteer rangers recruited as at 30 June 2020.</p> <p>Volunteer rangers have assisted in numerous national parks, park openings and other park community events, and most recently, have supported rangers in national parks where unexpected high visitor numbers occurred when COVID-19 restrictions were eased. Park visitor feedback regarding the volunteer rangers has been very positive, and the volunteer rangers themselves have also provided very positive feedback.</p> <p>A career pathways document for Aboriginal Rangers has been completed and the NPWS will develop and implement an Aboriginal Ranger Traineeship Program during 2020.</p>
<p>Co-Management of Parks with First Nations</p>	<p>Development of new agreements and progress of other co-management arrangements</p>	<p>During the year, the co-management agreement establishing a Co-management Board for Dhillba Guuranda-Innes National Park was drafted with Narungga Nation Aboriginal Corporation.</p> <p>Negotiations commenced with Kaurna about which park(s) to establish an advisory committee over in the Kaurna region.</p> <p>Discussions commenced with Nukunu to create a co-management agreement and advisory committee for Telowie Gorge Conservation Park.</p> <p>The Minister committed to transfer the title of the Ngaut Ngaut Conservation Park to the Aboriginal owners to create an Aboriginal owned co-managed park. The Mid Murray Council, the Minister and the Mannum Aboriginal Community Association Incorporated are discussing entering into a tripartite arrangement to manage the park. The handover process and tenure transfer arrangements are being finalised.</p> <p>The Minister approved a recommendation for the Yandruwandha-Yawarrawarrka Parks Advisory Committee to transition to a Co-management Board over the Malkumba-Coongie Lakes National Park. The new co-management agreement and regulations are currently being drafted.</p> <p>DEW worked with the Mamungari Conservation Park Co-management Board, Alinytjara</p>

		<p>Wilurara Landscapes Region staff and the Maralinga Tjarutja and Pila Nguru Aboriginal Corporations to develop new regulations to reflect the change of name of the park to Mamungari Conservation Park and make other administrative changes. The replacement regulations are the <i>Maralinga Tjarutja Land Rights (Mamungari Conservation Park Co-management Board) Regulations 2019</i> and the <i>National Parks and Wildlife (Mamungari Conservation Park) Regulations 2019</i> which came into effect on 18 July 2019.</p>
Increase network of parks and reserves	Increase network of parks and reserves	<p>DEW added a total of 579 hectares of land to the protected area system as additions to two existing parks, Cox Scrub Conservation Park and Kaiserstuhl Conservation Park, and one new National Park: Glenthorne National Park-Ityamaiitpinna Yarta.</p> <p>The new Glenthorne National Park-Ityamaiitpinna Yarta added 215 hectares to the protected area system and reclassified the former O'Halloran Hill Recreation Park (331 hectares).</p>
Retaining shacks as part of vibrant holiday communities	Consult on amendments to relevant park management plans to progress assessments of shack sites for greater certainty of tenure.	<p>All eligible Crown land shack leaseholders were invited to register their interest in applying for longer tenure. All eligible leaseholders received information to help them to understand the future requirements associated with securing longer tenure.</p> <p>Public consultation on proposed amendments to park management plans closed on 28 February 2020. The 287 submissions received were analysed, to be provided to the Parks and Wilderness Council.</p>
Bushfire and flood risk reduction	<p>Continue to deliver an annual program of strategic prescribed burns in high risk areas in DEW-managed reserves and private land, and work closely with the Country Fire Service (CFS), ForestrySA and SA Water to reduce the impact of bushfires on the community and environment.</p> <p>Provide an all-hazards mapping support service to all Control Agencies, including the CFS and the State Emergency Service,</p>	<p>In 2019-20 DEW completed 55 prescribed burns (including 25 on private land), treating approximately 4,000 hectares of bushfire-prone land across the state.</p> <p>DEW's prescribed burning activities and associated on-ground works reduce bushfire hazards, manage native vegetation, protect biodiversity, and build ecological resilience in our parks and reserves.</p> <p>The Mapping Functional Support Group used the Incident Mapping Online Toolset extensively during the 2019-20 bushfire season in the production of bushfire maps to support the intelligence and planning functions in Incident Management Teams.</p> <p>The group has also been extensively used for</p>

	<p>under the State Emergency Management Plan.</p> <p>Continue to prepare fire management plans for parks and reserves in bushfire prone areas, which provide strategic direction to mitigate the risk that bushfire poses to life, property, and the environment.</p> <p>DEW fire crews are available to the CFS to assist in bushfire response and other specialist activities in the event of a significant bushfire on public or private land.</p> <p>Lead and coordinate flood management in South Australia and continue to provide flood intelligence and hydrology support service for effective flood preparedness and response.</p>	<p>COVID-19 response and support to the Health Control Centre, including mapping COVID-19 cases and providing frequency and heat maps to the control agency, which has been used for the public information dashboard.</p> <p>Completion of the Dudley Peninsula Fire Management Plan, which includes recommendations for strategies and activities to manage bushfire risk on the eastern end of Kangaroo Island.</p> <p>Commencement of the Fleurieu Peninsula Fire Management Plan, which includes trialling an improved risk-based planning approach using bushfire simulation modelling. This risk-based approach has been identified as a finding in the State Bushfire Independent Review Report and will make a significant contribution to accurately identifying and managing bushfire risks in the landscape.</p> <p>DEW supported the CFS over the 2019-20 fire danger season at a number of bushfires across the state. A total of 317 individuals responded to 34 incidents in either firefighting or incident management roles.</p> <p>DEW also supported the CFS at bushfires in New South Wales, with 184 personnel deployed over 16 rotations, and in Queensland, with four personnel deployed over two rotations.</p> <p>DEW supported the Bureau of Meteorology to develop the flood forecasting and warning model for the Light, Gilbert and Wakefield catchments.</p> <p>DEW worked with SA Water, Bureau of Meteorology and SA State Emergency Services (SASES) to deliver improved flood modelling for the lower Onkaparinga River and explored opportunities for flood mitigation as part of the Mt Bold dam upgrade.</p> <p>Flood mapping was added to DEW's Flood Awareness website to support understanding of flood risk.</p> <p>Consultation outcomes from the YourSAy consultation on the draft position papers for dam safety and levee bank management were published and the State Emergency Management Committee endorsed the finalised position papers.</p> <p>DEW undertook an annual private dam maintenance and safety awareness campaign with the SASES.</p> <p>Worked with the Local Government Association</p>
--	--	--

		to deliver a workshop for local government to understand and provide input to the flood hazard policies in the new Planning and Design Code.
Bushfire Recovery	Wildlife and tourism recovery following the 2019-20 bushfires is a priority for the Government of South Australia.	<p><u>Tourism recovery</u></p> <p>To assist in the recovery of tourism businesses affected by bushfires and COVID-19, the state government has provided a six month waiver for commercial tourism operator licence fees.</p> <p>The government has committed up to \$52 million to rebuild park infrastructure and rejuvenate Kangaroo Island's nature-based tourism economy.</p> <p><u>Assets on Kangaroo Island</u></p> <p>Approximately \$2 million in works have been completed or are underway as part of the fire recovery effort on parks.</p> <p>These works include securing the parks and removing hazardous materials including asbestos and CCA timber, as well as a large quantity of dangerous trees.</p> <p>Clearing of building debris at Karatta, Kelly Hill, the Kangaroo Island Wilderness Trail and Rocky River visitor precinct in Flinders Chase National Park has been completed and the rebuilding of the historic May's and Postman's cottages was progressed.</p> <p><u>Wildlife recovery</u></p> <p>The department is working with other government agencies, as well as local communities to develop recovery plans to help native wildlife and native vegetation recover from the devastating fires.</p> <p>The SA Wildlife and Habitat Bushfire Recovery Task Force, chaired by Dr Felicity-ann Lewis, was established to provide advice and input into the wildlife and habitat recovery planning being implemented to facilitate the environmental recovery from the fires across the state.</p> <p>An initial funding allocation of \$1.5 million was made from the Commonwealth to South Australia for priority recovery activities including:</p> <ul style="list-style-type: none"> • protecting unburnt areas within or adjacent to recently burnt ground that provide refuge • feral predator and herbivore control to reduce the pressure on native species

		<p>where appropriate</p> <ul style="list-style-type: none"> • emergency salvage of plant and animal species for ex-situ conservation or wild-to-wild translocation • rapid on-ground assessment for species and communities of concern • supplementary shelter, food, and water for animals where appropriate. <p>In partnership with Nature Foundation SA, NPWSSA launched the Wildlife Recovery Fund to re-establish habitat for wildlife in the state's bushfire-ravaged regions. In 2019-20 the fund raised \$451,000 and 68 applications for the grant funding were received.</p> <p>CWP provided swift support during and after the bushfires. This included sending a team of trained koala-support staff to Kangaroo Island to provide assistance, advice and training to the Island's wildlife carers, veterinarians and visiting army personnel.</p> <p>Thirty-three koalas were relocated from Kangaroo Island and a disease free koala colony has been established at CWP.</p> <p>Implementation of recovery activities on Kangaroo Island is well underway. Highlights for 2019-20 include:</p> <ul style="list-style-type: none"> • rapid assessment of unburnt habitat, identification of areas of high biodiversity value and predator control (e.g. cat trapping) • with the Kangaroo Island Landscape Board (formerly NRM Board) targeted feral pig control resulting in approximately 120 feral pigs removed from the landscape, and targeted destruction of cats on park at key refuge sites resulting in over 150 cats destroyed across the fireground • deployment of cameras to track survival and recovery of native wildlife populations in western Kangaroo Island including the Kangaroo Island Dunnart. Use of citizen science photo identification tool (DigiVol) has engaged over 750 local and interstate volunteers to generate biodiversity data photos • assessment and intervention to ensure survival of the platypus population at Rocky River • rapid assessment of bird populations (in
--	--	--

		<p>collaboration with Birdlife Australia Volunteers) across public land on Kangaroo Island</p> <ul style="list-style-type: none"> • emergency salvage and relocation of Southern Emu Wren from small unburnt patches to larger unburnt areas (with the assistance of Birdlife Australia and Zoos SA). <p>Actions across other firegrounds included:</p> <ul style="list-style-type: none"> • rapid assessment surveys, weed control, rabbit, goat and native herbivore control and fencing to protect threatened plant species recovery at Cudlee Creek • Cudlee Creek Woodland Bird Resilience Project funded by the Disaster Resilience funding is being implemented in partnership with the Hills and Fleurieu Landscape Board and Trees for Life to plant paddock trees into the burnt landscape to provide habitat for declining woodland bird species • weed and pest animal management and rapid assessment surveys.
Shellfish reef restoration	Establish new reefs in South Australia for environment and economic benefit.	<p>The long-term goal is to restore a native oyster reef ecosystem that through the generation of increased biodiversity, contributes to a more productive and healthier marine environment, is accessible for use by stakeholders, is sustainable, and supports the economy through job creation and tourism.</p> <p>The community was consulted on three possible sites for the new metropolitan native shellfish between 20 January 2020 and 2 March 2020.</p> <p>On 28 May 2020, Glenelg was announced as the location and was selected for the Adelaide Oval-sized reef based on scientific advice and outcomes from public consultation. DEW has partnered with The Nature Conservancy to deliver this work. Construction of the reef is expected to begin in October 2020.</p>

Improving Great Artesian Basin Drought Resilience (IGABDR) program	Deliver projects, including a new groundwater model, which reduce water loss and improve basin management	<p>The IGABDR program will span from 2019 to 2024.</p> <p>By 30 June 2020, three infrastructure projects were completed, returning an estimated 505 megalitres per year in water savings.</p> <p>Four non-infrastructure projects progressed including:</p> <ul style="list-style-type: none"> • developing the Far North groundwater model with this work to continue in 2020-21. • planning for a bore review to assess the condition of bore (and groundwater) infrastructure is underway and due for completion in 2020-21) • scoping work for a metering implementation plan to improve accuracy in measuring water take (due for completion in 2020-21) • progressing a project to assess the impacts from groundwater extraction on Great Artesian Basin springs. <p>Financial contributions to deliver infrastructure project activities were also provided by state and pastoral industry proponents. The participation and financial support of the pastoral industry (and in future years the mining industry) will contribute to the sustainable use of the Great Artesian Basin groundwater resource.</p>
Marine Parks review	Adopting management plan amendments to implement changes to Marine Park Sanctuary (No Take) Zone arrangements.	<p>The state government considered the independent review by Econosearch that provided a comprehensive report – <i>Environmental, Social and Economic values of Marine Park Sanctuary Zones</i>.</p> <p>Based on the findings, targeted consultation and negotiation was undertaken with key sectors to determine potential changes to Marine Park Sanctuary Zones.</p> <p>The proposed amendments to marine park management plans were released for public consultation through YourSAy from 29 May to 10 July 2020.</p>
Improved delivery of customer services through technology solutions	Implementation of the new Wildlife Permit System (WPS) and Compliance system.	<p>Phase 1 of a new WPS was implemented 28 January 2020. The reporting built into the new WPS enabled the department to identify and work with interstate customers during the COVID-19 border closures. Phase 2 commences on 1 July 2020, providing support for fauna permits.</p>

		<p>A new compliance system was introduced in July 2019 to improve DEW's management of compliance cases. The new system provides an improved online experience to DEW's customers, and modernises and streamlines departmental administrative processes. Work on Phase 2 of the implementation, which incorporates feedback from users of the initial release and adds functionality to enable water licensing to use it for their compliance activities, commenced in March 2020.</p> <p>Further work is planned to extend the capabilities of the system beyond wildlife permits and compliance management to integrate other aspects of the department's business, such as further permits types and complaints handling, and therefore provide more business efficiencies and improved customer online experiences in 2020-21.</p>
State Water Register	Progress development of the state's new water register to improve trade processing capability for water licence holders, including more efficient interstate trade	<p>The state's new water register is being developed under the Water Management Solutions Program. The analysis and design phase of the program was completed in 2019-20 and the build phase commenced.</p> <p>The majority of the IT infrastructure required to support the new water register was procured and commissioned.</p> <p>Work is continuing on integrating services with interfacing systems and the first major data migration from legacy systems has been completed.</p>
Murray-Darling Basin Compliance Compact	Performance against the Murray-Darling Basin Compliance Compact Assurance Report.	<p>Of the 28 actions that were outstanding at the start of 2019, 15 actions were assessed as being complete, eight were incomplete but adequately progressing and three incomplete. South Australia is actively working on the 11 incomplete actions and expects the majority of these to be assessed as complete in 2020.</p> <p><i>Note: the Compliance Compact Assurance Report for 2019 states that there were 26 commitments outstanding but in fact, there are 28.</i></p>
Basin Plan implementation	Deliver South Australia's obligations under the Murray-Darling Basin Plan	<p>South Australia met all of its obligations in 2019-20, including the milestones set out in the National Partnership Agreement on implementing water reform in the Murray-Darling Basin.</p> <p>All three water resource plans for South Australia have now been accredited by the Commonwealth Minister for Water, Resources and Northern Australia and the</p>

		<p>plans are operational.</p> <p>South Australia continued work on the two Commonwealth efficiency measures feasibility studies: the Alternative Water Supplies Efficiency Measures Project and the Adelaide Desalination Plant study. Both studies will be presented to the Commonwealth in the second half of 2020.</p> <p>South Australia has been the only Basin jurisdiction to submit on-farm projects for the Commonwealth's Efficiency Measures Program. In 2019-20, two projects were approved for funding and a further nine applications are in various stages of assessment.</p> <p>Two of South Australia's five supply measures projects were finalised (Riverine Recovery Project and South East Flows Restoration Project) and the construction phase of the South Australian Riverland Floodplain Integrated Infrastructure Program was completed. Funding was secured for Phase 2 of the Flows for the Future (F4F) Project. The remaining project (South Australian Constraints Management) and F4F are on track for completion by the 2024 deadline.</p> <p>In 2019-20, South Australia's contribution to the Murray-Darling Basin Authority under the joint venture program was \$22.325 million. The benefits South Australia receives through the program include operation of Locks One to Six; salinity management through operation of the salt interception schemes; monitoring and evaluation activities and cost efficient access to water for South Australian River Murray water users.</p>
River Murray operations	<p>In collaboration with other agencies, deliver water to and within South Australia, in accordance with agreed operating arrangements</p> <p>Provide assistance to River Murray irrigators and other water users in planning ahead</p>	<p>River operations in 2019-20 required close attention to water levels and future water availability due to the predicted dry outlook. River Murray system inflow was within the driest 12 per cent of years on record, and dry, hot conditions between November 2019 and February 2020 required careful monitoring of flows and water availability to and within South Australia. Additional water was deferred in the state's storage right during April 2020 only.</p> <p>No major water quality issues were experienced in 2019-20.</p> <p>A new water allocation announcement process has been implemented for the</p>

		<p>River Murray for the 2019-20 water year. The process included the provision of probability scenarios, early (15 April 2020) announcement of minimum opening allocations and fortnightly updates to the allocation volume while allocations are below 100 per cent.</p> <p>Minor amendments were adopted to the River Murray prescribed watercourse water allocation plan to provide greater flexibility in accessing carryover in dry years.</p>
Water for the Environment	<p>Deliver water for the environment to support a healthier, productive and more resilient River Murray system, and support the needs of native flora and fauna</p>	<p>In 2019-20, approximately 989 gigalitres of water for the environment was delivered to South Australia in addition to normal entitlement delivery.</p> <p>The majority of the water for the environment was delivered through spring and early summer as part of a system-wide coordinated pulse that combined flows from the Murray with flows from the Goulburn River. This created a flow of over 15,000 megalitres per day at the border. The elevated flow at the optimal time resulted in a strong zooplankton (source for fish food) response and improvement in littoral vegetation.</p> <p>Environmental water delivery also supported a range of wetland management projects and weir pool raising. These actions resulted in a wide range of positive vegetation, water bird, invertebrate and frog responses at many sites.</p> <p>The majority of the water delivered made its way through the river system and was of particular importance for supporting ecological communities in the Lower Lakes and Coorong.</p> <p>Winter monitoring showed the highest abundance of upstream migrating lampreys ever recorded while open barrage bays facilitated downstream female adult Congolli movement and spawning/recruitment.</p> <p>Summer monitoring showed that while lake levels were drawn down rapidly through the very hot conditions, environmental water was important for maintaining continuous connectivity with the Coorong and year round fish passage. Fishway releases continued to facilitate upstream young-of-year Congolli and Common Galaxid migration. Both species are recovering after being severely impacted during the Millennium Drought.</p>

Healthy Coorong, Healthy Basin Project	Delivery of Phase 1 of the Healthy Coorong, Healthy Basin Project	<p>A Coorong Partnership community governance group was established and has been meeting on a monthly basis.</p> <p>On ground works commenced with concept designs and feasibility assessments for wetland improvement projects and Coorong ecosystem restoration commencing.</p> <p>A number of early works priority investigations were completed, including expansion of the Coorong water quality monitoring network, investigation and assessment of the restoration and management potential of high-value wetlands and trialling filamentous green algae reduction measures.</p>
Maintaining state water resources of significance	Undertake water allocation planning	<p>Extensive public consultation on the draft water allocation plan for the Far North Prescribed Wells Area was completed. Comments and feedback received during consultation are now being considered as part of finalisation of the plan.</p> <p>Of 390 licence applications, 273 were assessed and determined with 37 applications refused and 236 water licences issued) for the Central Adelaide Prescribed Wells Areas. These licences were issued to provide existing water users with certainty of their water entitlements prior to adoption of the water allocation plan (currently in development).</p> <p>Following completion of the science review and risk assessment for the Lower Limestone Coast Water Allocation Plan in July 2019, engagement with licence holders commenced to discuss implementation of the report's recommendations.</p>
Water licensing activities	<p>Manage water licences, well driller's licences and well construction permits for South Australia</p> <p>Assess and determine all water licence and permit applications</p> <p>Undertake water-related compliance activities</p>	<p>In 2019-20 DEW managed over 13,976 water licences, 551 well driller's licences and issued 2,730 well construction permits.</p> <p>DEW assessed and determined 8,893 applications, including water trades, water licence variation and well construction permits.</p> <p>DEW has primary responsibility for water-related compliance activities across the state, and regular, proactive and targeted compliance monitoring programmes are conducted to detect non-compliant water use. The agency is required to report on any water use compliance breaches, including for the</p>

		<p>River Murray, as part of the <i>National framework for compliance and enforcement systems for water resource management</i>. These reports can be found:</p> <p>https://www.environment.sa.gov.au/topics/compliance/water-compliance/water-compliance-reporting</p>
Water for Fodder Program	Implement Round 1 of the Australian Government's Water for Fodder program	DEW has implemented Round 1 of the program, receiving and processing 805 trade applications resulting in 800 trades occurring and 40 gigalitres of water transferred to program participants.
International water collaboration, trade and investment.	<p>Support new international collaborations on water to:</p> <ul style="list-style-type: none"> • enable the growth of the South Australian water sector through increased exports and investments • develop world-leading technologies and services for local, national and global application <p>Further build the capacity and capability of the sector to underpin improved water use productivity across the South Australian economy</p>	<p>Key activities in 2019-20 included:</p> <ul style="list-style-type: none"> • formation of new partnerships in Malaysia to improve groundwater management and use • signing of a Memorandum of Understanding (MOU) with the Jiangsu Yuzhi Basin Management, training and Research Institute to develop the China Australia Water School • delivery of a Ministerial water delegation to Israel, establishing new business, research and training connections • establishment of connections with the NEOM Company in Saudi Arabia to open up pathways for the South Australian water sector to supply technologies and services for construction of the new city of NEOM • facilitation of a research collaboration between the Hong Kong University of Science and Technology and University of South Australia on biological water treatment systems.

<p>Managing metropolitan and regional coasts and beaches</p>	<p>Deliver the New Life for our Coastal Environment election commitment</p> <p>Deliver the Securing the future of our coastline initiative</p> <p>Develop a coast management strategy</p>	<p>A \$1 million commitment from New Life for our Coastal Environment to replenish dunes at West Beach Parks was completed in spring 2019.</p> <p>Moved a total of 121,000 cubic metres of sand from Semaphore to replenish and reduce sand loss at West Beach as part of the Securing the future of our coastline project in 2019-20.</p> <p>Community engagement commenced on the delivery of the sand movement and pipeline project as part of Securing the future of our coastline – metropolitan project commenced.</p> <p>The first phase of field data assessments were completed on the potential offshore sand source near Port Stanvac and initial preparation of the procurement strategy to build the sand pumping pipeline has occurred.</p> <p>Seagrass sites for large-scale restoration have been selected with seasonal work to begin in April 2021 (delayed due to COVID-19 risks and seasonal requirements).</p> <p>Two rounds of Research and Development Grants were delivered with a total of \$660,000 provided, supporting over 20 projects in partnership with key stakeholders.</p> <p>The government is working with key stakeholders to deliver projects for the \$1 million commitment to improve water quality in the Gulf.</p> <p>The \$1.2 million, 2 hectare shellfish reef location was determined based on scientific advice and public consultation. Construction at the site offshore from Glenelg will start late 2020.</p> <p>First round of grants to regional councils as part of the future of our coastline was also delivered.</p> <p>Draft discussion paper on the Coastal Management Strategy has been developed to support the development of a strategy which encompasses all of the South Australian coastline.</p>
--	---	--

<p>Implementation of the Landscapes Act</p>	<p>Fully operational landscape boards</p> <p>Green Adelaide set up and operating</p> <p>Greener Neighbourhoods Grants Program delivered</p>	<p>The Landscapes Act was passed on 14 November 2019 and assented to by the Governor on 21 November 2019.</p> <p>Landscape management regions were established 19 December 2019.</p> <p>Landscape board presiding members were appointed on 11 February 2020 and all regional board member appointments were finalised by June 2020. All regional landscape boards have prepared their business plans for 2020-21 and are focussed on delivery with more community-led programs and on-ground works.</p> <p>The Green Adelaide Board was appointed on 10 June 2020 and approved its 2020-21 business plan at its first meeting.</p> <p>The Landscapes Act and supporting Regulations were proclaimed on 25 June 2020, to commence 1 July 2020. The <i>Natural Resources Management Act 2004</i> (NRM Act) was repealed. Over 260 DEW staff were transitioned to regional landscape boards from the department from 1 July 2020. Authorised officers were appointed from 1 July 2020.</p> <p>Landscape and water levies were established from 1 July 2020.</p> <p>Funding totalling \$12 million was secured from across multiple partners (local government, Department for Planning, Transport and Infrastructure (DPTI), Commonwealth and Green Adelaide) to complete the third and final stage of Breakout Creek.</p> <p>Round one of the Greener Neighbourhoods Grants program was awarded with seven projects from six metropolitan councils receiving over \$640,000 towards greening metropolitan Adelaide.</p> <p>Round two of the program was launched late May 2020 and up to \$1 million of funding is available to applicants.</p>
---	---	--

Protecting and activating State Built Heritage Places	<p>Develop a Heritage Tourism Strategy for South Australia.</p> <p>Conserve and activate state-owned heritage assets.</p> <p>Deliver the Heritage Grants Program.</p>	<p>The preparation of the draft Heritage Tourism Strategy included 18 regional workshops and engagement of more than 285 individuals through workshops and other engagement mechanisms.</p> <p>The Heritage Tourism Engagement Summary report was released in April 2020.</p> <p>A spreadsheet tool was developed to capture a range of data about each department owned State Heritage Places to assist with management decisions. This tool will assist in the preparation of a five year Heritage Asset Management Plan.</p> <p>A report has been produced on the economic contribution of heritage conservation work unlocked by government investment through grants and incentives.</p> <p>The second round of the Heritage Grants Program was delivered with 25 projects across regional and metropolitan South Australia supported with \$250,000 of funding.</p>
Climate Change	<p>Provide effective policy, technical and executive support to the Premier's Climate Change Council to deliver the following objectives:</p> <ul style="list-style-type: none"> • support government agencies to develop an across-agency climate change strategy for the state • support government agencies to develop a blue carbon strategy for South Australia • influence the consideration of climate change mitigation and adaptation in state government policies and initiatives • promote climate smart action and recognise climate leadership • engage with local government, business and industry decision-makers about climate change risks and opportunities. 	<p>Directions for a Climate Smart South Australia was released in December 2019 and sets the government's agenda for practical, on-ground action to address climate related impacts.</p> <p>A detailed across agency climate change strategy is under development and due to be finalised in 2020-21.</p> <p>The Blue Carbon Strategy for South Australia was released in November 2019.</p> <p>Council submissions were prepared on a range of government policy reforms and initiatives including:</p> <ul style="list-style-type: none"> • land use planning reforms • Growth State planning • the 20-year state infrastructure strategy • the South Australian independent review into the 2019-20 bushfires • the Royal Commission into national natural disaster arrangements. <p>Council provided formal advice to the Minister on climate change impacts and the 2019-20 bushfires.</p>

	<p>Develop and implement climate change policy and programs, including national and international engagement and reporting, and whole of government leadership on mitigation and adaptation</p>	<p>The department partnered with other organisations to deliver a range of projects and programs including:</p> <ul style="list-style-type: none"> • working with the City of Adelaide to support partner engagement, business forums and events for Carbon Neutral Adelaide; and supporting implementation of Building Upgrade Finance • community based climate change adaptation projects through grants to the Conservation Council SA • support for a Central Climate Change Resilience Coordinator to facilitate on-ground climate change action across state government regions • a partnership with Climate-KIC Australia and the City of Adelaide, to trial products that reduce the temperature of road surfaces and the urban heat island effect. <p>The sixth report on the operation of the <i>Climate Change and Greenhouse Emissions Reduction Act 2007</i> (section 7 Report) was prepared.</p> <p>The Minister and department executives were supported to represent the state at key national and international forums including the 2019 United Nations Climate Change Conference and the Meetings of Environment Ministers.</p>
	<p>Facilitate viable carbon farming projects in South Australia to provide economic benefits for the regions and maximise the environmental and social co-benefits for land holders</p>	<p>The South Australia Ediacaran Landscape Regeneration Project was registered under the Emissions Reduction Fund as a carbon farming project.</p> <p>A feasibility assessment was completed to assess the carbon farming potential on Crown conservation lands.</p> <p>Supported research projects to understand blue carbon stocks in the Coorong, and mapping of blue carbon potential along metropolitan coasts.</p> <p>The Kangaroo Island Biodiverse Carbon Offset Pilot project was completed in 2019-20.</p>

Corporate performance summary

DEW has contributed to a number of corporate initiatives in 2019-20. Key corporate actions were monitored and reported to DEW Executive on a quarterly and monthly basis to review progress towards completion. Corporate Services also contributed towards a number of other initiatives throughout the year, including:

- Procured high-resolution imagery and elevation data of Kangaroo Island and the Cudlee Creek fire ground to support bushfire recovery, this included the use of Wildlife Spotter to transcribe image captures from camera traps to assist with the wildlife response and bushfire recovery planning on Kangaroo Island.
- Collaborated with DEW regions to lead the engagement and communications process to assist in the successful passing of the Landscapes Act to be implemented from 1 July 2020.
- Contributed to the establishment of nine new Landscapes Boards as a result of the passing of the Landscapes Act.
- Reviewed current corporate services arrangements to prepare for the delivery of corporate services reforms as a result of the Landscapes Act.
- Collaborated across government to develop a coordinated and consistent response to the COVID-19 crisis for the agency.
- Developed and implemented online working from home systems, policies, procedures, and manager and staff communications to enable employees to effectively work from during the COVID-19 crisis.
- Developed a comprehensive COVID-19 Performance Report to inform executive of the impact, risk and steps taken to minimise the potential impact of COVID-19 on the department and the South Australian public.
- Collaborated with the Office of the Commissioner of Public Sector Employment on the procurement of a new whole of government work health and safety injury management system.
- Delivered cross-cultural competency training to more than 400 DEW staff, and contributed to an increase in DEW Aboriginal Employment to 3.57 per cent (48 staff) through activation of mandatory screening of SA Aboriginal Employment Register.

Employment opportunity programs

Program name	Performance
Aboriginal Recruitment Program	<p>The DEW Aboriginal Workforce Plan sets an agency target of 4 per cent Aboriginal workforce participation across all classification levels, by 30 June 2021.</p> <p>As at 30 June 2020, the number of DEW Aboriginal employees was 3.57 per cent.</p>
Skilling SA Program	<p>One existing DEW employee is being upskilled via a traineeship during 2019-20.</p> <p>Five trainees were engaged by DEW during 2019-20.</p> <p>One graduate was engaged by DEW during 2019-20.</p>

Agency performance management and development systems

Performance management and development system	Performance
DEW Performance Review and Development (PRD) Process	<p>Managers are required to undertake two formal PRD conversations with their staff each year:</p> <ul style="list-style-type: none"> Between 1 July to 31 December 2019 = 73 per cent of DEW had a PRD discussion. Between 1 January to 30 June 2020 = 88.1 per cent of DEW staff had a PRD discussion. <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

Program name	Performance
Injury Prevention	<p>Driver safety has been a focus of effort to prevent driving related injury across the agency. Following a series of vehicle incident and safety performance issues, a working group was established to develop strategies to improve driver safety performance, focussing particularly on driver training and supportive technologies.</p> <p>This work has resulted in the development of a comprehensive Driver Training Matrix that provides guidance for managers to ensure staff are provided with 'fit for purpose' driver training. This will be supported by a range of communication and promotions to engage staff and managers to recognise and their role in safe driving.</p> <p>A trial of an 'in vehicle monitoring system' was also undertaken. The system monitors and reports on key elements of driver behaviour (e.g. speed, braking performance and rest periods) and enhances safety through providing live access to vehicle location. The system also has potential to generate administrative efficiencies such as replacing the use of hard copy vehicle log sheets. Use of this technology will be further investigated in 2020-21.</p>

Workplace injury claims	2019-20	2018-19	% Change (+ / -)
Total new workplace injury claims	53	34	+55.9%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	8.4	6.7	+25.3%

*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)

Work health and safety regulations	2019-20	2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	2	7	-71.4%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	3	-100.0%

Return to work costs**	2019-20	2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$632,110	\$766,657	-17.5%
Income support payments – gross (\$)	\$265,431	\$319,076	-16.8%

***before third party recovery*

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
EXEC0E	1
SAES 1	22
SAES 2	2

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

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-20 are attached to this report.

Statement of Comprehensive Income	2019-20 Budget* \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Expenses	224 623	218 071	(6 552)	212 012
Revenues	344 142	315 167	28 975	362 536
Net cost of providing services	119 519	97 096	22 423	150 524
Net Revenue from SA Government	153 894	153 893	(1)	164 702
Net result	34 375	56 797	22 422	14 178
Total Comprehensive Result	34 375	90 561	56 186	14 178

*Revised budget

The table above shows that for the financial year ending 30 June 2020, DEW's net result was an operating surplus of \$56.8 million, which was \$22.4 million favourable compared to budget.

Major variations included:

Total expenses in 2019-20 were \$29.0 million lower than budget primarily due to underspends in various Commonwealth and State Cabinet approved projects for which carryover has been approved into 2020-21.

Total income was \$6.6 million lower than budget mainly due to reduced Commonwealth grant income for the South Australian Riverland Floodplain Integrated Infrastructure Program consistent with lower than budgeted expenditure (\$14.3 million) partially offset by unbudgeted asset adjustments (\$5.0 million) and insurance recoveries (\$2.7 million).

Total expenses in 2019-20 were \$47.4 million lower than in 2018-19 primarily due to reduced donation of assets (\$39.3 million) and TVSP expenses (\$9.0 million).

Statement of Financial Position	2019-20 Budget* \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Total assets	993 890	1 035 033	41 143	984 936
Total liabilities	133 008	114 767	18 241	124 208
Net assets	860 882	920 266	59 384	860 728

*Revised budget

The table above shows that for the financial year ending 30 June 2020, DEW's net assets were \$920.266 million, which was \$59.4 million higher than budget. This was primarily due to an upward revaluation of assets (\$33.8 million) and a reduction in current payables (\$18.8 million).

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$12,151

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Ernst & Young	Emissions Reduction Approaches for South Australia	\$175,544
Price Waterhouse Coopers	Review of the DEW Corporate Services Model	\$94,990
DYSON M FN	Policy review of Environment Protection and Biodiversity Conservation Act for DEW on behalf of DEW, DEM, EPA and DPTI	\$41,250
MABEKI CONSULTING	Provision of community engagement and advice in the creation of Glenthorne National Park	\$12,620
	Total	\$324,404

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](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$74,888

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Hays Specialist Recruitment Pty Ltd	Temporary staff for Regional Programs, Environmental Science, Native Vegetation Management, Corporate Services	\$559,724
Modis Staffing Pty Ltd	Temporary staff for Information Technology and Water Licensing	\$479,929
Randstad Pty Limited	Temporary staff for Environmental Science, Water Science and Monitoring, Coastal Protection, River Murray Operations, Water Licensing, Regional Programs	\$418,787
Paxus Australia Pty Ltd	Temporary staff for Information and Technology	\$268,538
Maxima Tempskill/Recruitment	Temporary staff for Coastal Protection, the Botanic Gardens and State Herbarium and Regional Programs	\$254,419
Hudson Global Resources	Temporary staff for Information Technology, Regional Programs, Environmental Science, and Corporate Services	\$168,740
CKM Management Solutions	Temporary staff for the Adelaide Living Beaches programme	\$89,371

Contractors	Purpose	\$ Actual payment
Complete Personnel Recruitment	Temporary staff for South Australian Arid Lands Region – Regional Programs	\$84,842
Urban & Regional Planning	Temporary staff for Climate Change	\$56,621
Gramac Solutions	Temporary staff for Naracoorte Caves	\$34,735
McArthur (SA) Pty Ltd	Temporary staff for Flows for the Future	\$15,580
Manpower Services Pty Ltd	Temporary staff for Information Technology	\$12,760
	Total	\$2,444,046

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

The details of Government of South Australia-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

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

Other financial information

Nil to report

Other information

Nil to report

Risk management

Risk and audit at a glance

The Risk and Performance Committee (RPC) is an independent committee advising the DEW Chief Executive on strategic risk, audit and performance matters.

RPC has an independent Chairperson, Dr Tom Stubbs, three independent members, and three DEW staff members. Following the annual performance review, a fourth DEW staff member was appointed to the committee in 2019-20.

During 2019-20 the RPC provided advice and received presentations on matters, including:

- The Information and Communication Technology Strategic Plan 2019-2021.
- Complaints Management.
- COVID-19 response activities by DEW.
- Nature-Based Tourism proposals.
- Kangaroo Island Bushfire Recovery.
- River Murray Environmental Flows Infrastructure.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Misappropriation of Crown property	2

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The DEW Fraud and Corruption Control Policy and supporting Fraud and Corruption Control Procedure establish the respective roles and responsibilities across DEW relating to the identification of and response to fraud, and comply with the South Australian Public Sector Fraud and Corruption Control Policy. The procedure details the process for reporting and managing incidents of fraud and corruption, allowing for the clear identification of responsibilities.

DEW's 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 identifies the roles of key individuals and branches for delivery of these measures. Additionally, all internal audits undertaken within the agency are conducted with an appreciation for, and awareness of fraud.

DEW Executive continue to regularly communicate the department's expectations regarding acceptable business practices and ethical behaviours in accordance with the Code of Ethics to staff.

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

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

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

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1 July 2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Adelaide Dolphin Sanctuary Act 2005</i>	<p><u>Section 26 - Annual report</u></p> <p>(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.</p> <p>(2) The annual report must include -</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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.
<p><u>Objective 1 - Protection of the Dolphins</u></p> <p>Throughout this reporting period, National Parks and Wildlife Service SA marine park rangers in the Adelaide and Mount Lofty Ranges (AMLR) region have completed five boat-based scientific surveys of the Adelaide Dolphin Sanctuary (ADS) dolphin population, collecting demographic, locational and photo identification data. Filtering of this photo identification data continued throughout the reporting period through the 'Discover-a-dolphin' citizen science program, which enables ADS Action Group volunteers to contribute to this scientific monitoring program. A Flinders University Honours student is also working with Dr Mike Bossley's long term ADS data to investigate dolphin reproductive success and calf survival.</p> <p>Rangers were assisted with monitoring patrols by ADS Action Group volunteers who undertook regular observations of dolphins and monitored individual dolphins.</p> <p>One dolphin entanglement was recorded during the reporting period. Staff and volunteers attempted intervention, but were unsuccessful. This dolphin had become entangled in fishing gear, as this animal was attracted to live baits deployed by fishers seeking kingfish in the inner Port River. Two dolphin deaths were recorded in the ADS, with one body able to be recovered and a necropsy performed by Australian Marine Wildlife Research and Rescue Organisation.</p> <p>To ensure compliance with legislation to protect marine mammals, set out in Section 68 of the <i>National Parks and Wildlife Act 1972</i> and <i>Marine Mammal Regulations 2010</i>, rangers completed 191 land and water patrols. Rangers investigated and/or responded to ten incidents of breaching approach distances to dolphins, and six incidents of speeding vessels.</p> <p>Staff and volunteers worked together with the organisers for a wakeboarding event in the inner Port River and helped to monitor dolphin movements around the area during races.</p>	

Act or Regulation	Requirement
<p><u>Objective 2 - Protection of key habitat features</u></p> <p>Works were undertaken by Natural Resources, AMLR 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.</p> <p>Marine parks and Adelaide International Bird Sanctuary (AIBS) rangers worked together to coordinate on-ground works across ADS and AIBS landscapes.</p> <p>Rangers and volunteers also undertook conservation works on Bird Island, including pest plant and animal control, revegetation, and marine debris clean ups. BirdLife Australia undertook bird monitoring programs, with particular focus on the Fairy Tern Monitoring Program.</p> <p>Estuary Care Foundation (ECF), funded by the previous AMLR Natural Resources Management Board, installed a series of Living Seawall Tiles along a wharf in the inner Port River. Living Seawall tiles mimic natural habitat structures to promote biodiversity on artificial structures. ECF volunteers have continued to monitor their small native oyster reef, and expanded the reef during this reporting period with an additional 80 coir bags and 88 adult native oysters deployed over the summer.</p>	
<p><u>Objective 3 – Improvement of water quality</u></p> <p>Four Aquatic Activity Licences referred to DEW under the <i>Harbors and Navigation Act 1993</i> 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.</p> <p>Staff continued to remove floating marine debris while on patrol and during scheduled community-based clean up events, including a beach clean co-hosted with the Sea Shepherd.</p>	
<p><u>Objective 4 – Recognition of local interests and participation in management processes</u></p> <ul style="list-style-type: none"> • The ADS Action Group has 73 registered volunteers who contributed 118 volunteer hours during the 2019-20 year. Their activity directly supports the management of the ADS and includes monitoring, administration tasks, and community engagement and promotion projects. • Rangers delivered a training session for Commercial Tour Operators, providing an introduction to the ADS and marine parks, information on dolphin ecology and marine mammal regulations. • Rangers provided advice and conducted assessments for existing and new ADS Commercial Tour Operator permit applications under the Marine Mammal Tour Permitting Policy, in support of the <i>National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010</i>. • Rangers provided a boat based tour of the ADS for the newly elected Mayor of the City of Port Adelaide Enfield. 	
<p><u>Objective 5 – Promotion of public awareness of ecological importance of the area</u></p> <p>The values and purpose of the ADS and the state's marine parks were promoted to individuals, community groups, organisations at events and public forums including:</p> <ul style="list-style-type: none"> • North Haven Primary School Junior Dolphin Ranger Day • Tennyson Dunes Open day • Sea Shepherd Clean Up Day • Educational talks for Uniting Church Oakland's Park • Educational talk for University of SA students on board the Dolphin Explorer • NPWS launch at Belair National Park • Fleurieu Festival 	

Act or Regulation	Requirement
<ul style="list-style-type: none"> • Kayaking for persons with disability • Adventure Kayak SA Port River kayak clean up. <p>The ADS and Shorebird Festival was held during November 2019 as part of DEW's Park of the Month program. The festival provided opportunities for the general public to come and appreciate the importance of the ADS environment. NPWSSA staff coordinated a range of well attended activities and events including ranger guided mangrove tours, a tour of the SA Museum's Bolivar facility, the second citizen science Dolphin Census event, a Junior Ranger Discovery Day, and an ADS science night ('Science in the Sanctuary').</p> <p>The DEW marine parks caravan continued to be used throughout the year to promote the ADS and marine parks at community events.</p> <p>New interpretive signs were installed at Garden Island, which will increase the awareness and profile of the Sanctuary. New 'do not feed' dolphin signs were developed for use around the ADS. Further, new 'boating around marine mammal' signs and stickers were developed to better illustrate marine mammal approach distances for the variety of potential water users. Staff distributed ADS visitor guide maps and ADS Users Guides at community outlets</p> <p><u>Objective 6 – Promotion of the principles of ecological sustainable development</u></p> <p>Staff provided advice on five referrals under the <i>Harbors and Navigation Act 1993</i>, and two under the <i>Fisheries Management Act 2007</i>. Comments were also provided on a range of development related projects or plans occurring within the ADS.</p> <p><u>Objective 7 – Enforcement of general duty of care</u></p> <p>There were no reported instances when the general duty of care was breached.</p> <p><u>Objective 8 – Issuance of protection or other orders</u></p> <p>No protection or reparation orders/authorisations were issued.</p> <p><u>Objective 9 – Annual implementation programme for management plan</u></p> <p>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.</p> <p>The Annual Implementation Program for 2020-21 is included as Appendix 1 and has been prepared in line with the strategies and actions outlined in the ADS Management Plan.</p> <p><u>Appendix 1 – ADS annual implementation programme 2020-21</u></p> <p>NPWSSA AMLR region Marine Parks Program will work with supporting agencies during 2020-21 to achieve the objectives of the <i>Adelaide Dolphin Sanctuary Act 2005</i> and strategies outlined in the ADS Management Plan 2008.</p> <p><u>Objective 1</u> - 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 - <i>Adelaide Dolphin Sanctuary Act Section 8(1)(a)</i></p> <p><u>Issue 1.1 Lack of scientific knowledge about ADS dolphins</u></p> <p>Actions:</p> <ul style="list-style-type: none"> • Continue scientific dolphin monitoring surveys to track the local population. • Support on-going research into ADS dolphins and seek partnerships with universities, the SA Museum and other researchers to explore possibilities for collaborative research. 	

Act or Regulation	Requirement
<ul style="list-style-type: none"> Continue the collection of deceased dolphins for examination by the SA Museum to inform the ADS dolphin research and monitoring program. 	
<p><u>Issue 1.2 Vessel strike (commercial shipping, fishing and recreational vessels)</u></p>	
<p>Actions:</p> <ul style="list-style-type: none"> DEW and Department of Planning, Transport and Infrastructure (DPTI) to continue monitoring new speed limits to ensure dolphin safety and safety for recreational users of the area. 	
<p><u>Issue 1.3 Entanglement in vessel and fishing gear</u></p>	
<p>Actions:</p> <ul style="list-style-type: none"> Work with existing community education programs to increase awareness of marine debris and its impacts on dolphins and their habitat. Support local councils to implement the Hook, Line and Thinker program, installing Tangler Bins for disposal of fishing line and hooks. 	
<p><u>Issue 1.4 Intentional harm</u></p>	
<p>Actions:</p> <ul style="list-style-type: none"> Continue regular land and sea patrols to ensure compliance with the <i>National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010</i>. Maintain and implement an ADS compliance strategy. Maintain education programs to increase awareness of dolphins and support members of the public who report observations of actual or potential incidents. 	
<p><u>Issue 1.5 Impacts from human interaction</u></p>	
<p>Actions:</p> <ul style="list-style-type: none"> 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. 	
<p><u>Objective 2</u> - 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-<i>Adelaide Dolphin Sanctuary Act Section 8(1)(b)</i></p>	
<p><u>Issue 2.1 Food supply</u></p>	
<p>Actions:</p> <ul style="list-style-type: none"> Support research (and promote findings) to determine the specific prey species of ADS dolphins. 	
<p><u>Issue 2.2 Loss of vegetation: seagrass, mangroves and supporting species</u></p>	
<p>Actions:</p> <ul style="list-style-type: none"> 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 a changing climate. Support government agency, local council and community group efforts to rehabilitate and re-establish vegetation and habitats present historically, such as native oyster reefs. Support ongoing seagrass research and rehabilitation programs undertaken by SARDI, Adelaide Coastal Waters Study and the Coast Protection Board. 	

Act or Regulation	Requirement
<p><u>Issue 2.3 New developments</u></p> <p>Actions:</p> <ul style="list-style-type: none"> Continue to work with proponents of new and existing developments to ensure that objectives of the <i>Adelaide Dolphin Sanctuary Act 2005</i> and management plan are appropriately considered. Work with DPTI and local councils to develop performance guidelines for development to support achievement of ADS objectives. <p><u>Issue 2.4 Marine pests: <i>Caulerpa taxifolia</i>, <i>Caulerpa racemosa</i> and others</u></p> <p>Actions:</p> <ul style="list-style-type: none"> Support Primary Industries SA (PIRSA) initiatives and research in identifying and controlling introduced species. <p><u>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)</u></p> <p><u>Issue 3.1 Discharges - nutrients</u></p> <p>Actions:</p> <ul style="list-style-type: none"> Work with the Environment Protection Authority (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. 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 as required. <p><u>Issue 3.2 Discharges - pollutants</u></p> <p>Actions:</p> <ul style="list-style-type: none"> 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 <i>Caulerpa taxifolia</i>. Maintain litter management activities including collection of marine debris on patrols and regular clean up days with the ADS Action Group and other local environment groups. <p><u>Issue 3.3 Turbidity and release of toxins from sediment</u></p> <p>Actions:</p> <ul style="list-style-type: none"> Undertake work on vegetation protection to support stabilisation of sediments. Ensure aquatic licence assessments address activities with the potential to cause turbidity. <p><u>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)</u></p> <p><u>Issue 4.1 Inclusion of all stakeholders</u></p> <p>Actions:</p> <ul style="list-style-type: none"> 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 	

Act or Regulation	Requirement
<p>partnerships.</p> <ul style="list-style-type: none"> • The Parks and Wilderness Council of community representatives will provide the Minister for Environment and Water with advice as required by the <i>Adelaide Dolphin Sanctuary Act 2005</i>. • The online presence of the ADS will be updated as required. 	
<u>Issue 4.2 Support of recreational users</u>	
Actions:	
<ul style="list-style-type: none"> • DEW will continue ongoing assessment of referrals for aquatic licences (under section 26 of <i>Harbours and Navigation Act 1993</i>). • DEW will collaborate with DPTI in relation to the management of recreational uses and the achievement of ADS objectives. 	
<u>Issue 4.3 Support of industry interests</u>	
Actions:	
<ul style="list-style-type: none"> • DEW will investigate establishment of an industry stewardship program for the ADS area to provide opportunities to best achieve ecologically sustainable development in collaboration with each other and with government. 	
<u>Issue 4.4 Protection of indigenous values in the area</u>	
Actions:	
<ul style="list-style-type: none"> • Ensure Kaurna cultural values are respected, nurtured and conserved through working cooperatively with the Kaurna community. • Ensure Kaurna are key partners for engagement and participation in major projects and decision making processes. 	
<u>Issue 4.5 Support for tourism activities</u>	
Actions:	
<ul style="list-style-type: none"> • Liaise with existing operators to assess the current cumulative impact of activities and work with operators to develop appropriate ADS interpretative information. • Work with operators and the public to ensure understanding of the <i>National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010</i> and support compliance with these Regulations. • Support the growth of sustainable nature based tourism within the ADS to ensure activities are compatible with Act and management plan objectives. 	
<p><u>Objective 5</u> - 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 - <i>Adelaide Dolphin Sanctuary Act Section 8(1)(e)</i></p>	
<u>Issue 5.1 Supply of informative, timely and accessible information about the ADS</u>	
Actions:	
<ul style="list-style-type: none"> • Work with relevant government agencies, including PIRSA Fisheries, DPTI and EPA , to ensure consistent delivery of messages. • Continue to support the Park of the Month and Junior Dolphin Ranger Program and distribute ADS interpretative materials. • Work with stakeholders to maximise communication opportunities with relevant government agencies. 	
<u>Issue 5.2 ADS Sign Strategy</u>	
Actions:	
<ul style="list-style-type: none"> • Review existing ADS signage and install new interpretative signage in line with the signage strategy. 	

Act or Regulation	Requirement
<p><u>Objective 6</u> - '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 -<i>Adelaide Dolphin Sanctuary Act Section 8(1)(f)</i></p> <p><u>Issue 6.1 Promote the implementation of economically sustainable development (ESD) principles with local industries and new developments</u></p> <p>Actions:</p> <ul style="list-style-type: none"> • In conjunction with other agencies, work with new and existing industries to support the achievement of ESD principles. • Prepare and deliver industry-specific ADS information as required. 	

Act or Regulation	Requirement
<i>Climate Change and Greenhouse Emissions Reduction Act 2007</i>	<p><u>20 - Administrative unit report</u></p> <p>(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.</p> <p>(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).</p>
<p>Refer to section Agency specific objectives and performance, Climate Change section for work undertaken in relation to the development of climate change policy and related initiatives.</p>	

Act or Regulation	Requirement
<i>Crown Land Management Act 2009</i>	<p><u>Section 25 – Disposal by transfer or grant of fee simple</u></p> <p>(3) If, during a financial year, the Minister—</p> <p>(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);</p> <p>or</p> <p>(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.</p>

The following parcels were disposed of, without a market process, at market value determined by the Valuer General, to the former custodian of dedicated Crown land as the Minister determined that special circumstances existed:

LAND DESCRIPTION	TOTAL MARKET VALUE	CONSIDERATION
Allotments 81, 82 and 83 in Deposited Plan 121488, Hundred of Adelaide	\$18,425,297	\$18,425,297

The following parcel was disposed of, without a market process, at market value determined by the Valuer General, to the proponent of an approved unsolicited proposal to government for an integrated tourism and hospitality venture as the Minister determined that special circumstances existed.

LAND DESCRIPTION	TOTAL MARKET VALUE	CONSIDERATION
Allotment 100 in Deposited Plan 115590, Hundred of Menzies	\$1,006,937	\$1,006,937

Act or Regulation	Requirement												
<i>National Parks and Wildlife Act 1972</i>	<p><u>13 - Information to be included in annual report</u></p> <p>(1) The annual report of the Department must include the following information:</p> <p>(a) the aggregate amount of fees paid for entrance to reserves during the relevant year; and</p> <p>(b) the aggregate amount paid pursuant to leases, licences and other agreements referred to in section 35 during the relevant year; and</p> <p>(c) the aggregate amount of fees and other charges paid for camping and other accommodation on reserves during the relevant year; and</p> <p>(d) the aggregate amount paid for guided tours during the relevant year.</p>												
<p>Aggregated totals of park revenue for 2019-20 are categorised below:</p> <table> <tr> <td>Admissions and Guided Tours</td><td>\$ 7,491,000</td></tr> <tr> <td>Property Rental and related income</td><td>\$ 1,344,000</td></tr> <tr> <td>Sale of Goods</td><td>\$ 2,185,000</td></tr> <tr> <td>Camping, Accommodation, Parking and Hire fees</td><td>\$ 2,144,000</td></tr> <tr> <td>Levies, Licences and Other</td><td><u>\$ 135,000</u></td></tr> <tr> <td>Total Park Revenue:</td><td>\$13,299,000</td></tr> </table>		Admissions and Guided Tours	\$ 7,491,000	Property Rental and related income	\$ 1,344,000	Sale of Goods	\$ 2,185,000	Camping, Accommodation, Parking and Hire fees	\$ 2,144,000	Levies, Licences and Other	<u>\$ 135,000</u>	Total Park Revenue:	\$13,299,000
Admissions and Guided Tours	\$ 7,491,000												
Property Rental and related income	\$ 1,344,000												
Sale of Goods	\$ 2,185,000												
Camping, Accommodation, Parking and Hire fees	\$ 2,144,000												
Levies, Licences and Other	<u>\$ 135,000</u>												
Total Park Revenue:	\$13,299,000												

Act or Regulation	Requirement
<i>River Murray Act 2003</i>	<p><u>10 - Annual report</u></p> <p>(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.</p> <p>(2) The report must include—</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 2019-20

Within DEW a number of business groups have accountability across various aspects of compliance in relation to the *River Murray Act 2003*. These areas collaborate to assist in identifying and addressing compliance concerns, particularly with respect to the 'general duty of care' provisions of the *River Murray Act 2003*.

The Crown Lands Program resolved a number of minor-moderate reports through education, formal warning letters and directions to take/cease certain actions. These included unauthorised occupation of land adjoining the river, unlawful constructions (jetties etc.) and clearances of Crown land along the riverbank. As part of an ongoing program to minimise/prevent offending, the Crown Lands Program has continued to work proactively with local government and other state government agencies to educate the community on what constitutes misuse of Crown land and the risks posed to the river environment. In particular, this year Officers continued to focus efforts on unauthorised mooring of houseboat to Crown land in the Renmark Paringa Council area along with instances of camping on and the storage of goods or property on Crown land in excess of 21 days. The campaign has been supported by assistance from local government, SA Police, and DPTI's Marine Safety Unit.

DEW's Investigation and Compliance Unit (ICU) continued to provide valuable support and guidance to all the business groups with DEW managing compliance in relation to the *River Murray Act 2003* during the reporting period. This included participating in regular and ongoing compliance meetings with Crown Lands. ICU and EPA also jointly investigated a report of riverbank clearance and excavation at Tailern Bend to ensure no further offending occurred.

The Water and River Murray division incorporates a Water Infrastructure and Operations branch whose role includes maintaining the integrity of river banks and operating regulators, waste disposal stations and other assets. The branch provides passive and active monitoring of infrastructure sites operated along the length of the river. While the branch does not engage in direct enforcement activities, its operations and maintenance functions contribute to the achievement of multiple environmental and water management goals under the *River Murray Act 2003* (as well as the Murray-Darling Basin Plan and other related legislation). The branch maintains a network of closed circuit television cameras that remotely monitor 13 waste disposal sites; during the last year these cameras have continued to provide recorded evidence of wilful damage, unauthorised access and illegal waste dumping.

The Water and River Murray division also assess/process applications under the *River Murray Act 2003* for any activity that proposes to take/return water to the river and which have the potential to impact negatively on the river and its users. Sixty-one applications were approved during the year following assessments conducted by the River Murray Operations Working Group (comprising Department for Environment and Water (DEW), Primary Industries SA (PIRSA), South Australian Research and Development Institute (SARDI), Commonwealth Scientific and Industrial Research Organisation (CSIRO), SA Water and EPA).

Referral of matters under the related operational Acts

In 2019-20 there were 403 statutory referrals made to the Minister for Environment and Water with the majority of referrals made through the *Development Act 1993* (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*. No statutory instruments were referred under the related operational Acts.

Referral of matters under related operational Acts:

Act	Statutory Authorisations	Statutory Instruments
<i>Development Act 1993</i>	339	0
<i>Mining Act 1971</i>	15	0
<i>Petroleum and Geothermal Energy Act 2000</i>	1	0
<i>Harbors and Navigation Act 1993</i>	40	0
<i>Fisheries Management Act 2007</i>	8	0
Total	403	0

Referrals under the *Development Act 1993*Statutory Authorisations

Ensuring development in the River Murray Protection Areas complied with the objects of the Act was undertaken by providing advice and direction on 339 development applications under delegation from the Minister for Environment and Water. All development referrals in 2019-20 were mandatory referrals under Schedule 8 of the *Development Regulations 2008*. All but one referral were addressed within the statutory time frame.

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 Objectives for a Healthy River Murray (ORMs) and the Objectives of the River Murray Act

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.

One Stop Shop service:

Group/Agency	Percent of applications referred (approx.)
Aboriginal Heritage (DPC)	50
Crown Lands (DEW)	26
Maritime Safety (DPTI)	14
Native Vegetation (DEW)	7
Water Licensing (DEW)	6
State Heritage and Historic Shipwrecks (DEW)	5
Natural Resources SAMDB (DEW)	8
Coast Protection (DEW)	1
Other (e.g. DEW Hazards, Water Infrastructure and Ops)	2
No internal referrals required	37

Applicants were also advised of their obligations under related operational Acts 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 *Environment Protection Act 1993* and the *Harbours and Navigation Act 1993*. Advice regarding obligations under legislation not directly related to the River Murray Act was also provided, including the *Aboriginal Heritage Act 1988* 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.

On two occasions, the Planning Authority was advised that the subject development application was not supported. One of the proposals did not comply with policy supporting the *Crown Land Management Act 2009* (i.e. unlikely to receive tenure authorisation under that Act), while the other would have resulted in an additional allotment with a direct frontage to the River Murray and likely to require the clearance of native vegetation to facilitate access to the waterfront, as well as an increase in the potential for erosion of the riverbank and adverse impacts on water quality.

The majority (95 per cent) of mandatory referrals during 2019-20 related to activities occurring within the River Murray Floodplain Area. Five per cent of mandatory referrals related to activities within the River Murray Tributaries Area, while one per cent of referrals were received pertaining to activities outside of those areas but within the Murray-Darling Basin.

Statutory Instruments

No statutory instruments (i.e. Development Plan Amendments) relating to the *Development Act 1993* were referred to the Minister for Environment and Water pursuant to Section 24(3) of the *Development Act 1993* in 2019-20.

Update on *Planning, Development and Infrastructure Act 2016* Planning Reforms

On 19 March 2020 the Governor proclaimed the *Planning, Development and Infrastructure Act 2016* Planning Regions for South Australia. The SA Murray-Darling Basin is incorporated within two Planning Regions, namely Greater Adelaide and Murray Mallee. This proclamation provides for a period of three years before a regional plan for each of the planning regions is to be prepared and adopted.

The Planning and Design Code came into operation for outback areas (those areas outside of council areas) on 1 July 2019. As a result, the code now applies to a small portion of the River Murray north of the river near the state border. The code applying to rural areas, including a large area of the River Murray, is scheduled to come into operation from 31 July 2020. The code will then be applied over urban areas and the remainder of rural areas by the end of the 2020. The code includes the River Murray Flood Plain Protection Area Overlay and the River Murray Tributaries Protection Area Overlay, which align with the River Murray Protection Areas. As well as spatially identifying these River Murray areas, the Overlays also contain the development assessment policies and the triggers for referring development applications to the Minister for the River Murray.

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

A total of 15 mining applications were referred in 2019-20 including exploration licences and mining leases in accordance with the *Mining Act 1971*, while one referral was received under 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 40 Aquatic Activity Licence applications were referred in 2019-20 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, dinghy racing 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. In 2019-20, a higher level of consultation with DPTI and applications has occurred where activities have been proposed within Ramsar reserves, such as the creeks of Murray River National Park, north of Renmark. Many of the approved activities scheduled for the last two quarters would (presumably) have been cancelled, and fewer applications have been received than anticipated, due to COVID-19 restrictions.

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 2019-20, eight 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 Act.

Act or Regulation	Requirement
<i>River Murray Act 2003</i>	<p><u>11 - Three-yearly reports</u></p> <ol style="list-style-type: none"> (1) The Minister must, on a three-yearly basis, undertake a review of this Act. (2) The review must include— <ol style="list-style-type: none"> (a) an assessment of the interaction between this Act, the related operational Acts, and any other Act considered relevant by the Minister; and (b) an assessment of the state of the River Murray, especially taking into account the ORMs, <p>and may include other matters determined by the Minister to be relevant to a review of this Act.</p> (3) The review must be undertaken so as to coincide with the end of a financial year and the outcome of the review must be reported on as part of the Minister's annual report to Parliament for that financial year.

The River Murray is one of South Australia's most important water resources, providing essential water for irrigation, industry, domestic and recreational use and our precious wetlands and floodplains. The *River Murray Act 2003* requires the Minister for Environment and Water to undertake a Triennial Review that includes an assessment of the:

- state of the River Murray, taking into account the objectives for a healthy River Murray; and,
- interaction between the *River Murray Act 2003* and other related operational Acts.

This review is for the period from 2017-18 to 2019-20.

State of the River Murray

This section provides an assessment of the state of the River Murray, in the period from 2017-18 to 2019-20, taking into account the Objectives for a Healthy River Murray (ORMs) in relation to the health of the river, environmental flows, water quality and good community outcomes.

River health and environmental flows

The period from 2017-18 to 2019-20 was characterised by predominantly dry conditions across the Murray-Darling Basin. Water recovered for the environment has been delivered each year to support environmental watering programs. The implementation of environmental watering regimes for key managed wetlands and floodplains along the River Murray has improved population numbers and resilience of keystone aquatic and riparian vegetation and fauna assemblages. Managed overbank flows and the strategic use of water for the environment have supported the health of floodplain trees. Fish passage has also improved as a result of fishways and fish ladders installed at former migration barriers, such as weirs and at the barrages.

In 2017-18, approximately 1,175 gigalitres of environmental water was delivered to South Australia. Environmental water deliveries resulted in a recruitment event for black bream in the Coorong estuary, the first time strong numbers have been seen in the Coorong since 2009, and flows directed to the Murray Mouth stimulated the upstream migration of pouched lamprey. Weir pool manipulation events resulted in benefits to native vegetation, waterbirds and frogs in the

wetlands and floodplains where these events occurred. The provision of water to wetlands along the River Murray resulted in improvements for native fish and vegetation. Continuous delivery to the Coorong, Lower Lakes and Murray Mouth (CLLMM) occurred, water levels in the Lower Lakes were manipulated and barrage and continuous fishway releases were enabled.

In 2018-19, approximately 850 gigalitres of environmental water were delivered to South Australia. Successful environmental watering events included the raising of weir pools, operation of the Chowilla regulator, inundation of over 40 temporary wetlands and floodplains and the wetting and drying of pool-connected managed wetlands. These events were undertaken to increase productivity in the river and maintain the condition of fringing vegetation and wetlands. Delivery of water to the CLLMM supported the manipulation of levels in the Lower Lakes and continuous fishway releases and upstream migration of native fish was observed. The 2018-19 year saw the first observation of short-headed lamprey since 2011 at the barrages and responses from threatened species in the Riverland, such as the Murray hardyhead, regent parrot and southern bell frog. The operation of the Chowilla regulator supported in-stream and riparian vegetation, including the recruitment of saplings.

In 2019-20, approximately 989 gigalitres of environmental water was delivered to South Australia. Priority watering actions included weir pool manipulations and wetland management. The drying and refilling of a number of managed pool-connected wetlands was undertaken. Watering of wetlands supported black box, river red gum and lignum floodplain communities and provided habitats for water birds and breeding opportunities for frog species. Enhanced water delivery occurred in spring and early summer, supporting outcomes along the river channel, as well as barrage flows and outcomes in the CLLMM.

The health of the CLLMM improved following natural flooding in 2016 and the delivery of environmental water. However, since then, dry conditions have seen a decline across key indicators. Threatened fish monitoring in 2018-19 detected only small populations of southern pygmy perch and Murray hardyhead in the Lower Lakes. Aquatic and fringing vegetation of the Lower Lakes has generally improved in condition, however some habitats declined in condition. Trends show that the plant community is still recovering from the period of low water levels, however the condition is improving through time.

The provision of environmental water increased the export of salt through the Murray Mouth and reduced salinity in the Coorong. The number of days the Murray Mouth is open has been increasing, but this is mostly due to dredging, not natural flows and flushing. The condition of the Murray Mouth is classed as poor. The continued implementation of the Murray-Darling Basin Plan seeks to ensure that the Murray Mouth remains open without the need for dredging in at least 95 per cent of years.

Despite predominantly dry conditions across the Murray-Darling Basin during 2017-18 to 2019-20, environmental water recovered under the Basin Plan has made it possible to maintain water levels in the Lower Lakes above 0.4 metres (m) Australian Height Datum (AHD) for this entire period, allowing continuous connectivity through barrage flows to the Coorong. Recent analysis undertaken by the Commonwealth Environmental Water Holder has demonstrated that without environmental water, water levels in the Lower Lakes would have likely fallen below 0.4 m AHD during 2017-18 and for an extended period in 2018-19 under the observed inflows. Despite these positive results, Basin Plan water recovery modelling highlights that without the full recovery of the remaining water required by 2024, water levels in the Lower Lakes and barrage flows could not be maintained under a repeat of Millennium Drought conditions. The modelling indicates that with full water recovery under the Basin Plan, it would have been possible to maintain Lake levels above 0.4 m AHD and sustain barrage flows for all but the driest years of the Millennium Drought under repeat conditions.

Water Quality

The ongoing management of salinity and water quality in the Murray-Darling Basin is critical to continue to protect the environment, irrigated agriculture, industry and critical human water needs from adverse effects of high salinities and other water quality issues. South Australia remains committed to the ongoing delivery of salinity and water quality management obligations under the Basin Plan and Basin Salinity Management 2030 strategy. The Basin Plan establishes the Water Quality and Salinity Management Plan, which sets out water quality objectives for Basin water resources and water quality targets. The salinity targets relevant to South Australia are:

- River Murray at Lock 6 – 580 EC
- River Murray at Morgan – 800 EC
- River Murray at Murray Bridge – 830 EC
- Lower Lakes at Milang – 1,000 EC

With the increased flow to the River since the Millennium Drought, water quality within the River Murray system has significantly improved. This has improved both the environmental values and productive capacity of the river. Algal blooms, acid sulphate soils and other impacts from nutrients along the River system have been further minimised with concentrated efforts through investment in active wetland management and salt interception schemes.

In 2017-18 and 2018-19, salinity levels remained below Basin Plan target levels for the majority of the period. However, salinity levels at Milang have increased over the reporting period, culminating in daily average salinity levels reaching and exceeding 1000 electrical conductivity (EC) between March and May 2019. All other sites remained well below target levels for the reporting period.

Human Dimension

Incorporating the experience and knowledge of the local community and First Nations is critical to successfully restoring the health of the River Murray. A number of operational plans and policies have been developed and implemented during the reporting period, which have involved regular engagement with the community around how the River Murray is managed and provided opportunities to participate in planning processes and on-ground activities.

Natural Resources South Australian Murray-Darling Basin (SA MDB), on behalf of the former SA MDB NRM Board, worked closely with the River Murray community to finalise an amended Water Allocation Plan for the River Murray Prescribed Watercourse (River Murray WAP), which was adopted by the Minister for Environment and Water in February 2019. The community's input to the WAP process has enabled the development of agreed rules around the taking and use of water to ensure the sustainable use of the River Murray and to provide allocations that contribute to the water needs of water-dependent ecosystems. These arrangements under the River Murray WAP have now also been accredited by the Commonwealth Minister under the *Water Act (2007)* (Cth) to ensure consistency with the requirements and sustainable diversion limit (SDL) set out in the Basin Plan.

Local action planning groups continued to be supported in engaging with their local communities in programs that have contributed to the health of the River Murray, including through involvement in the delivery of on-ground works for biodiversity and wetlands. As part of Project Coorong, the Coorong Partnership has been established to provide local communities and groups with the opportunity to help shape the work to be undertaken to restore the health, vitality and visitor experience of the Coorong.

First Nations have been engaged in local environmental projects, such as floodplain inundation and water management activities. Investment in the Aboriginal Partnerships Project throughout 2018-19 increased the capacity of Aboriginal Corporations through representation on water management committees, resulted in more inclusive water management across the region through cultural awareness training and led to the inclusion of First Nations' water interests in the River Murray WAP.

Interaction between the River Murray Act and related operational Acts

This section provides an assessment of the interaction between the *River Murray Act 2003* and Acts identified in the *River Murray Act 2003* as related operational Acts. Activities authorised pursuant to these related Acts have the capacity to significantly impact on the health of the River Murray.

Aquaculture Act 2001

Development applications and development of marine aquaculture zone policies relating to aquaculture activities within the Murray-Darling Basin area must be referred to the Minister for Environment and Water. During the reporting period, two relevant development applications were referred to the Minister for Environment and Water.

Coast Protection Act 1972

The *Coast Protection Act 1972* requires the Coast Protection Board to take into account and seek to further, the objects and objectives of the *River Murray Act 2004*. Under the provisions of the *Development Act 1993*, development applications affecting coastal land within a River Murray Protection Area must be referred to the Minister for Environment and Water. Ten referrals during the review period related to development on coastal land.

Crown Land Management Act 2009

The objectives of the *River Murray Act 2004* are reflected in the policies, procedures and guidelines of DEW's Crown Land Program. Crown Land licence applications or renewals within the Murray-Darling Basin must take account of the ORMs and Objects of the River Murray Act. The Program places conditions on, or recommends refusal of, applications for Crown land tenure that are incompatible with the ORMs.

Development Act 1993 and the Planning, Development and Infrastructure Act 2016

The interaction between the River Murray Act and the *Development Act 1993* ensures that development supports the ORMs and Objects of the River Murray Act. Regulation 28 of the Development Regulations 2008 provides the Minister for Environment and Water with the opportunity to seek advice from any Minister or authority involved in the administration of a related operational Act when considering a development application and to make a response on the basis of that advice. There were 403 development applications referred in 2017-18, 338 in 2018-19 and 339 in 2019-20. Three amendments to development plans were received during 2017-18.

The *Planning, Development and Infrastructure Act 2016* will replace the *Development Act 1993* and has been coming into operation progressively since 2017. The *Planning, Development and Infrastructure Act 2016* introduces a number of new instruments. State Planning Policies set out the state's overarching goals and requirements of the planning system. *State Planning Policy 17: Special Legislative Scheme River Murray Act 2003* was released in May 2019.

The Planning and Design Code (the Code) will replace all Development Plans with a single set of planning rules. The Code will come into operation for all of the River Murray by the end of 2020. The key changes along the River Murray corridor are the replacement of River Murray Zones (e.g. River Murray Flood Zone and River Murray Fringe Zone) with overlays. The Code includes a River Murray Flood Plain Protection Area Overlay and the River Murray Tributaries Protection Area Overlay. These areas align with the River Murray Protection Areas established under the River Murray Act. As well as spatially identifying these River Murray areas, the overlays contain the development assessment policies and triggers for referring development applications to the Minister for Environment and Water. The referral trigger mirrors that under the *Development Act 1993*, but further work is being done to reduce minor development types from requiring referral. Various zones will sit under the overlays and further guide development assessment, for example the Conservation Zone will apply to most of the floodplain areas.

Environment Protection Act 1993

The *Environment Protection Act 1993* requires the Minister to seek to further the ORMs and Objects of the River Murray Act. When issuing an authorisation, making an environment protection policy, or providing advice on development applications, the EPA takes into account the ORMs and Objects of the River Murray Act. The State of the Environment Report is also required to include a specific assessment of the state of the River Murray.

The interaction between the two Acts contributes significantly to the water quality objective. For example, the Environment Protection (Water Quality) Policy 2015 sets the environmental values for the River Murray, sets the criteria for discharges to the River and uses codes of practice to manage diffuse sources of pollution to the river, including nutrient inflows. The interaction between the two Acts is working well to the extent that there is little duplication and the *River Murray Act 2003* continues to facilitate increased EPA input into planning decisions.

In 2019, the EPA published a revision of the Code of practice for vessel and facility management (marine and inland waters), which is used to regulate houseboats, slipways and marinas along the River Murray. This revision was driven by the industry, via its peak bodies, the Houseboat Hirers Association and the Boating Industry Association.

Fisheries Management Act 2007

As a result of the interactions between the *River Murray Act* and the *Fisheries Management Act 2007*, 38 applications under the *Fisheries Management Act 2007* were referred to the Minister for Environment and Water between 2017-18 and 2019-20.

Regulations remain in place that allow for a Murray cod catch and release fishery. The implementation of catch and release fisheries has promoted greater awareness of the importance of the Murray cod to the river's ecological sustainability, while also recognising its importance to the River Murray community. The interactions between the *River Murray Act 2003* and the *Fisheries Management Act 2007* assist in ensuring that the environmental impacts of recreational fishing in the River Murray are well managed.

Harbors and Navigation Act 1993

The *Harbors and Navigation Act 1993* allows the Chief Executive of the Department of Planning, Transport and Infrastructure (DPTI) to grant a licence for an aquatic activity. If the licence is for waters within a River Murray Protection Area, the Chief Executive must consult with the Minister for Environment and Water and comply with the Minister's directions. Between 2017-18 and 2019-20, 129 applications for aquatic licences were referred.

The interaction between the *River Murray Act 2003* and the *Harbors and Navigation Act 1993* promotes the River Health ORM, as the Minister is able to direct that a licence not be granted, or be granted with specified conditions, if the Minister is concerned that a proposed activity may detrimentally affect the health of the River Murray. Licences may also be granted for activities that involve closing part of the river, such as rowing and water-skiing. The interaction between the two Acts also contributes to the achievement of the ORMs through DPTI's role in cleaning up oil spills and pollution and through its role in maintaining the "Murray Watch" reporting line where citizens can report offences and incidents.

Heritage Places Act 1993

Under the provisions of the *Development Act 1993*, development applications affecting State heritage places within the River Murray Protection Area are referred to the Minister for Environment and Water. Seventy one development applications were referred in the period 2017-18 to 2019-20. When permit applications made under the *Heritage Places Act 1993* relate to an area within the River Murray Protection Area, they must be referred to the South Australian Heritage Council, which must take into account the ORMs and Objects of the River Murray Act. The interaction between the two Acts increases awareness within government and the community about protecting state heritage places.

Historic Shipwrecks Act 1981

Under the provisions of the *Development Act 1993*, developments within the River Murray Floodplain Area that are undertaken within 500 metres of a historic shipwreck or relic are referred to the Minister for Environment and Water. The Minister has the power to provide direction in regards to these applications. A total of 12 development applications relating to historic shipwrecks were referred in the reporting period.

Irrigation Act 2009

The *Irrigation Act 2009* requires that an Irrigation Trust must not breach a duty or requirement under the *River Murray Act 2003*, in determining terms and conditions on the supply or drainage of water. The interaction between the *River Murray Act* and the *Irrigation Act 2009* has facilitated consistency between legislative and other instruments, including the *Renmark Irrigation Trust Act 2009* and the *Natural Resources Management Act 2004* for more efficient and streamlined practices.

Mining Act 1971

Under the *Mining Act 1971*, the Objects of the River Murray Act and ORMs must be taken into account when considering applications for certain types of mining operations in the Murray-Darling Basin. With any application for mining operations that relate to an area within or adjacent to a specially protected area (which includes the River Murray Protection Area), the relevant authority must, before making a decision on the application, refer the application to the relevant Minister and consult with the relevant Minister in relation to the matter.

Between 2017-18 and 2019-20, 40 referrals were made pursuant to the *Mining Act 1971*. The majority of these being for mining lease application assessments related to extractive minerals. Other referrals included applications for exploration licenses and renewals. Amendments to the Mining Act were passed by the South Australian Parliament in October 2019. These will come into effect on 1 January 2021.

Murray-Darling Basin Act 2008

The *Murray-Darling Basin Act 2008* facilitates the operation of the Murray-Darling Basin Agreement 2008 to promote and coordinate effective planning and management for the equitable, efficient and sustainable use of water and other natural resources of the Murray-Darling Basin, including by implementing arrangements agreed between contracting governments to give effect to the Basin Plan, the *Commonwealth Water Act 2007* and state water entitlements.

National Park and Wildlife Act 1972

The *National Parks and Wildlife Act 1972* provides for the conservation of listed flora and fauna and the management of a network of South Australian parks. The objects of this Act are furthered by a range of activities including floodplain restoration, pest animal management, pest plant management, recreation and fire management. These activities are complementary to the ORMs of the *River Murray Act 2003*. The interaction between the two Acts is limited to the Minister for Environment and Water being consulted when a plan of management is being prepared for a reserve location within the South Australian Murray-Darling Basin.

Native Vegetation Act 1991

The Native Vegetation Council (NVC) must refer applications for the clearance of vegetation within a River Murray Protection Area under the *Native Vegetation Act 1991* to the Minister for Environment and Water to assess against the ORMs and Objects of the River Murray Act. Under the provisions of the *Development Act 1993*, development applications involving the clearance of native vegetation within the River Murray Protection Area are referred to the Minister. Applicants are advised of their obligations under the *Native Vegetation Act 1991* and may also be encouraged to incorporate locally indigenous plant species into landscaping, screen planting or revegetation activities. This interaction promotes the achievement of the ORMs in working to enhance the natural character of the locality, stabilising soils and providing habitat for native species.

Natural Resources Management Act 2004 and the Landscape South Australia Act 2019

The *Natural Resources Management Act 2004* has facilitated interaction with the *River Murray Act 2003* through referrals to, and delegated powers of, the Minister for Environment and Water. Regional NRM plans and WAPs that apply to the Murray-Darling Basin or in relation to the River Murray have been obligated to further the Objects of the River Murray Act and the ORMs. Regional NRM plans have also been required to detail how the ORMs and Objectives of the River Murray Act will be achieved. The Minister for Environment and Water also had the ability under the *Natural Resources Management Act 2004* to amend a plan to further the Objects of the Act and the ORMs.

Throughout the review period, the South Australian Murray Darling Basin NRM Board has developed plans and policies and undertaken programs that align with the Objects of the River Murray Act and the ORMs. Commencing 1 July 2020, the *Natural Resources Management Act 2004* has been replaced by the Landscapes Act and the *River Murray Act 2003* has been amended accordingly.

Opal Mining Act 1995

Under the provisions of the *Opal Mining Act 1995*, if a declaration of a designated area applies to any part of a River Murray Protection Area, the Minister for the *Opal Mining Act 1995* must consult with the Minister responsible for the *River Murray Act 2003*. Currently there are no designated areas or exclusion zones that apply to the River Murray Protection Area.

Petroleum and Geothermal Energy Act 2000

If an application for the grant or renewal of a licence relates to an area within or adjacent to the River Murray Protection Area, the Minister responsible for the *Petroleum and Geothermal Energy Act 2000* must refer the application to and consult with the Minister for Environment and Water before making a decision. Two applications were referred during the review period. In addition, in this reporting period, the Department for Energy and Mining (DEM) had to consider the *River Murray Act 2003* during preparation of the State-wide Statement of Environmental Objectives for Airborne Geophysical Surveying and gain approval from the Minister for Environment and Water. The interaction between the two Acts is working well. ORMs are being considered in the assessment process and relevant approvals, lease or licence conditions reinforce the ORMs and Objects of the River Murray Act.

South Eastern Water Conservation and Drainage Act 1992

The objects of the *South Eastern Water Conservation and Drainage Act 1992* specifically identify the requirement for the Act to be administered consistently with and seek to further the ORMs of the Objects of the River Murray Act.

DEW manages releases from the regional drainage network into the Coorong South Lagoon at Salt Creek on behalf of the South Eastern Water Conservation and Drainage Board. This is the primary interaction between the *South Eastern Water Conservation and Drainage Act 1992* and the *River Murray Act 2003*. The \$60m South East Flows Restoration Project was completed in June 2019. This upgraded infrastructure is now under the ownership of the South East Water Conservation and Drainage Board and provides an enhanced connection between the South East Drainage Network and the Coorong at Salt Creek to assist with salinity management of the Coorong South Lagoon.

Act or Regulation	Requirement
<p><i>Wilderness Protection Act 1992</i></p>	<p><u>7 - Annual report</u></p> <p>(1) The Minister must cause a report to be prepared annually setting out the following information:</p> <ul style="list-style-type: none"> (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. <p>(2) The report must include a copy of the Wilderness Code of Management in force under Division 3.</p>
<p><u>Section 7(1)(a)</u></p> <p>The following information is provided in accordance with section 7(1)(a) of the <i>Wilderness Protection Act 1992</i>. A map illustrating all Wilderness Protection Areas within South Australia is provided as Figure 1.</p> <p><u>Billiatt Wilderness Protection Area</u></p> <p><u>Location:</u> 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</p>	

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 Lameroo.

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 1,108 hectares comprising Sections 10 and 12, Hundred of Borda, and Allotment 100 of Deposited Plan 31584, formerly the Cape Torrens Conservation Park, as well as Allotment 1 in Deposited Plan 23502, added to the WPA in September 2018. 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 Blefuscus 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.

Reporting required under the *Carers' Recognition Act 2005*

The *Carers' Recognition Act 2005* is deemed not applicable for DEW.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	8
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	5
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	1
Communication	Communication quality	Inadequate, delayed or absent communication with customer	5
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	3
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	14
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	13
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	17
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	5
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	3
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	5
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	1
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	4

Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	36
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	17
		Total	137

Additional Metrics	Total
Number of positive feedback comments	Not available
Number of negative feedback comments	Not available
Total number of feedback comments	Not available
% complaints resolved within policy timeframes	83%

Information about feedback received by the department is not available for 2019-20. The department will undertake work in 2020-21 to enable future reporting of public feedback metrics.

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

Service Improvements resulting from complaints or consumer suggestions over 2019-20	
Improvement category / Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Lack of information available regarding which campsites would suit individual visitor needs	National Parks SA website now includes campground maps to help visitors choose the best campsite for them
Complaint about people being able to smoke within Cleland Wildlife Park	Smoking no longer permitted inside the Cleland Wildlife Park, designated area now relocated outside the Park
Improved delivery of customer services through technology solutions	Implementation of a new Wildlife Permit system and Compliance system as detailed on page 22 of this annual report.

Appendix: Audited financial statements 2019-20

The DEW Independent Auditor's Report and DEW Audited Financial Statements appear on the following pages.



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

To the Chief Executive Department for Environment and Water

Opinion

I have audited the financial report of Department for Environment and Water for the financial year ended 30 June 2020.

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 2020, its financial performance and its cash flows for year then ended in accordance with relevant 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 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- Notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2020
- a Statement of Administered Financial Position as at 30 June 2020
- a Statement of Administered Cash Flows for the year ended 30 June 2020
- a Schedule of Income and Expenses attributable to administered activities for the year ended 30 June 2020
- Notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the 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 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* (including Independence Standards) have been met.

I believe that the audit evidence I have 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 relevant 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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Department for Environment and Water for the financial year ended 30 June 2020.

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, but not for the purpose of expressing an opinion on the effectiveness of the Department for Environment and Water's internal control
- 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.



Andrew Richardson

Auditor-General

22 September 2020

Department for Environment and Water (DEW)

Financial Statements

For the year ended 30 June 2020

Department for Environment and Water
Certification of Financial Statements
for the year ended 30 June 2020

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 2020 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.



John Schutz
Chief Executive
17 September 2020



Shaun O'Brien
Chief Financial Officer
17 September 2020

Department for Environment and Water
Statement of Comprehensive Income
for the year ended 30 June 2020

		2020	2019
	Note	\$'000	\$'000
Income			
Appropriation	2.1	149 986	151 819
Fees and charges	2.2	98 179	101 982
Grants	2.3	100 683	81 467
Intra-government transfers	2.4	3 907	12 883
Interest	2.5	274	900
Net gain from disposal of non-current assets	2.6	1	27
Resources received free of charge	2.7	9 144	26 242
Other income	2.8	9 790	1 394
Total income		371 964	376 714
Expenses			
Employee benefits expenses	3.4	156 318	168 318
Supplies and services	4.1	77 880	79 217
Grants and subsidies	4.2	32 953	31 912
Depreciation and amortisation	4.3	26 878	24 620
Borrowing costs	4.4	116	-
Impairment loss on receivables	6.2	358	642
Assets transferred for nil consideration	4.5	8 296	47 575
Other expenses	4.6	12 368	5 820
Surplus cash returned to DTF		-	4 432
Total expenses		315 167	362 536
Net result		56 797	14 178
Other comprehensive income			
Changes in property, plant and equipment asset revaluation surplus	5.2	33 764	-
Total other comprehensive income		33 764	-
Total comprehensive result		90 561	14 178

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Department for Environment and Water
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1	184 843	187 373
Receivables	6.2	12 527	21 905
Inventories	5.5	1 868	2 226
Other assets	6.3	1 250	1 054
Total current assets		200 488	212 558
Non-current assets			
Receivables	6.2	38	26
Property, plant and equipment	5.1	829 956	767 202
Intangible assets	5.4	4 551	5 150
Total non-current assets		834 545	772 378
Total assets		1 035 033	984 936
Current liabilities			
Payables	7.1	24 289	43 162
Financial liabilities	7.2	2 122	-
Contract liabilities	2.3	7 523	-
Employee benefits	3.5	17 829	18 074
Provisions	7.3	522	512
Other liabilities	7.4	1 989	1 847
Total current liabilities		54 274	63 595
Non-current liabilities			
Payables	7.1	3 253	3 417
Financial liabilities	7.2	3 232	-
Employee benefits	3.5	35 092	37 045
Provisions	7.3	1 779	1 635
Other liabilities	7.4	17 137	18 516
Total non-current liabilities		60 493	60 613
Total liabilities		114 767	124 208
Net assets		920 266	860 728
Equity			
Contributed capital		22 612	22 612
Retained earnings		444 279	418 310
Asset revaluation surplus		453 375	419 806
Total equity		920 266	860 728

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Department for Environment and Water
Statement of Changes in Equity
for the year ended 30 June 2020

		Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	Note	22 612	419 806	405 738	848 156
Changes in accounting policy on adoption of AASB 9		-	-	(170)	(170)
Error correction - property, plant and equipment	5.2	-	-	(595)	(595)
Error correction - receivables	6.2	-	-	(85)	(85)
Error correction - other liabilities	7.4	-	-	415	415
Restated balance at 1 July 2018		22 612	419 806	405 303	847 721
Net result for 2018-19		-	-	14 178	14 178
Total comprehensive result for 2018-19		-	-	14 178	14 178
Transfer between equity components					
Net assets transferred as a result of an administrative restructure		-	-	(1 171)	(1 171)
Balance at 30 June 2019		22 612	419 806	418 310	860 728
Changes in accounting policy on adoption of AASB 15	9.2	-	-	(1 204)	(1 204)
AASB 1058	9.3	-	-	(29 600)	(29 600)
Error correction - receivables	6.2	-	-	(219)	(219)
Adjusted balance at 1 July 2019		22 612	419 806	387 287	829 705
Net result for 2019-20		-	-	56 797	56 797
Equity transfer on asset disposal		-	(195)	195	-
Gain/(Loss) on revaluation of property, plant and equipment		-	33 764	-	33 764
Total comprehensive result for 2019-20		-	33 569	56 992	90 561
Balance at 30 June 2020		22 612	453 375	444 279	920 266

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Department for Environment and Water
Statement of Cash Flows
for the year ended 30 June 2020

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
		\$'000	\$'000
Cash flows from operating activities	Note		
Cash inflows			
Appropriations		153 893	164 702
Fees and charges		112 830	94 783
Receipts from grants		81 032	84 990
Interest received		351	896
GST recovered from the Australian Taxation Office		11 754	11 311
Other receipts		5 331	771
Cash generated from operating activities		365 191	357 453
Cash outflows			
Employee benefits payments		(158 054)	(161 905)
Payments for supplies and services		(95 460)	(90 834)
Surplus cash returned to DTF		-	(4 526)
Payments of grants and subsidies		(36 146)	(34 095)
Interest paid		(116)	-
Other payments		(3 498)	(647)
GST paid to the ATO		(1 454)	-
Cash used in operating activities		(294 728)	(292 007)
Net cash provided by operating activities	8.1	70 463	65 446
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		89	30
Cash generated from investing activities		89	30
Cash outflows			
Purchase of property, plant and equipment		(70 785)	(61 672)
Cash used in investing activities		(70 785)	(61 672)
Net cash (used in) investing activities		(70 696)	(61 642)
Cash flows from financing activities			
Cash outflows			
Repayment of leases		(2 297)	-
Cash generated from financing activities		(2 297)	-
Net cash provided by / (used in) financing activities		(2 297)	-
Net (decrease)/increase in cash and cash equivalents		(2 530)	3 804
Cash and cash equivalents at the beginning of the reporting period		187 373	183 569
Cash and cash equivalents at the end of the reporting period	6.1	184 843	187 373

The accompanying notes form part of these financial statements.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

NOTES TO THE FINANCIAL STATEMENTS

1.	About the Department for Environment and Water	8
1.1.	Basis of preparation	8
1.2.	Objectives and programs	9
1.3.	Impact of COVID-19 pandemic on the department.....	11
1.4.	Budget performance.....	12
1.5.	Significant transactions with government related entities	13
2.	Income	14
2.1.	Appropriation	14
2.2.	Fees and charges	14
2.3.	Grant revenues.....	15
2.4.	Intra-government transfers	16
2.5.	Interest.....	16
2.6.	Net gain / (loss) from disposal of non-current assets	17
2.7.	Resources received free of charge.....	17
2.8.	Other income	18
3.	Board, committees and employees	18
3.1.	Key management personnel.....	18
3.2.	Related party transactions	18
3.3.	Board and committee members	19
3.4.	Employee benefits expenses.....	21
3.5.	Employee benefits liability.....	22
4.	Expenses	23
4.1.	Supplies and services	23
4.2.	Grants and subsidies	24
4.3.	Depreciation and amortisation	25
4.4.	Borrowing costs.....	27
4.5.	Assets transferred for nil consideration	27
4.6.	Other expenses	27
5.	Non-financial assets.....	28
5.1.	Property, plant and equipment by asset class	28
5.2.	Property, plant and equipment owned by the department.....	30
5.3.	Property, plant and equipment leased by the department.....	33
5.4.	Intangible assets	34
5.5.	Inventories	36
6.	Financial assets.....	36
6.1.	Cash and cash equivalents.....	36
6.2.	Receivables	37
6.3.	Other assets	38
7.	Liabilities	38
7.1.	Payables.....	38
7.2.	Financial liabilities	39
7.3.	Provisions	40
7.4.	Other liabilities	41
8.	Other disclosures.....	42
8.1.	Cash flow	42
8.2.	South Australian Heritage Fund	43
8.3.	General Reserves Fund.....	45
9.	Changes in accounting policy	47
9.1.	AASB 16 Leases	47
9.2.	AASB 15 Revenue from Contracts with Customers	49
9.3.	AASB 1058 Income for Not-for-Profit Entities	50
9.4.	Effects on financial statements from AASB 15 and AASB 1058	50
9.5.	Presentation of Financial Statements.....	51
10.	Outlook	51
10.1.	Unrecognised contractual commitments	51
10.2.	Expected realisation of contract liabilities as revenue	52
10.3.	Contingent assets and liabilities	53
10.4.	Impact of standards and statements not yet effective	53
10.5.	COVID-19 pandemic outlook for the department.....	53
10.6.	Events after the reporting period	54
11.	Measurement and risk.....	55
11.1.	Long service leave liability – measurement	55
11.2.	Fair value.....	55
11.3.	Financial instruments	61

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1. About the Department for Environment and Water

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 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.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*
- relevant Australian Accounting Standards.

For the 2019-20 financial statements the department adopted AASB 15 – *Revenue from Contracts with customers*, AASB 16 – *Leases* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting 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.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (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

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.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2. Objectives and programs

Objectives

DEW plays a critical role in conserving and delivering practical outcomes for the state's unique environment and cultural resources in a changing climate, for the prosperity and wellbeing of all South Australians.

To support this, the department:

- manages the state's nature, parks, places, wildlife and cultural assets for the health, enjoyment and prosperity of South Australians
- ensures water, including the River Murray, is managed sustainably for the benefit of the environment, community and economy
- works in partnership with key bodies to develop and deliver policies that protect and conserve the state's environment and heritage and support sustainable development
- leads coordinated, whole of government action to address climate change risk and opportunity for South Australia.

Programs

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

National Parks and Wildlife

Sustainably manage South Australia's nature, parks, places, wildlife and cultural assets to ensure the social, environmental and economic prosperity of the state.

Water and the River Murray

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

Environment, Heritage and Sustainability

Develop and deliver policies that support sustainable development and protect and conserve the state's environment and heritage, in partnership with key bodies in the face of a changing climate.

The table on the following page presents expenses and income information attributable to each program. *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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.2. Objectives and programs (continued)

Expenses and income by program

	National Parks and Wildlife		Water and the River Murray		Environment, Heritage and Sustainability		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	80 303	74 580	31 589	37 965	38 094	39 274	149 986	151 819
Fees and charges	25 707	29 368	34 834	36 805	37 638	35 809	98 179	101 982
Grants	10 636	4 605	74 737	66 582	15 310	10 280	100 683	81 467
Intra-government transfers	662	5 080	2 552	4 367	693	3 436	3 907	12 883
Interest	8	30	266	869	-	1	274	900
Net gain from disposal of non-current assets	1	12	-	5	-	10	1	27
Resources received free of charge	6 822	5 208	812	893	1 510	20 141	9 144	26 242
Other income	6 157	1 187	3 086	83	547	124	9 790	1 394
Total income	130 296	120 070	147 876	147 569	93 792	109 075	371 964	376 714
Expenses								
Employee benefits expenses	64 613	70 898	32 836	35 037	58 869	62 383	156 318	168 318
Supplies and services	32 366	33 829	20 200	21 645	25 314	23 743	77 880	79 217
Grants and subsidies	2 824	3 290	27 054	27 264	3 075	1 358	32 953	31 912
Depreciation and amortisation	11 216	10 460	10 636	10 048	5 026	4 112	26 878	24 620
Borrowing costs	48	-	24	-	44	-	116	-
Impairment loss on receivables	358	529	-	34	-	79	358	642
Assets transferred for nil consideration	3	963	7 120	46 612	1 173	-	8 296	47 575
Other expenses	7 662	2 927	3 205	953	1 501	1 940	12 368	5 820
Surplus cash returned to DTF	-	1 881	-	852	-	1 699	-	4 432
Total expenses	119 090	124 777	101 075	142 445	95 002	95 314	315 167	362 536
Net result	11 206	(4 707)	46 801	5 124	(1 210)	13 761	56 797	14 178

1.3. Impact of COVID-19 pandemic on the department

DEW's operations were impacted by the COVID-19 pandemic in 2019-20. The pandemic impacted from March 2020 resulting in a significant number of staff moving to work from home arrangements where feasible. Precautions were taken for staff and the public where sites and facilities remained open, adopting best practice advice to ensure personal safety at those sites.

National Parks have remained open during the pandemic to allow the community to exercise and access recreation, where safe to do so. However the department closed a number of commercial sites in parks during April and into May, including Cleland Wildlife Park and Seal Bay Conservation Park and all campgrounds. All sites reopened in May although with restrictions adopted to ensure numbers were limited and social distancing requirements were met in accordance with government guidelines.

Site closures resulted in lost revenues from admissions and fees estimated to be \$2.7 million (refer note 2.2). Although expenses did not decrease significantly at those sites due to the nature of the operations that were required to be continued including animal care and ranger activities.

DEW, supported by South Australian government Business and Job Support Fund, also provided rent relief and fee waivers costing \$425 000 in 2019-20 (refer note 2.2) for tourism and hospitality operators that lease sites or premises from the department or conducted commercial activities in National Parks.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.4. Budget performance

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Appropriation	a	141 869	149 986	8 117
Fees and charges		94 535	98 179	3 644
Grants		103 059	100 683	(2 376)
Intra-government transfers		-	3 907	3 907
Interest		124	274	150
Net gain from disposal of non-current assets		-	1	1
Resources received free of charge	b	-	9 144	9 144
Other income	c	1 893	9 790	7 897
Total income		341 480	371 964	30 484
Expenses				
Employee benefits expenses		153 134	156 318	3 184
Supplies and services	d	68 333	77 880	9 547
Grants and subsidies		32 007	32 953	946
Depreciation and amortisation		27 895	26 878	(1 017)
Borrowing costs		-	116	116
Impairment loss on receivables		-	358	358
Assets transferred for nil consideration	e	-	8 296	8 296
Other expenses	f	3 058	12 368	9 310
Total expenses		284 427	315 167	30 740
Net result		(57 053)	(56 797)	256

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.

- Additional appropriation provided for the Parks 2025 program and extraordinary bushfire and COVID-19 events were not included in the original budget
- Resources received free of charge (see note 2.7) were not included in the original budget
- Insurance received from SAICORP for bushfire recovery as well as asset adjustments were not included in the original budget (see note 2.8)
- Expenditure associated with the Healthy Coorong and Healthy Basin program and carryovers of other Commonwealth initiatives were not included in the original budget
- Assets transferred for nil consideration (see note 4.5) were not included in the original budget
- Includes asset write-offs and impairment expense related to bushfires that were not included in the original budget (see note 4.6).

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

1.4. Budget performance (continued)

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects	g	4 628	3 673	(955)
Total existing projects	h	67 733	41 377	(26 356)
Total annual program	i	7 902	10 081	2 179
Total investing expenditure		80 263	55 131	(25 132)

- g. Re-profiling the Water Management Solutions Program in line with project milestones and completion dates
- h. Re-profiling the South Australian Riverland Floodplains Integrated Infrastructure Program in line with project milestones and completion dates
- i. The higher actuals amount relates to additional budget approvals during 2019-20.

1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- A substantial portion of accommodation expenses relate to accommodation supplied by the Department of Planning, Transport and Infrastructure
- Operating lease payments include expenses paid for vehicles supplied by Fleet SA
- Fees and charges revenue includes Natural Resource Management (NRM) Board salary recoveries relating to salary recoups for DEW employees providing services to the NRM Boards
- Fees and charges revenue also includes service recoveries relating to water planning management cost recoveries from SA Water
- The South Australian Insurance Corporation (SAICORP) are in the process of settling an insurance claim with DEW for assets damaged and destroyed by bushfires in 2019-20. An interim payment of \$2.5 million was received by DEW in 2019-20 to assist with clean up and initial works pending future full settlement of the claim.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2. Income

2.1. Appropriation

	2020	2019
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the Appropriation Act	141 869	151 819
Appropriations under other Acts	8 117	-
Total appropriation	149 986	151 819

Appropriation

Appropriations are recognised upon receipt.

This table does not show appropriations in the form of a loan or an equity contribution. 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 equity. Refer to the Statement of Changes in Equity.

The total appropriations consist of \$139.032 million (2019: \$141.462 million) for operational funding and \$10.963 million (2019: \$10.357 million) for capital projects.

2.2. Fees and charges

	2020	2019
	\$'000	\$'000
NRM Board salary recovery	29 805	29 270
Service recoveries	19 379	18 906
Sale of support services	18 372	17 234
Admissions and guided tours*	7 741	9 850
Property rental and related income*	5 053	6 206
Sale of professional services	4 944	9 437
Sale of goods	4 519	4 635
Fees, levies and licences	2 938	2 424
Other salary recoveries	2 448	1 453
Provision of services	2 110	1 852
Sale of spatial information	602	544
Sale of freehold titles	268	171
Total revenues from fees and charges	98 179	101 982

* COVID-19 pandemic has resulted in revenue decreases.

All revenue is recognised on receipt with the exception of admissions and guided tours, sale of professional services and property and rental related income which are recognised as revenue when the services have been provided to the customer.

Contract balances

	2020	2019
	\$'000	\$'000
Contract liabilities	1 265	-

Contract liabilities relates to property rental and related income which has been received in advance.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.3. Grant revenues

	2020	2019
	\$'000	\$'000
Grant revenues from the Commonwealth		
SA Riverland Floodplain Infrastructure Program*	47 843	40 000
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	8 809	6 701
Flows for the future	5 727	900
Murray Futures - Water Management Solutions Project	3 600	6 300
Implementing the Murray Darling Basin reform	1 486	1 486
The Living Murray - Chowilla	1 158	1 046
The Living Murray - Lower Lakes, Coorong and Murray Mouth	994	900
Improving Great Artesian Basin Drought Resilience	848	-
MDBA River Management	837	-
SDL Supply and Constraints Measures in the Murray Darling	482	-
Adelaide Desalination Plant Feasibility Study	387	-
Australian Heritage Grant Nilpena	180	-
The Living Murray - Coorong Waterbirds Monitoring	130	-
Murray Futures - Riverine Recovery	-	6 387
The Interim Great Artesian Basin Infrastructure Investment Program	-	1 822
Other	1 670	584
Total grant revenues from the Commonwealth	74 151	66 126
Grant revenues from SA Government		
Climate change initiatives	8 358	3 709
Community Emergency Services Funding	5 952	3 540
Adelaide Living Beaches strategy	2 859	2 789
Native Vegetation funding	1 973	1 229
Mid Murray Council WEMWS Project	1 025	-
Greener Neighbourhoods	1 000	-
Compliance and Monitoring	378	876
Water Industry Act	178	174
Botanic Gardens - Aquifer Storage and Recovery	-	655
Carbon Neutral Adelaide	-	250
Other	2 514	1 600
Total grant revenues from SA Government	24 237	14 822
Grant revenues from private industry and local government		
Other	2 295	519
Total grant revenues from private industry and local government	2 295	519
Total grant revenues	100 683	81 467

All grant revenues are recognised on receipt except for the South Australian Riverland Floodplains Integrated Infrastructure Program where the capital component is recognised on construction of the asset and the operating component is recognised on receipt.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.3. Grant revenues (continued)

Contract balances

	2020	2019
	\$'000	\$'000
Contract liabilities	6 258	-

Contract liabilities primarily relate to the multi-year advance consideration received in regard to the South Australian Riverland Floodplains Integrated Infrastructure Program, for which revenue is recognised on construction of the asset.

*Net revenue totalling \$23.342 million was recognised in 2019-20 that was included in contract liabilities at 1 July 2019 (refer note 9.4).

2.4. Intra-government transfers

	2020	2019
	\$'000	\$'000
Recovery from the Department of Treasury and Finance for Additional Expenditure	2 760	2 773
Recovery from the Department of Treasury and Finance for TVSPs	1 147	10 110
Total intra-government transfers	3 907	12 883

Intra-government transfers are recognised as income on receipt.

2.5. Interest

	2020	2019
	\$'000	\$'000
Interest	274	900
Total interest revenues	274	900

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

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

	2020	2019
	\$'000	\$'000
Buildings and improvements		
Proceeds from disposal	-	-
Less net book value of assets disposed	(75)	-
Net gain / (loss) from disposal of buildings and improvements	(75)	-
Plant and equipment		
Proceeds from disposal	89	30
Less net book value of assets disposed	(13)	(3)
Net gain / (loss) from disposal of plant and equipment	76	27
Total assets		
Proceeds from disposal	89	30
Less net book value of assets disposed	(88)	(3)
Total net gain / (loss) from disposal of non-current assets	1	27

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.

2.7. Resources received free of charge

	2020	2019
	\$'000	\$'000
Assets received free of charge	5 200	21 615
Services received free of charge - Shared Services SA	3 944	4 627
Total resources received free of charge	9 144	26 242

Assets received free of charge in 2019-20 comprised \$5.200 million (2019: \$3.171 million) transferred from DEW Administered Items (Crown lands) following the proclamation of new parks and additions to existing parks and reserves. 2019 balances included transfers of heritage assets donated from the Department of Planning, Transport and Infrastructure (\$18.361 million).

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

2.8. Other income

	2020	2019
	\$'000	\$'000
Asset related adjustments	4 952	693
Insurance recoveries	2 714	288
Leased Vehicle Recovery from NRM Boards	1 044	-
Water sales	998	39
Salaries and wages recoveries	44	69
Sponsorships, donations, commissions and bequests	27	17
Other sundry revenue	11	288
Total other income	9 790	1 394

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

Insurance recoveries include \$2.5 million interim payment from SAICORP as part of the insurance claim for assets damaged in bushfires.

Asset related adjustments relate to assets that were not previously recognised by DEW which have been identified through asset stocktake processes during the financial year.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of DEW include the Minister, the Chief Executive and the six members (seven in 2018-19) of the Executive Team who have responsibility for the strategic direction and management of the department.

Total compensation for key management personnel was \$1.782 million in 2019-20 and \$1.975 million in 2018-19.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water receives. 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*.

	2020	2019
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	1 607	1 789
Post-employment benefits	175	186
Total compensation	1 782	1 975

3.2. Related party transactions

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.

No transactions with key management personnel or related parties have occurred throughout the 2019-20 financial year, other than those disclosed.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.3. Board and committee members

Members during 2019-20 financial year were:

Animal Welfare Advisory Committee

M S Doroudi* (Chair)
G I Anderson
R F Evers
M Greenslade
S J Hazel
J A Bellamy (appointed April 2020)
R I Mussell (Expires December 2019)
P S Warren
A M Piggott

Arabana Parks Advisory Committee

F J Gill* (Chair, re-appointed August 2019)
P R P Watts (Deputy Chair, appointed August 2019)
L W Baxter* (appointed August 2019)
M Stuart (appointed August 2019)
J Wingfield (appointed August 2019)
T B Gotch* (re-appointed August 2019)

Witjira National Park Board of Management

G A Pelton* (Chair re-appointed December 2019)
M R Ah Chee (Deputy Chair, expired October 2019)
A Ah Chee (expired October 2019)
A B Magor* (re-appointed December 2019)
R Tjami (re-appointed December 2019)
A S McInerney* (re-appointed December 2019)
T L Naismith (expired October 2019)
J Ah Chee (expired October 2019)
B Shields (appointed December 2019)
M Doolan (appointed December 2019)
R Finn (appointed December 2019)

Kangaroo Management Reference Group

R Borda
G Coulthard
N D De Preu
L Loan*
S Williams
G Mills
J H Neal
R Evers
G Antony
C Cowin

Flinders Ranges National Park Co-Management Board

B P Grear* (Chair)
P J Coulthard (formerly McKenzie) (Deputy Chair)
T C Coulthard
L M Loan*
M McKenzie (Snr)
T O'Loughlin*
B M Patterson
S A M Paul*

Premier's Climate Change Council

A S Ferguson (expires June 2020)
N M Halsey (expires June 2020)
P S Heithersay* (expires June 2020)
J A Paradiso (expires June 2020)
M K Haese (Presiding Member)
A M Stock (expires June 2020)
S M J Verschoor (expires June 2020)
C N Wilkins (expires June 2020)
C Woolford (expires June 2020)

South Australian Heritage Council

K A Conlon (Chair)
M J H Constantine
J D Ferguson
A G MacKinnon
K McDougall
M J Rolfe
J Schulz
D J Stevenson
R J Taylor
A Ben Kahn (Deputy Member)
D M Lindsay (Deputy Member)
W D Cornell (Deputy Member)

Ngaut Ngaut Conservation Park Co-Management Board

I M Campbell (Chair)
P G Gillen* (Deputy Chair)
I L Campbell
C M Hutchinson
J Tesoriero*
J Irving*

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.3. Board and committee members (continued)

Members during 2019-20 financial year were:

Cooperative Management Committee

Vulkathunha-Gammon Ranges National Park

J Irving* (Chair)
J M Coulthard (Deputy Chair)
M F G Anderson (Expires March 2020)
A Breeding*
S Coulthard
K Johnson (Expires March 2020)
S Kondylas*
T L Naismith*
R W Johnson (appointed March 2020)
V Coulthard (appointed March 2020)

DEW Risk and Performance Committee

T Stubbs (Chair)
S Carruthers*
M Martin*
P Martin
S Spadavecchia
A Swanson*
M Swart*
S Paul* (appointed January 2020)

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

C L Lawrie (Chair)
M J Ward* (Deputy Chair)
M J Anderson*
L M Halliday*
K Kerdel*
V Lawrie
P J Richter*
N Miller (Deputy Member)
A S Munday

YYPA Committee Coongie Lakes National Park

J A Gates* (Chair)
E S Dahl*
T J Elliot
J L Gregg-Smith*
L J Harris Snr
A M Paterson
G Rigney
J Fluin*
R Singleton* (Deputy Member)
L J Harris Jr (Deputy Member)

Yumbarra Conservation Park Co-management Board

M J Ward* (Deputy Chair)
W Miller (Chair)
M J Anderson*
H Coleman
T Murragilli
P J Richter*
W Ware
L M Halliday*
L J Cox (formerly Scott) (Deputy member)
K Ware (Deputy Member)
L Scott (Deputy Member)

Parks and Wilderness Council

A McEwen (Presiding Member) (expires October 2019)
M I Bossley (expires October 2019)
G M Coulthard* (expires October 2019)
C B Daniels* (expires October 2019)
E J Forster (expires October 2019)
K James (expires October 2019)
W R McIntosh (expires October 2019)
J E Schutz* (Member (Ex Officio, expires September 2019)
W D F MacKenzie (expires October 2019)
M J Williams* (appointed September 2019)

* 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.3. Board and committee members (continued)

Board and committee remuneration

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

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

The total remuneration received or receivable by members was \$212 000 (2019: \$224 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

	2020	2019
\$0 - \$19 999	119	138
\$20 000 - \$39 999	2	1
Total number of members	121	139

3.4. Employee benefits expenses

	2020 \$'000	2019 \$'000
Salaries and wages	120 259	116 341
Employment on-costs - superannuation	13 334	13 255
Annual leave	11 135	11 015
Employment on-costs - other	7 264	7 501
Long service leave (LSL)	1 235	7 126
Workers compensation	1 036	1 943
Targeted Voluntary Separation Packages (refer below)	926	9 937
Skills and experience retention leave (SERL)	672	693
Board and committees fees	299	286
Other employee related expenses	158	221
Total employee benefits expenses	156 318	168 318

Employment on-costs - superannuation

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

Executive remuneration

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

	2020 Number	2019 Number
\$154 001 – \$174 000	4	9
\$174 001 – \$194 000	11	6
\$194 001 – \$214 000	6	3
\$214 001 – \$234 000	2	4
\$234 001 – \$254 000*	2	2
\$254 001 – \$274 000	1	1
\$274 001 – \$294 000*	1	2
\$294 001 – \$314 000*	1	3
\$354 001 – \$374 000*	-	1
\$374 001 – \$394 000	-	1
\$394 001 – \$414 000	1	-
\$494 001 – \$514 000*	-	1
Total	29	33

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.4. Employee benefits expenses (continued)

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The total remuneration received by those employees for the year was \$6.456 million (\$7.574 million).

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.

* This bandwidth includes payment of long service leave, annual leave and termination benefits for officers who have left the department in the 2018-19 financial year.

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who accepted a TVSP during the reporting period was 12 (2019: 119).

	2020	2019
	\$'000	\$'000
Amount paid/payable to separated employees:		
TVSPs	926	9 937
Leave paid/payable to separated employees	298	2 743
Recovery from the Department of Treasury and Finance	(1 147)	(13 062)
Net cost to the department	77	(382)

3.5. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Annual leave	11 150	9 362
Long service leave	2 903	2 763
Accrued salaries and wages	2 912	5 158
Skills and experience retention leave	864	791
Total current employee benefits	17 829	18 074
Non-current		
Long service leave	35 092	37 045
Total non-current employee benefits	35 092	37 045
Total employee benefits	52 921	55 119

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 leave (SERL) 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 SERL liability in full 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

3.5. Employee benefits liability (continued)

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. Details about the measurement of long service leave liability is provided as note 11.1.

4. Expenses

Employee benefits expenses are disclosed in note 3.4.

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Fee for service	15 641	18 964
Accommodation	13 100	12 579
Information technology & communication	9 384	9 371
General administration	9 306	10 005
Sand replenishment	7 662	6 266
Minor works, maintenance & equipment	4 120	3 721
Vehicle and aircraft	2 608	4 781
Contractors	2 519	1 522
Bore drilling services	2 365	1 900
Cost of goods sold	1 713	1 691
Travel and accommodation	1 178	1 459
Operating lease payments	1 025	-
Staff development	897	1 086
Scientific and technical services	852	758
Monitoring fees	628	533
Consultants	337	404
Transportation	306	358
Other	4 239	3 819
Total supplies and services	77 880	79 217

Accommodation

Most of the department's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

In prior years expenses associated with MoAA have been classified as operating lease payments. Expenses associated with MoAA have been re-classified as accommodation expenses for both the current year and the comparative. Further details about this re-classification is set out in note 9.1.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4.1. Supplies and services (continued)

Consultants

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

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	4	13	6	36
\$10 000 or above	4	324	7	368
Total	8	337	13	404

4.2. Grants and subsidies

	2020	2019
	\$'000	\$'000
Murray Darling Basin Authority	22 325	22 687
Healthy Coorong Healthy Basin	1 354	-
Gurra Gurra construction	1 160	-
Administration of the <i>Animal Welfare Act 1985</i>	1 160	1 132
New Life for Coastal Environment	1 091	-
Greener Neighbourhoods	643	-
SA Riverland Floodplain Infrastructure Program	606	464
Riverine Recovery Project	43	681
Goyder Institute	-	2 000
Other	4 571	4 948
Total grants and subsidies	32 953	31 912

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

	2020	2019
	\$'000	\$'000
Other	765	592
Total grants and subsidies - SA Government entities	765	592

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4.3. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Depreciation		
Buildings and improvements	3 368	3 667
Park infrastructure	2 728	2 771
Roads, tracks and trails	4 079	4 155
Groundwater monitoring wells	4 296	4 288
Salinity disposal schemes	452	440
Patawalonga seawater circulation and Barcoo outlet	486	530
Sand pumping infrastructure	940	940
Surface water monitoring network	170	170
Waste disposal stations	298	314
Regulators and embankments	1 821	1 278
Plant and equipment	3 213	2 800
Right-of-use plant and equipment	261	-
Right-of-use vehicles	2 036	-
Leasehold improvements	1 777	1 788
Other	15	18
Total depreciation	25 940	23 159
Amortisation		
Application software - internally generated	770	1 293
Application software - externally purchased	146	146
Other - war services leases	22	22
Total amortisation	938	1 461
Total depreciation and amortisation	26 878	24 620

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4.3. 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.

Land is not depreciated.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
<i>Property, plant and equipment</i>	
Buildings and improvements	5-150
Groundwater monitoring wells	48-50
Regulators and embankments	10-200
Park infrastructure	3-120
Patawalonga seawater circulation and Barcoo Outlet	15-100
Plant and equipment	3-50
Right-of-use plant and equipment	4
Right-of-use vehicles	3-5
Roads, tracks and trails	4-50
Salinity disposal schemes	20-100
Surface water monitoring network	40-80
Waste disposal stations	50
Sand pumping infrastructure	10-50
Leasehold improvements	12
Other	45-99
<i>Intangible assets</i>	
Externally acquired	3-10
Internally acquired	2-12
War services leases	44

Review 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 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

4.4. Borrowing costs

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	116	-
Total Borrowing costs	116	-

4.5. Assets transferred for nil consideration

	2020	2019
	\$'000	\$'000
Regulators and embankments	6 488	46 612
Plant and equipment	1 028	853
Land	505	-
Park infrastructure	209	30
Buildings and improvements	66	80
Total assets transferred for nil consideration	8 296	47 575

Regulators and embankments

The department donated assets associated with the South East Flows Restoration project to the value of \$4.368 million to local landholders (2019: \$42.278 million to the South Eastern Water Conservation and Drainage Board). The department also donated assets associated with the Riverland Recovery Project to the value of \$2.101 million to local landholders (2019: \$4.386 million).

4.6. Other expenses

	2020	2019
	\$'000	\$'000
Property, plant and equipment write-offs	6 470	2 218
Settlement of legal claims	2 754	20
Impairment loss	2 619	-
Capital project costs not capitalised	1 014	793
Audit fees	437	551
Assumption of liabilities	-	2 300
Intangible asset write-offs	-	-
Movement in Inventory	(100)	(68)
Reversal of impairment loss	(815)	-
Other	(11)	6
Total other expenses	12 368	5 820

Property, plant and equipment write-offs and Impairment losses

During the financial year the department incurred expenses related to asset write-offs of \$4.882 million and impairment losses of \$2.619 million associated with Kangaroo Island bushfires.

Audit fees

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.393 million (2019: \$0.489 million). No other services were provided by the Auditor-General's Department.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets that do not meet the definition of investment property

	2020	2019
	\$'000	\$'000
Land		
Land at fair value ⁽ⁱ⁾	360 971	330 370
Land at cost (deemed fair value) ⁽ⁱⁱ⁾	5 200	-
Total land	366 171	330 370
Buildings and improvements		
Buildings and improvements at fair value ⁽ⁱ⁾	192 143	200 057
Buildings and improvements at cost (deemed fair value) ⁽ⁱⁱ⁾	5 731	4 600
Accumulated depreciation	(134 869)	(136 435)
Total buildings and improvements	63 005	68 222
Park infrastructure		
Park infrastructure at fair value ⁽ⁱ⁾	204 197	209 202
Park infrastructure at cost (deemed fair value) ⁽ⁱⁱ⁾	11 399	9 688
Accumulated depreciation	(189 696)	(193 439)
Total park infrastructure	25 900	25 451
Roads, tracks and trails		
Roads, tracks and trails at fair value ⁽ⁱ⁾	214 374	219 054
Roads, tracks and trails at cost (deemed fair value) ⁽ⁱⁱ⁾	17 750	16 049
Accumulated depreciation	(209 370)	(212 280)
Total roads, tracks and trails	22 754	22 823
Groundwater monitoring wells		
Ground monitoring wells at fair value ⁽ⁱ⁾	222 896	223 231
Ground monitoring wells at cost (deemed fair value) ⁽ⁱⁱ⁾	382	-
Accumulated depreciation	(159 750)	(155 694)
Total groundwater monitoring wells	63 528	67 537
Salinity disposal schemes		
Salinity disposal schemes at fair value ⁽ⁱ⁾	39 768	43 067
Accumulated depreciation	(18 851)	(14 382)
Total salinity disposal schemes	20 917	28 685
Patawalonga seawater circulation and Barcoo outlet		
Patawalonga seawater circulation and Barcoo outlet at fair value ⁽ⁱ⁾	61 036	45 451
Accumulated depreciation	(21 712)	(16 412)
Total Patawalonga seawater circulation and Barcoo outlet	39 324	29 039
Sand pumping infrastructure		
Sand pumping infrastructure at fair value ⁽ⁱ⁾	23 116	23 116
Accumulated depreciation	(6 930)	(5 990)
Total sand pumping infrastructure	16 186	17 126

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.1. Property, plant and equipment (continued)

	2020	2019
	\$'000	\$'000
Surface water monitoring network		
Surface water monitoring network at fair value ⁽ⁱ⁾	12 230	12 748
Accumulated depreciation	(5 819)	(5 831)
Total surface water monitoring network	6 411	6 917
Waste disposal stations		
Waste disposal stations at fair value ⁽ⁱ⁾	13 655	14 767
Waste disposal stations at cost ⁽ⁱⁱ⁾	1 146	1 147
Accumulated depreciation	(4 754)	(5 434)
Total waste disposal stations	10 047	10 480
Regulators and embankments		
Regulators and embankments at fair value ⁽ⁱ⁾	83 795	83 787
Regulators and embankments at cost (deemed fair value) ⁽ⁱⁱ⁾	39 846	12 940
Accumulated depreciation	(34 450)	(32 630)
Total regulators and embankments	89 191	64 097
Plant and equipment		
Plant and equipment at cost (deemed fair value) ⁽ⁱⁱⁱ⁾	42 732	41 754
Accumulated depreciation	(26 271)	(25 255)
Total plant and equipment	16 461	16 499
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	868	-
Accumulated depreciation	(261)	-
Total plant and equipment	607	-
Right-of-use vehicles		
Right-of-use vehicles at cost	6 574	-
Accumulated depreciation	(1 825)	-
Total plant and equipment	4 749	-
Leasehold improvements		
Leasehold improvements at cost (deemed fair value) ⁽ⁱⁱⁱ⁾	21 836	21 836
Accumulated depreciation	(7 539)	(5 762)
Total leasehold improvements	14 297	16 074
Other		
Other at cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1 868	1 868
Accumulated depreciation	(738)	(723)
Total other	1 130	1 145
Capital works in progress		
Capital works in progress	69 278	62 737
Total capital works in progress	69 278	62 737
Total property, plant and equipment	829 956	767 202

(i), (ii), (iii) refer note 11.2 for details of the carrying amounts of property, plant and equipment.

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about DEW's approach to fair value is set out in note 11.2.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.2. Property, plant and equipment owned by the department

	Land	Buildings & improvements	Park infrastructure	Roads, tracks & trails	Groundwater monitoring wells	Salinity disposal schemes
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	330 370	68 222	25 451	22 823	67 537	28 685
Acquisitions	505	20	-	-	-	-
Initial recognition	-	796	1 508	1 332	-	-
Transfer between classes	468	(206)	103	(118)	-	(172)
Assets received for nil consideration	5 200	-	-	-	-	-
Assets transferred for nil consideration	(505)	(66)	(209)	-	-	-
Disposals	-	(75)	-	-	-	-
Write-offs	-	(4 808)	(994)	(380)	-	-
Transfers to/(from) capital works in progress	-	1 610	3 212	4 069	382	-
Impairment loss	-	(85)	(433)	(1 716)	(95)	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	150	(10)	823	-	-
Subtotal	5 668	(2 664)	3 177	4 010	287	(172)
Gains/(losses) for the period recognised in net result:						
Depreciation	-	(3 368)	(2 728)	(4 079)	(4 296)	(452)
Reversal of impairment loss	-	815	-	-	-	-
Subtotal	-	(2 553)	(2 728)	(4 079)	(4 296)	(452)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	30 133	-	-	-	-	(7 144)
Subtotal	30 133	-	-	-	-	(7 144)
Carrying amount at 30 June 2020	366 171	63 005	25 900	22 754	63 528	20 917

	Patawalonga seawater circulation	Sand pumping infrastructure	Surface water monitoring network	Waste disposal stations	Regulators and embankments
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	29 039	17 126	6 917	10 480	64 097
Acquisitions	-	-	-	-	-
Initial recognition	18	-	-	-	-
Transfer between classes	-	-	-	-	(52)
Assets received for nil consideration	-	-	-	-	-
Assets transferred for nil consideration	-	-	-	-	(6 488)
Disposals	-	-	-	-	-
Write-offs	(22)	-	(46)	(135)	-
Transfers to/(from) capital works in progress	-	-	-	-	33 455
Impairment loss	-	-	(290)	-	-
Capital WIP - expensed in current period	-	-	-	-	-
Other changes via profit and loss	-	-	-	-	-
Subtotal	(4)	-	(336)	(135)	26 915
Gains/(losses) for the period recognised in net result:					
Depreciation	(486)	(940)	(170)	(298)	(1 821)
Reversal of impairment loss	-	-	-	-	-
Subtotal	(486)	(940)	(170)	(298)	(1 821)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation increment/(decrement)	10 775	-	-	-	-
Subtotal	10 775	-	-	-	-
Carrying amount at 30 June 2020	39 324	16 186	6 411	10 047	89 191

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.2. Property, plant and equipment owned by the department (continued)

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2019	16 499	16 074	1 145	62 737	767 202
Acquisitions	677	-	-	53 920	55 122
Initial recognition	336	-	-	-	3 990
Transfer between classes	(23)	-	-	-	-
Assets received for nil consideration	-	-	-	-	5 200
Assets transferred for nil consideration	(1 028)	-	-	-	(8 296)
Disposals	(13)	-	-	-	(88)
Write-offs	(85)	-	-	-	(6 470)
Transfers to/(from) capital works in progress	3 311	-	-	(46 365)	(326)
Impairment loss	-	-	-	-	(2 619)
Capital WIP - expensed in current period	-	-	-	(1 014)	(1 014)
Other changes via profit and loss	-	-	-	-	963
Subtotal	3 175	-	-	6 541	46 462
Gains/(losses) for the period recognised in net result:					
Depreciation	(3 213)	(1 777)	(15)	-	(23 643)
Reversal of impairment loss	-	-	-	-	815
Subtotal	(3 213)	(1 777)	(15)	-	(22 828)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation increment/(decrement)	-	-	-	-	33 764
Subtotal	-	-	-	-	33 764
Carrying amount at 30 June 2020	16 461	14 297	1 130	69 278	824 600

	Land \$'000	Buildings & improvements \$'000	Park infrastructure \$'000	Roads, tracks & trails \$'000	Groundwater monitoring wells \$'000	Salinity disposal schemes \$'000
Carrying amount at 30 June 2018	315 183	65 244	24 701	32 631	71 825	29 125
Error correction	-	(168)	(288)	(416)	-	-
Carrying amount at 1 July 2018	315 183	65 076	24 413	32 215	71 825	29 125
Acquisitions	-	-	-	-	-	-
Transfer between classes	-	613	3 234	(3 900)	-	-
Assets received for nil consideration	15 187	6 400	11	-	-	-
Assets transferred for nil consideration	-	(80)	(30)	-	-	-
Disposals	-	-	-	-	-	-
Write-offs	-	(427)	(150)	(1 629)	-	-
Transfers to/(from) capital works in progress	-	309	467	17	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	(2)	277	275	-	-
Subtotal	15 187	6 813	3 809	(5 237)	-	-
Gains/(losses) for the period recognised in net result:						
Depreciation	-	(3 667)	(2 771)	(4 155)	(4 288)	(440)
Subtotal	-	(3 667)	(2 771)	(4 155)	(4 288)	(440)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Carrying amount at 30 June 2019	330 370	68 222	25 451	22 823	67 537	28 685

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.2. Property, plant and equipment owned by the department (continued)

	Patawalonga seawater circulation \$'000	Sand pumping infrastructure \$'000	Surface water monitoring network \$'000	Waste disposal stations \$'000	Regulators and embankments \$'000
Carrying amount at 30 June 2018	29 569	18 066	7 087	9 648	52 435
Error correction	-	-	-	-	-
Carrying amount at 1 July 2018	29 569	18 066	7 087	9 648	52 435
Acquisitions	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Assets received for nil consideration	-	-	-	-	-
Assets transferred for nil consideration	-	-	-	-	(46 612)
Disposals	-	-	-	-	-
Write-offs	-	-	-	-	-
Transfers to/(from) capital works in progress	-	-	-	1 146	59 552
Capital WIP - expensed in current period	-	-	-	-	-
Other changes via profit and loss	-	-	-	-	-
Subtotal	-	-	-	1 146	12 940
Gains/(losses) for the period recognised in net result:					
Depreciation	(530)	(940)	(170)	(314)	(1 278)
Subtotal	(530)	(940)	(170)	(314)	(1 278)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation increment/(decrement)	-	-	-	-	-
Subtotal	-	-	-	-	-
Carrying amount at 30 June 2019	29 039	17 126	6 917	10 480	64 097

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 30 June 2018	15 568	17 585	1 163	65 724	755 554
Error correction	-	277	-	-	(595)
Carrying amount at 1 July 2018	15 568	17 862	1 163	65 724	754 959
Acquisitions	861	-	-	63 724	64 585
Transfer between classes	53	-	-	-	-
Assets received for nil consideration	18	-	-	-	21 616
Assets transferred for nil consideration	(853)	-	-	-	(47 575)
Disposals	(3)	-	-	-	(3)
Write-offs	(12)	-	-	-	(2 218)
Transfers to/(from) capital works in progress	3 661	-	-	(66 055)	(903)
Capital WIP - expensed in current period	-	-	-	(793)	(793)
Other changes via profit and loss	6	-	-	137	693
Subtotal	3 731	-	-	(2 987)	35 402
Gains/(losses) for the period recognised in net result:					
Depreciation	(2 800)	(1 788)	(18)	-	(23 159)
Subtotal	(2 800)	(1 788)	(18)	-	(23 159)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation increment/(decrement)	-	-	-	-	-
Subtotal	-	-	-	-	-
Carrying amount at 30 June 2019	16 499	16 074	1 145	62 737	767 202

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.2. Property, plant and equipment owned by the department (continued)

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 impairment losses of \$2.619 million were recognised as an expense in the Statement of Comprehensive Income. This impairment is related to assets impacted by the 2019-20 bushfires on Kangaroo Island.

Assets impacted by the fire events include buildings, park infrastructure, roads, tracks and trails, surface water monitoring network, groundwater monitoring wells and plant and equipment

5.3. Property, plant and equipment leased by the department

Property, plant and equipment leased by the department is recorded at cost. Net additions to leased property, plant and equipment during 2019-20 were \$5.358 million.

AASB 16 requires lessees to not recognise short term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 as right of use assets. The Treasurer has granted exemption from this requirement to all public authorities holding vehicles leases with SAFA.

The department has a limited number of leases:

- 348 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 7 information technology leases with the Bank of Queensland Finance Limited to lease Oracle IT equipment relating to servers, data storage and back-up equipment. All leases are for a 3 years term, non-cancellable and payments are made quarterly in arrears. End of lease options exist to either extend the lease a further 12 months at a substantial discount or return the equipment.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.4. Intangible assets

	2020	2019
	\$'000	\$'000
Internally developed intangible assets		
Computer software at cost (deemed fair value)	14 337	14 011
Accumulated amortisation	(13 182)	(12 412)
Total internally generated computer software	1 155	1 599
Externally acquired intangible assets		
Computer software	1 072	1 059
Accumulated amortisation	(969)	(823)
Total computer software	103	236
Water licences	2 610	2 610
Total externally acquired intangible assets	2 713	2 846
Other		
Revenue stream (War services freehold leases) - at cost (deemed fair value)	1 000	1 000
Accumulated amortisation	(317)	(295)
Total other	683	705
Total intangible assets	4 551	5 150

Intangible assets are initially 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.

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 Asset Register and Management Information System (ARAMIS) software systems. 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 (Geographic Information System) software.

Water licenses

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

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.4. Intangible assets (continued)

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.

Intangible asset movement reconciliation schedule

	Internally developed	Externally acquired	Revenue stream	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	1 599	2 846	705	5 150
Acquisitions	-	13	-	13
Transfers to/(from) capital works in progress	326	-	-	326
Amortisation	(770)	(146)	(22)	(938)
Carrying amount at 30 June 2020	1 155	2 713	683	4 551

	Internally developed	Externally acquired	Revenue stream	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	1 989	2 992	727	5 708
Transfers to/(from) capital works in progress	903	-	-	903
Amortisation	(1 293)	(146)	(22)	(1 461)
Carrying amount at 30 June 2019	1 599	2 846	705	5 150

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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

5.5. Inventories

	2020	2019
	\$'000	\$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	657	675
Total inventories held for distribution at no or nominal amount	657	675
 Inventories held for resale - at cost		
Finished goods held for resale - at cost	1 211	1 551
Total inventories held for resale - at cost	1 211	1 551
 Total inventories	 1 868	 2 226

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.

6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	184 672	187 196
Cash on hand/imprest account	171	177
Total cash and cash equivalents	184 843	187 373

Deposits with the Treasurer

DEW has two deposit accounts with the Treasurer, a General Operating Account (\$77.984 million) and an Accrual Appropriation Excess Funds Account (\$106.688 million). Although DEW controls the money in the Accrual Appropriation Excess Funds Account its use must be approved by the Treasurer.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

6.2. Receivables

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Trade receivables		
From government entities	3 265	9 039
From non-government entities	3 447	3 846
Less allowance for doubtful debts	(1 776)	(1 418)
Total trade receivables	4 936	11 467
Accrued revenues	2 804	5 427
GST input tax recoverable	4 779	5 001
Workers compensation recoveries	8	10
Total current receivables	12 527	21 905
<u>Non-current</u>		
Workers compensation recoveries	38	26
Total non-current receivables	38	26
Total receivables	12 565	21 931

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. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

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 11.3 for further information on risk management.

Error correction of (\$0.219) million is an adjustment for invoice raised in error in 2018-19.

Error correction of (\$0.085 million) is an adjustment for an invoice raised in error in 2017-18.

Impairment of receivables

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	1 418	955
Amounts written off	-	(179)
Increase/(decrease) in the allowance recognised in profit or loss	358	642
Carrying amount at the end of the period	1 776	1 418

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

6.3. Other assets

	2020	2019
	\$'000	\$'000
Current		
Prepaid supplies and services	1 248	1 053
Other	2	1
Total current other assets	1 250	1 054
Total other assets	1 250	1 054

7. Liabilities

Employee benefits liabilities are disclosed in note 3.5.

7.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Trade payables	19 816	39 134
Employment on-costs	3 525	3 061
Accrued expenses	908	949
Paid Parental Leave Scheme payable	40	18
Total current payables	24 289	43 162
Non-current		
Employment on-costs	3 253	3 417
Total non-current payables	3 253	3 417
Total payables	27 542	46 579

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. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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 proportion of long service leave taken as leave has changed from the 2019 rate of (41%) to 42%. The average factor for the calculation of employer superannuation on-costs has remained unchanged from the 2019 rate (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

7.1. Payables (continued)

Paid parental leave scheme

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.

7.2. Financial liabilities

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Lease liabilities	2 122	-
Total current financial liabilities	2 122	-
<u>Non-current</u>		
Lease liabilities	3 232	-
Total non-current financial liabilities	3 232	-
Total Financial liabilities	5 354	-

The department measures financial liabilities including borrowings/debt at amortised cost.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

7.3. Provisions

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Provision for workers compensation	522	511
Additional provisions	-	1
Total current provisions	522	512
<u>Non-current</u>		
Provision for workers compensation	1 708	1 561
Additional provisions	71	74
Total non-current provisions	1 779	1 635
Total provisions	2 301	2 147
	2020	2019
	\$'000	\$'000
<i>Movement in provisions</i>		
Carrying amount at the beginning of the period	2 072	1 214
Reductions arising from payments	(1 190)	(2 801)
Increases resulting from remeasurement	1 348	3 659
Carrying amount at the end of the period	2 230	2 072
<i>Movement in additional provision</i>		
Carrying amount at the beginning of the period	75	-
Reductions resulting from remeasurement	(4)	
Additional provisions recognised	-	75
Carrying amount at the end of the period	71	75

A provision 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 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

7.4. Other liabilities

	2020	2019
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	1 350	1 198
Unearned revenue	407	439
Other	232	210
Total current other liabilities	1 989	1 847
<u>Non-current</u>		
Accommodation incentive	14 429	15 779
Deposits held	465	465
Unearned revenue	2 243	2 272
Total non-current other liabilities	17 137	18 516
Total other liabilities	19 126	20 363

Accommodation incentive is effectively amortised over the lease term in accordance with AASB 117. A prior period error correction of (\$0.415 million) to accommodation incentive related to revised fit-out costs.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8. Other disclosures

8.1. Cash flow

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.

Cash flow reconciliation

Leases

	2020	2019
	\$'000	\$'000
Plant and equipment	312	-
Vehicles	2 099	-
Total cash outflow for leases	2 411	-

Reconciliation of net result to cash flows from operating activities

2020	2019
\$'000	\$'000

Reconciliation of cash and cash equivalents at the end of the reporting period

Cash and cash equivalents disclosed in the Statement of Financial Position	184 843	187 373
Balance as per the Statement of Cash Flows	184 843	187 373

Reconciliation of net cash provided by / (used in) operating activities to net result

Net cash provided by/(used in) operating activities	70 463	65 446
---	--------	--------

Add / (less) non-cash items

Depreciation and amortisation	(26 878)	(24 620)
Capital work-in-progress and asset write-offs	(7 484)	(3 011)
Impairment of non-current assets	(1 804)	-
Gain/(loss) on disposal of non-current assets	1	27
Assets transferred for nil consideration	(8 296)	(47 575)
Other asset related adjustments	4 952	693
Supplies and services not requiring cash	(3 944)	(4 627)
Assumption of liabilities	-	(2 300)
Resources received free of charge	9 144	26 242

Movement in assets and liabilities

(Decrease)/increase in receivables	(9 366)	11 102
(Decrease)/increase in inventories	(358)	117
Increase in other assets	196	35
(Decrease) in other financial assets	-	(3)
Decrease/(increase) in payables	19 367	(2 396)
Decrease/(increase) in employee benefits	2 198	(5 273)
(Increase) in provisions	(154)	(933)
Increase in contract liabilities	7 523	-
Decrease in other liabilities	1 237	1 254
Net result	56 797	14 178

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8.2. 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 2020

	2020 \$'000	2019 \$'000
Expenses		
Supplies and services	-	1
Total expenses	-	1
Net cost of providing services	-	1
Revenues from/(payments to) SA Government	-	-
Net result	-	(1)

Statement of Financial Position

as at 30 June 2020

	2020 \$'000	2019 \$'000
Current assets		
Cash and cash equivalents	348	348
Total current assets	348	348
Total assets	348	348
Net assets	348	348
Equity		
Retained earnings	348	348
Total equity	348	348

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8.2. South Australian Heritage Fund (continued)

Statement of Changes in Equity
for the year ended 30 June 2020

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	349	349
Net result for 2018-19	(1)	(1)
Balance at 30 June 2019	348	348
Net result for 2019-20	-	-
Balance at 30 June 2020	348	348

Statement of Cash Flows
for the year ended 30 June 2020

	2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	-	(1)
Cash used in operations	-	(1)
Net cash provided by / (used in) operating activities	-	(1)
Net increase / (decrease) in cash and cash equivalents	-	(1)
Cash and cash equivalents at the beginning of the reporting period	348	349
Cash and cash equivalents at the end of the reporting period	348	348

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8.3. 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 2020

	2020	2019
	\$'000	\$'000
Income		
Fees and charges	13 299	15 389
Interest	7	25
Other income	(7)	6
Total income	13 299	15 420
Expenses		
Supplies and services	-	8
Grants and subsidies	13 299	15 412
Other expenses	-	-
Total expenses	13 299	15 420
Net result	-	-

Statement of Financial Position

as at 30 June 2020

	2020	2019
	\$'000	\$'000
Current assets		
Cash and cash equivalents	1 363	1 333
Receivables	1 250	1 316
Total assets	2 613	2 649
Current liabilities		
Unearned revenue	348	384
Total current liabilities	348	384
Total liabilities	348	384
Net assets	2 265	2 265
Equity		
Retained earnings	2 265	2 265
Total equity	2 265	2 265

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

8.3. General Reserves Fund (continued)

Statement of Changes in Equity
for the year ended 30 June 2020

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	2 265	2 265
Net result for 2018-19	-	-
Balance at 30 June 2019	2 265	2 265
Net result for 2019-20	-	-
Balance at 30 June 2020	2 265	2 265

Statement of Cash Flows
for the year ended 30 June 2020

	2020 Inflows (Outflows s) \$'000	2019 Inflows (Outflows) \$'000
Cash flows from operating activities		
Cash inflows		
Fees and charges	13 237	16 156
Interest received	10	23
Other receipts	-	6
Cash generated from operations	13 247	16 185
Cash outflows		
Payments for supplies and services	-	(8)
Payments of grants and subsidies	(13 217)	(15 412)
Cash used in operations	(13 217)	(15 420)
Net cash provided by / (used in) operating activities	30	765
Net increase / (decrease) in cash and cash equivalents	30	765
Cash and cash equivalents at the beginning of the reporting period	1 333	568
Cash and cash equivalents at the end of the reporting period	1 363	1 333

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9. Changes in accounting policy

9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 Leases from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 Leases only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 Leases applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position
- AASB 117 Leases resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 Leases largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

There was no impact on the department's retained earnings as at 1 July 2019 following the recognition of right-of use assets and related financial liabilities.

The department disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$66.904 million under AASB 117.

The department has accommodation services provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies.

These MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB 117. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$5.834 million under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019.

Commitments related to accommodation services provided by DPTI are included in Note 10.1.

	1 July 2019
	\$'000
Operating lease commitments at 30 June 2019	66 904
<i>Adjustments to lease liabilities transferred in</i>	
Office accommodation under MOAA*	(61 070)
Undiscounted operating lease commitment at 30 June 2019	5 834
Operating lease commitments discounted	(204)
Lease liabilities recognised at 1 July 2019	5 630

There were no finance liabilities recognised at 30 June 2019.

*The undiscounted operating lease commitments relating to office accommodation under MoAA were removed from the financial liabilities recognised at 1 July 2019.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9.1. AASB 16 Leases (continued)

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The department has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations
- the initial measurement of lease liability was the present value of the remaining leases payments discounted using the relevant incremental borrowing rate published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.47%
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the department's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less
- the department, in the capacity of a lessee, does not include non-lease components in lease amounts
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9.2. AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue and related Interpretations* and applies to all revenue arising from contracts with customers.

Impact on retained earnings

On transition, there was a \$1.204 million adjustment to retained earnings for property rental and related income (refer to Statement of Changes in Equity).

Accounting policies on transition

The department has adopted AASB 15 on 1 July 2019. The *Treasurer's Instructions (Accounting Policy Statements)* require certain choices in those transitional provisions to be taken. The department has on transition:

- recognised the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as at 1 July 2019. Therefore, the comparative information has not been restated
- not adopted the completed contract expedient, and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former revenue and income accounting standards
- elected not to restate retrospectively contracts for modifications that occurred before 1 July 2019. Such contract modifications were minor so this is expected to have little impact on the financial statements.

Impacts on the financial statements are explained below together with impacts from adoption of AASB 1058 *Income of Not-for-Profit Entities*, refer to note 9.4.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify requirements for public authorities in applying AASB 15. These requirements are reflected in the department's accounting policies as follows:

- for non-intellectual property licences, low value licences (i.e. assets which have a value of \$15 000 or less) and short-term licences (i.e. being those with a licence term of 12 months or less) are exempt from AASB 15 revenue recognition requirements. The department has elected to recognise revenue at the point in time the licence is issued.
- AASB 15 is applied to a portfolio of contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the department would have recognised is one year or less.
- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the department's performance completed to date.
- there is no disclosures of certain information relating to remaining performance obligations if the original contract is expected to end within one year or when revenue is recognised in accordance with para 16.

Significant accounting policies relate to the application of AASB 15 are disclosed under relevant notes.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9.3. AASB 1058 Income for Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in *AASB 1004 Contributions*, *AASB 118 Revenue* and *AASB 111 Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was a \$29.600 million adjustment to retained earnings for the recognition of revenue relating to funding received for the South Australian Riverland Flood Plains Integrated Infrastructure Program. Refer Statement of Changes in Equity.

9.4. Effects on financial statements from AASB 15 and AASB 1058

The following tables show the effect of adopting AASB 15 and AASB 1058 on the department's financial statements for the year ending 30 June 2020.

Statement of Comprehensive Income

	As reported \$'000	Adjustments AASB 15 \$'000	Adjustments AASB 1058 \$'000	Balances without adoption of AASB 15 & 1058 \$'000
Income				
Fees and charges	98 179	61	-	98 240
Commonwealth-sourced grants and payments	74 151	-	(23 342)	50 809
Grant revenues from SA government	24 237	-	-	24 237
Other grant revenues	2 295	-	-	2 295
Other income	9 790	-	-	9 790
Total income	208 652	61	(23 342)	185 371
Net result	208 652	61	(23 342)	185 371

The adoption of accounting standards AASB 15 and AASB 1058 has resulted in a \$61 000 and \$23.3 million net adjustment respectively to the Statement of Comprehensive Income. The \$23.3 million adjustment relates to recognising revenue as performance obligations associated with asset construction are satisfied for the South Australian Riverland Flood Plains Integrated Infrastructure Program. Previously these revenues were recognised on receipt.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

9.4. Effects on financial statements from AASB 15 and AASB 1058 (continued)

Statement of Financial Position

	As reported \$'000	Adjustments AASB 15 \$'000	Adjustments AASB 1058 \$'000	Balances without adoption of AASB 15 & 1058 \$'000
Contract liabilities	7 523	1 265	6 258	-
Total liabilities	7 523	1 265	6 258	-

The adoption of accounting standards AASB 15 and AASB 1058 results in revenue being recognised as performance obligations are satisfied. DEW has received \$1.265 million from Property income and \$6.258 million for the South Australian Riverland Flood Plains Integrated Infrastructure Program whereby performance obligations are yet to be satisfied. These amounts have been reflected as a contract liability and will be recognised once the obligations have been satisfied.

9.5. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format

10. Outlook

10.1. Unrecognised contractual commitments

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

Operating lease commitments

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

	2020 \$'000	2019 \$'000
Within one year	-	2 117
Later than one year but not longer than five years	-	3 717
Total operating lease commitments	-	5 834

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee. The comparative amount does not include commitments for memoranda of administrative arrangements with the Department of Planning, Transport and Infrastructure for accommodation. This has been reclassified and included under expenditure commitments. For more detail about the reclassification see 9.1.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

10.1. Unrecognised contractual commitments (continued)

Capital commitments

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

	2020	2019
	\$'000	\$'000
Within one year	4 530	1 408
Total capital commitments	4 530	1 408

DEW's capital commitments as at 30 June 2020 comprised works for the Water Management Solutions program, facility upgrade and rebuild works for various Kangaroo Island sites.

Expenditure commitments

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

	2020	2019
	\$'000	\$'000
Within one year	29 266	28 964
Later than one year but not longer than five years	80 658	100 686
Later than five years	19 848	26 804
Total expenditure commitments	129 772	156 454

DEW's expenditure commitments are for:

- memoranda of administrative arrangements with the Department of Planning, Transport and Infrastructure for accommodation
- contributions to the Murray-Darling Basin Authority.

10.2. Expected realisation of contract liabilities as revenue

	2020-21	2021-22	Total
	\$'000	\$'000	\$'000
Revenue expected to be recognised	7 523	-	7 523

The revenue associated with the contract liabilities disclosed above are expected to be recognised during the 2020-21 financial year.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

10.3. 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.

Bushfires in 2020 caused substantial damage to assets owned by the DEW on Kangaroo Island, and an insurance claim is pending full settlement through SAICORP. The final value of the claim is not quantifiable as at 30 June 2020 and is contingent on final assessment of all damaged assets. It is expected full settlement of this claim will be received in 2020-21. Interim insurance payments have been received by the department pending the full settlement, \$2.5 million was received in 2019-20, refer note 2.7, and \$7.5 million has been received post 30 June 2020 refer note 10.6.

DEW has a further insurance claim pending that is currently being assessed by SAICORP for business interruption insurance resulting from revenue losses as a consequence of enforced closures of commercial sites caused by COVID-19 pandemic and bushfires. The value of this claim is not quantifiable at 30 June 2020.

10.4. Impact of standards and statements not yet effective

The department has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The department has assessed its arrangements where operators provide services and has concluded that none of these will be within the scope of AASB 1059.

10.5. COVID-19 pandemic outlook for the department

COVID has required adjustment to the agency's way of doing business where it interacts directly with the public (Visitor Centres etc), these changes have been implemented without impact on service level offering.

DEW operates commercial sites across the State, located in and around national parks and reserves. These sites are an integral part of the State's tourism offering and as such have been impacted negatively by the drop in visitors from outside SA, but also positively by the increase in SA visitors.

DEW is anticipating a down turn in revenue in 2020-21. Revenue losses related to fees associated with national park activities are difficult to estimate and will be significantly dependent on restrictions imposed on travel, gatherings and movements in general. Restrictions at some commercial sites still exist and will limit income from those sites and fees from commercial tour operators.

DEW is providing, with support from the South Australian government Business and Job Support Fund, a 6 month waiver (from 1 April 2020 to 30 September 2020) on Commercial Tour Operator annual licence fees and rent relief on Crown Land properties leased to tourism and hospitality operators to help support business recovery and long term viability in response to the COVID pandemic, the cost of this relief for 3 months in 2020-21 is \$425 000.

10.5. COVID-19 pandemic outlook for the department (continued)

DEW builds (including re-builds after fire and flood) and maintains physical assets across the State, both in Parks and for purposes of managing water resources. While the agency's ability to deliver this part of its mandate has not been materially impacted by COVID, the imposition of significant restrictions could impact these activities.

On 8 March 2020 the SA Government announced its new *Parks 2025* plan, which included funding of \$22 million that will provide economic stimulus to activate nature based tourism and fast-track the recovery of vital regional economies. This will include a range of capital projects across National Parks including for Kangaroo Island \$7 million for enhanced visitor experience and facilities at Seal Bay, new visitor precinct at Antechamber Bay, upgraded visitor facilities at Murray Lagoon, a signature camping experience at D'Estrees Bay and a new visitor experience at Cape Willoughby.

10.6. Events after the reporting period

DEW received a further interim payment for \$7.5 million from SAICORP on 31 July 2020 as partial settlement of a pending insurance claim for assets damaged by bushfires.

From 1 July 2020 staff previously employed by DEW that were providing services to the former Natural Resource Management Boards were transferred to the respective newly established Landscape SA Boards. This will result in the salary cost for those staff being met directly by the Landscape SA Boards from 2020-21. DEW will no longer incur salary costs for the transferred staff or recoup these costs from the Boards. Refer note 2.2 Fees and Charges for amounts recouped in 2019-20.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11. Measurement and risk

11.1. Long service leave liability – measurement

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 the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds decreased from 2019 (1.25%) to 2020 (0.75%).

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

In 2020, the actuarial assessment performed by the Department of Treasury and Finance decreased the salary inflation rate from 2019 (4%) to 2020 (2.5%) for long service leave liability. This significant change to the percentage has led to an overall material decrease in the reported long service leave for 2020.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$2.950 million. 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.

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.

11.2. Fair value

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.

Initial recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at 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).

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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2. Fair value (continued)

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

(i) Independent valuation

Assets in the Buildings and Improvements and Park Infrastructure asset classes are assessed on a case by case basis and those determined as unique are independently valued. The remaining assets in the class are revalued using the Data Dictionary model.

Unique assets are items which cannot be categorised within the standard Data Dictionary groups. An asset deemed unique will have a cost that varies significantly from the Data Dictionary value. Unique assets may have cultural significance that adds to its value; may have been constructed using different or special materials; an asset that has been previously independently valued.

Assets in the Road, Tracks and Trails class are all valued using the Data Dictionary model following their initial recognition at cost. 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 \$1.5 million or have an estimated useful life of less than three years and have not been revalued in accordance with APS 116.D 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.

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Finance Officer each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 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.

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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2 Fair value (continued)

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

- land
- salinity disposal scheme; and
- Patawalonga seawater circulation and Barcoo outlet

Specific details relating to the revalued asset classes follow:

DEW's land assets, comprising National, Conservation and Recreation Parks, Wilderness Protection Areas, and other non-park holdings were revalued as at 1 July 2019. The independent revaluation was undertaken by Certified Practicing Valuers, Mr Mark Kay, Chief Valuer, Office of the Valuer General and Mr Greg McCloud, Senior Valuer Office of the Valuer General.

A market based method was used when by comparing property data to that of similar sales with consideration of restrictions on use and/ or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

DEW's salinity disposal scheme infrastructure assets were revalued as at 30 June 2020. 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).

As there is no active market for salinity disposal scheme infrastructure assets, 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 Patawalonga seawater circulation and Barcoo assets were revalued as at 30 June 2020. The independent valuation also included a review of the asset's useful lives. Whilst some changes to useful life 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 the Patawalonga seawater circulation and Barcoo outlet asset, 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2 Fair value (continued)

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

Class of asset	Date of last independent revaluation	Name of Valuer	Fair Value Input level	Fair Value Approach
Land	1 July 2019	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	30 June 2020	Jones Lang LaSalle Inc.	3	Cost
Patawalonga seawater circulation and Barcoo outlet	30 June 2020	Public Private Property 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

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2. Fair value (continued)

Fair value hierarchy

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.

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

During 2019 and 2020, DEW had no valuations categorised into level 1 or level 2; and there were no changes in valuation techniques.

Fair value classification – non-financial assets at 30 June 2020

	Level 3
	\$'000
Recurring fair value measurements	
Land	366 171
Buildings and improvements	63 005
Park infrastructure	25 900
Roads, tracks and trails	22 754
Groundwater monitoring wells	63 528
Salinity disposal schemes	20 917
Patawalonga seawater circulation and Barcoo outlet	39 324
Surface water monitoring network	6 411
Waste disposal stations	10 047
Regulators and embankments	89 191
Sand pumping infrastructure	16 186
Plant and equipment	16 461
Leasehold improvements	14 297
Other	1 130
Total recurring fair value measurements	755 322
Total fair value measurements	755 322

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.2. Fair value (continued)

Fair value classification – non-financial assets at 30 June 2019

	Level 3
	\$'000
Recurring fair value measurements	
Land	330 370
Buildings and improvements	68 222
Park infrastructure	25 451
Roads, tracks and trails	22 823
Groundwater monitoring wells	67 537
Salinity disposal schemes	28 685
Patawalonga seawater circulation and Barcoo outlet	29 039
Surface water monitoring network	6 917
Waste disposal stations	10 480
Regulators and embankments	64 097
Sand pumping infrastructure	17 126
Plant and equipment	16 499
Leasehold improvements	16 074
Other	1 145
Total recurring fair value measurements	704 465
 Total fair value measurements	 704 465

Heritage assets

In accordance with APS 101.H, 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 primarily 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.3. Financial instruments

Financial risk management

Risk management is managed by DEW's corporate services section. 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 7.1 and 7.2 for further information.

Credit risk

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

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

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The department uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the department considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

	Debtor gross carrying amount	Loss %	Lifetime expected losses \$'000
	\$'000		
Current (not past due)	1 180	0%	2
1 - 30 days past due	103	1%	1
31 - 60 days past due	55	2%	1
61 - 90 days past due	170	3%	5
More than 90 days past due	398	57%	226
Loss allowance			235*

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.3. Financial instruments

Impairment of financial assets (continued)

* Invoices worth \$1.541 million have not been included in the ECL model due to their unique circumstances that are not expected to occur again in the future. This has been included in the original doubtful debt balance.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and DEW's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with DEW and a failure to make contractual payments for a period of greater than 90 days past due.

DEW considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

All of DEW's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Impairment losses on the department's receivables arising from the department's contracts with customers were as follows. No impairment losses were recognised in relation to contract assets during the year.

Market risk

DEW does not trade in foreign currency, nor 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*.

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.

Classification of Financial Instruments

DEW measures all financial instruments at amortised cost.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

11.3. Financial instruments (continued)

Categorisation of financial instruments (continued)

Category of financial asset and financial liability	Note	2020 Carrying amount / fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<u>Financial assets</u>					
Cash and cash equivalents					
Cash and cash equivalents		184 843	-	-	-
Financial assets at amortised cost					
Receivables	(1), (2)	7 740	-	-	-
Total financial assets		192 583	-	-	-
<u>Financial liabilities</u>					
Financial liabilities at amortised cost					
Payables	(1)	20 287	20 287	-	-
Lease liabilities		5 354	2 122	3 232	-
Total financial liabilities		25 641	22 409	3 232	-

Category of financial asset and financial liability	Note	2019 Carrying amount / fair value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<u>Financial assets</u>					
Cash and cash equivalents					
Cash and cash equivalents		187 373	187 373	-	-
Loans and receivables					
Receivables	(1), (2)	16 979	16 979	-	-
Held-to-maturity investments					
Financial assets		-	-	-	-
Total financial assets		204 352	204 352	-	-
<u>Financial liabilities</u>					
Financial liabilities at cost					
Payables	(1)	39 562	39 562	-	-
Lease liabilities					
Total financial liabilities		39 562	39 562	-	-

(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's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost).

(2) Receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.3.

Department for Environment and Water
Statement of Administered Comprehensive Income
for the year ended 30 June 2020

		2020	2019
	Note	\$'000	\$'000
Administered income			
Appropriation	A2.1	20 442	21 054
Fees and charges	A2.2	29 347	18 308
Grants	A2.3	28 089	-
Income associated with joint operation	A5.2	5 544	10 681
Interest		37	61
Assets received free of charge	A2.4	5 705	335
Net gain from the disposal of non-current assets	A2.5	10 644	187
Intra-government transfers	A2.6	750	-
Other income		40	80
Total administered income		100 598	50 706
Administered expenses			
Employee benefits		368	359
Supplies and services		1 238	825
Grants and subsidies	A3.1	66 613	37 610
Expenses associated with joint operation	A5.2	12 222	10 563
Donated assets	A3.2	5 200	3 170
Payments to the Consolidated account		33 674	10 641
Impairment loss on receivables		2 757	608
Total administered expenses		122 072	63 776
Net result		(21 474)	(13 070)
Other comprehensive income			
<i>Items that will not be reclassified to net result:</i>			
Changes in property, plant and equipment asset revaluation surplus	A4.2	49 601	13 902
Total other comprehensive income		49 601	13 902
Total comprehensive result		28 127	832

The accompanying notes form part of these financial statements.

Department for Environment and Water
Statement of Administered Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Administered current assets			
Cash and cash equivalents	A7.1	46 415	13 974
Receivables	A5.1	7 012	2 587
Total current assets		53 427	16 561
Administered non-current assets			
Property, plant and equipment	A4.1	1 292 738	1 256 959
Intangibles	A5.2	163 531	161 454
Total non-current assets		1 456 269	1 418 413
Total assets		1 509 696	1 434 974
Administered current liabilities			
Payables	A6.1	33 573	6 032
Total current liabilities		33 573	6 032
Total liabilities		33 573	6 032
Net assets		1 476 123	1 428 942
Administered equity			
Asset revaluation surplus		241 382	191 781
Retained earnings		1 234 741	1 237 161
Total equity		1 476 123	1 428 942

The accompanying notes form part of these financial statements.

Department for Environment and Water
Statement of Administered Cash Flows
for the year ending 30 June 2020

		2020	2019
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriations		20 442	21 054
Fees and charges		22 164	18 205
Receipts from grants		28 089	-
Intra-government transfers		750	-
Interest received		37	61
Other receipts		40	80
Cash generated from operating activities		71 522	39 400
Cash outflows			
Employee benefits payments		(368)	(359)
Payments for supplies and services		(1 233)	(827)
Payments of grants and subsidies		(66 511)	(37 729)
Payments to the Consolidated account		(6 240)	(11 136)
Cash used in operating activities		(74 352)	(50 051)
Net cash provided by / (used in) operating activities	A7.1	(2 830)	(10 651)
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment	A2.5	35 271	12 053
Cash generated from investing activities		35 271	12 053
Net cash provided by / (used in) investing activities		35 271	12 053
Cash flows from financing activities			
Cash outflows			
Cash transferred as a result of restructuring activities		-	(127)
Cash used in financing activities		-	(127)
Net cash provided by / (used in) financing activities		-	(127)
Net increase / (decrease) in cash and cash equivalents		32 441	1 275
Cash and cash equivalents at the beginning of the reporting period		13 974	12 699
Cash and cash equivalents at the end of the reporting period	A7.1	46 415	13 974

The accompanying notes form part of these financial statements.

Department for Environment and Water
Schedule of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2020

Activities - refer note A1	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered income						
Appropriations	-	-	17 279	16 982	368	360
Fees and charges	8	19	-	-	-	-
Grants	-	-	74	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assets received free of charge	5 705	335	-	-	-	-
Net gain from disposal of non-current assets	10 644	187	-	-	-	-
Intra-government transfers	-	-	750	-	-	-
Other income	-	-	-	-	-	-
Total administered income	16 357	541	18 103	16 982	368	360
Administered expenses						
Employee benefits	-	-	-	-	368	359
Supplies and services	1 238	825	-	-	-	-
Grants and subsidies	-	-	18 050	16 965	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	5 200	3 170	-	-	-	-
Payments to the Consolidated account	33 674	10 641	-	-	-	-
Impairment loss on receivables	(2)	2	(1)	-	-	-
Total administered expenses	40 110	14 638	18 049	16 965	368	359
Net result	(23 753)	(14 097)	54	17	-	1

Department for Environment and Water
Schedule of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2020

Activities - refer note A1	National Landcare					
	Program		Water for Fodder		NRM Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered income						
Appropriations	-	-	-	-	2 755	3 618
Fees and charges	-	-	-	-	25 385	18 306
Grants	15	-	28 000	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	2	4	-	-	36	59
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total administered income	17	4	28 000	-	28 176	21 983
Administered expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	-	-	28 000	-	20 523	20 565
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	-	-	-	-	-	-
Payments to the Consolidated account	-	-	-	-	-	-
Impairment loss on receivables	-	-	-	-	2 760	606
Total administered expenses	-	-	28 000	-	23 283	21 171
Net result	17	4	-	-	4 893	812

Department for Environment and Water
Schedule of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2020

	Pastoral Board		Qualco Sunlands		SA Drought Resilience Fund	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	-	14	40	80	-	-
Fees and charges	-	-	-	-	4 000	-
Grants	-	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Other income	-	-	40	80	-	-
Total administered income	-	14	80	160	4 000	-
Administered expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	-	-	40	80	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	-	-	-	-	-	-
Payments to the Consolidated account	-	-	-	-	-	-
Impairment loss on receivables	-	-	-	-	-	-
Total administered expenses	-	-	40	80	-	-
Net result	-	14	40	80	4 000	-

Department for Environment and Water
Schedule of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2020

Activities - refer note A1	DEW Corporate			
	Admin Items		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered income				
Appropriations	-	-	20 442	21 054
Fees and charges	(46)	(17)	29 347	18 308
Grants	-	-	28 089	-
Income associated with joint operation	5 544	10 681	5 544	10 681
Interest	(1)	(2)	37	61
Assets received free of charge	-	-	5 705	335
Net gain from disposal of non-current assets	-	-	10 644	187
Intra-government transfers	-	-	750	-
Other income	-	-	40	80
Total administered income	5 497	10 662	100 598	50 706
Administered expenses				
Employee benefits	-	-	368	359
Supplies and services	-	-	1 238	825
Grants and subsidies	-	-	66 613	37 610
Expenses associated with joint operation	12 222	10 563	12 222	10 563
Donated assets	-	-	5 200	3 170
Payments to the Consolidated account	-	-	33 674	10 641
Impairment loss on receivables	-	-	2 757	608
Total administered expenses	12 222	10 563	122 072	63 776
Net result	(6 725)	99	(21 474)	(13 070)

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 2020

NOTES TO THE FINANCIAL STATEMENTS

A1. About the Department for Environment and Water	72
A1.1. Administered item's financial arrangements	74
A1.2. Basis of preparation and accounting policies.....	75
A1.3. Budget performance	76
A2. Income	77
A2.1. Appropriation.....	77
A2.2. Revenues from fees and charges	77
A2.3. Grants revenues.....	78
A2.4. Assets received free of charge.....	78
A2.5. Net gain from the disposal of non-current assets.....	78
A2.6. Intra-government transfers.....	78
A3. Expenses	79
A3.1. Grants and subsidies	79
A3.2. Donated assets	79
A4. Non-financial assets.....	79
A4.1. Property, plant and equipment.....	79
A5. Financial assets.....	81
A5.1. Receivables.....	81
A5.2. Interest in joint operation	82
A6. Liabilities	84
A6.1. Payables	84
A7. Other disclosures.....	84
A7.1. Administered cash flow reconciliation.....	84
A8. Outlook	85
A8.1. Contingent assets and liabilities.....	85

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1. About the Department for Environment and Water

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 \$18.050 million (2019: \$16.965 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 \$6.646 million (2019: \$5.815 million); Adelaide City Council \$1.598 million (2019: \$1.565 million); Stormwater Management Authority \$5.513 million (2019: \$5.379 million); South Eastern Water Conservation and Drainage Board \$2.470 million (2019: \$2.500 million); Native Vegetation Fund \$1.197 million (2019: \$1.167 million); and Coast Protection Fund \$0.552 million (2019: \$0.539 million); The Board of the Botanic Gardens and State Herbarium \$74 000 (2019: nil).

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 2020 was \$4.022 million (2019: \$3.590 million).

Landscape Administration Fund

On 1 July 2020, the Landscape South Australia Act 2019 replaces the Natural Resources Management Act 2004 as the primary basis for managing the state's landscapes.

The repeal of the Natural Resources Management Act 2004 will result in the abolishment of the NRM Fund. The Landscape South Australia Act 2019 establishes the Landscape Administration Fund to receive and disburse fees, levies and other monies authorised by the Landscape South Australia Act 2019. Under the legislative provisions, any money held in the NRM Fund immediately before 1 July 2020 will be paid into the Landscape Administration Fund. Further, any money payable to the NRM Fund under a provision of the repealed Act; or payable under, or relating to, the Water Resources Act 1997, will be payable to the Landscape Administration Fund.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1. About the Department for Environment and Water (continued)

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.

(i) Government funding

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.

	2020	2019
	\$'000	\$'000
Regional NRM Board		
Alinyjara Wilurara NRM Board	1 171	1 143
Kangaroo Island NRM Board	1 171	1 143
South Australian Arid Lands NRM Board	363	332
	2 705	2 618

(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).

National Action Plan for Salinity and Water Quality

The National Action Plan (NAP) was 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. Funding for NAP ceased on 30 June 2008 with the majority of projects completed by 31 December 2009. DEW is currently seeking Commonwealth approval to transfer the remaining funds to existing State agency and Natural Resources Management Board competitive projects 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*.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1. About the Department for Environment and Water (continued)

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.

Water for Fodder

The Water for Fodder program forms part of the Australian Government's drought response package to improve the resilience of farmers and rural communities, and support drought-affected farmers in the SA Murray-Darling Basin. An intergovernmental agreement between the Commonwealth and SA Governments provides for the production of up to 100 gigalitres of water from the Adelaide Desalination Plant in two rounds, and the transfer water allocations from entitlements held by the State to eligible irrigators in the Southern Murray-Darling Basin. Commonwealth revenue received under the agreement for Round one in 2019-20 was disbursed by the Minister for Environment and Water to SA Water Corporation (\$27.750 million) and the Department for Environment and Water (\$0.250 million) in respect of milestone outputs under the agreement. Following the review of Round 1 and consultation with South Australia, the Commonwealth has announced that there will not be a second round of the Water for Fodder program. While Round 1 was successful, more water is available in the southern Basin due to autumn rainfall. This has reduced the need for Round 2 as an emergency drought response.

SA Drought Resilience Fund

The South Australian Drought Resilience Fund was established pursuant to the Commonwealth's Water for Fodder program. The Fund receives revenue from Southern Murray-Darling Basin irrigators in exchange for the transfer of South Australian water allocations in accordance with the Water for Fodder program. The Fund will be applied by the Minister towards programs and measures to build the resilience of River Murray water users and environment to withstand drought and longer term climate change, or improve the adequacy, security and quality of the State's water supply from the River Murray.

Adelaide Dolphin Sanctuary Fund

The Adelaide Dolphin Sanctuary Fund was established under the *Adelaide Dolphin Sanctuary Act 2005* to:

- protect the dolphin population of the Port Adelaide River Estuary and Barker Inlet
- protect the natural habitat of the Dolphin population.

The Adelaide Dolphin Sanctuary Fund did not incur any material income or expenditure transactions for the current or prior periods and has therefore not been disclosed as part of the Schedule of Expenses and Income.

A1.1. 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*.

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.

A1.2. 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.

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. Employee benefits disclosed in the schedule of expenses and income relate to the Minister's salary.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1.3. Budget performance

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Administered Comprehensive Income	Note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Income				
Appropriation	a	29 091	20 442	(8 649)
Fees and charges	b	17 405	29 347	11 942
Grants	c	-	28 089	28 089
Income associated with joint operation	i	-	5 544	5 544
Interest		-	37	37
Assets received free of charge	d	-	5 705	5 705
Net gain from the disposal of non-current assets	e	-	10 644	10 644
Intra-government transfers		-	750	750
Other income		270	40	(230)
Total income		46 766	100 598	53 832
Expenses				
Employee benefits		364	368	4
Supplies and services		648	1 238	590
Grants and subsidies	f	37 139	66 613	29 474
Expenses associated with joint operation	i	-	12 222	12 222
Donated assets	g	-	5 200	5 200
Payments to the Consolidated account	h	16 978	33 674	16 696
Impairment loss on receivables		-	2 757	2 757
Total expenses		55 129	122 072	66 943
Net result		(8 363)	(21 474)	(13 111)

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.

- Revenue from SA Government in respect to receipt of the working capital provision for the Natural Resources Management Boards was included in the original budget but not required during 2019-20
- Water penalty charges were higher than the original budget (\$7.6 million). In addition, the sale of water to irrigators under the Water for Fodder program (\$4.0 million to be held in the South Australian Drought Resilience Fund) was not included in the original budget
- Grant revenue from the Commonwealth for the Water for Fodder program was not included in the original budget
- Recognition of crown land (primarily land at Glenithorne) which then reverted to the Minister for Environment and Water was not included in the original budget
- Net gain on disposal of crown land was not included in the original budget
- Transfers to SA Water for costs associated with running the desalination plant under the Water for Fodder program was not included in the original budget

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A1.3. Budget performance (continued)

- g. Crown land donated free of charge in 2019-20 to the DEW Controlled reporting entity in regards to Glenithorne National Park was not included in the original budget
- h. Payments to SA Government in regards to sales of land at State Sports Park and Flinders University was not fully recognised in the original budget
- i. South Australia's share of income and expenses associated with the joint operation was not included in the original budget.

	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Investing expenditure summary			
Total existing projects	293	-	(293)
Total investing expenditure	293	-	(293)

A2. Income

A2.1. Appropriation

	2020 \$'000	2019 \$'000
Recurrent appropriations	20 074	20 694
Appropriations under other Acts	368	360
Total appropriations	20 442	21 054

Appropriations

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution.

A2.2. Revenues from fees and charges

	2020 \$'000	2019 \$'000
Water Levies received from licence holders	17 311	16 850
Penalties	8 074	1 456
Water sales	4 000	-
Crown Lands	8	19
DEW Corporate Administered Items	(46)	(17)
Total revenues from fees and charges	29 347	18 308

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A2.3. Grants revenues

	2020	2019
	\$'000	\$'000
Water for Fodder	28 000	-
Minister's Other Payments	74	-
National Landcare Program	15	-
Total grant revenues	28 089	-

A2.4. Assets received free of charge

	2020	2019
	\$'000	\$'000
Land	5 705	335
Total Assets received free of charge	5 705	335

Assets received free of charge in 2019-20 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 and included land for Glenthorne National Park in 2019-20 valued at \$5.200 million.

A2.5. Net gain from the disposal of non-current assets

	2020	2019
	\$'000	\$'000
Crown land		
Proceeds from disposal	35 271	12 053
Less net book value of assets disposed	(24 627)	(11 866)
Net gain from disposal of Crown land	10 644	187

A2.6. Intra-government transfers

	2020	2019
	\$'000	\$'000
Recovery from the Department of Treasury and Finance for Additional Expenditure	750	-
Total Intra-government transfers	750	-

Intra-government transfers are recognised as income on receipt.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A3. Expenses

A3.1. Grants and subsidies

	2020	2019
	\$'000	\$'000
Water for Fodder	28 000	-
Payments to Natural Resource Management Boards	20 523	20 565
Minister's other payments*	18 050	16 965
Qualco Sunlands	40	80
Total grants and subsidies	66 613	37 610

*Refer note A1.

A3.2. Donated assets

	2020	2019
	\$'000	\$'000
Donated assets	5 200	3 170
Total Donated Assets	5 200	3 170

Donated assets expense in 2019-20 comprised of Crown land donated free of charge to the DEW Controlled reporting entity in regards to Glenthorne National Park pursuant to the *National Parks and Wildlife Act 1972*.

A4. Non-financial assets

A4.1. Property, plant and equipment

	2020	2019
	\$'000	\$'000
Crown land		
Crown land at fair value	556 671	529 905
Crown land at cost (deemed fair value)	505	-
Total Crown land	557 176	529 905
Joint operation property, plant and equipment		
Joint operation property, plant and equipment	735 562	727 054
Total joint operation property, plant and equipment	735 562	727 054
Total property, plant and equipment	1 292 738	1 256 959

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A4.2. Property, plant and equipment owned by the department (continued)

Movement reconciliation of property, plant and equipment

2020	Joint operation			Total
	Crown land	Pastoral land	PP&E	
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	529 905	-	727 054	1 256 959
Adjustment for Crown Lands not previously recognised	19 054	-	-	19 054
Restated opening balance at 1 July 2019	548 959	-	727 054	1 276 013
Assets received for nil consideration	5 705	-	-	5 705
Donated assets	(5 200)	-	-	(5 200)
Disposals	(24 627)	-	-	(24 627)
Joint operations net additions, disposal, other movements	-	-	(8 754)	(8 754)
Subtotal	(24 122)	-	(8 754)	(32 876)
Gains/(losses) for the period recognised in other comprehensive income:				
Revaluation increments/(decrements)	32 339	-	17 262	49 601
Subtotal	32 339	-	17 262	49 601
Carrying amount at 30 June 2020	557 176	-	735 562	1 292 738

2019	Joint operation			Total
	Crown land	Pastoral land	PP&E	
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	558 421	54 116	720 472	1 333 009
Adjustment for Crown Lands not previously recognised	3 847	-	-	3 847
Error correction	(17 662)	-	-	(17 662)
Restated opening balance at 1 July 2018	544 606	54 116	720 472	1 319 194
Assets received for nil consideration	335	-	-	335
Donated assets	(3 170)	-	-	(3 170)
Disposals	(11 866)	-	-	(11 866)
Disposal through administrative restructuring	-	(54 116)	-	(54 116)
Joint operations net additions, disposal, other movements	-	-	(7 320)	(7 320)
Subtotal	(14 701)	(54 116)	(7 320)	(76 137)
Gains/(losses) for the period recognised in other comprehensive income:				
Revaluation increments/(decrements)	-	-	13 902	13 902
Subtotal	-	-	13 902	13 902
Carrying amount at 30 June 2019	529 905	-	727 054	1 256 959

Crown Lands Asset Revaluations

DEW's Crown land assets, comprising primarily of Unalienated land were revalued as at 1 July 2019. The independent revaluation was undertaken by Certified Practising Valuers, Mr Mark Kay, Chief Valuer, Office of the Valuer General and Mr Greg McCloud, Senior Valuer Office of the Valuer General.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A4.2. Property, plant and equipment owned by the department (continued)

A market based method was used when by comparing property data to that of similar sales with consideration of restrictions on use and/ or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

Crown Lands Adjustment

An Adjustment for Crown Lands not previously recognised comprises an increasing adjustment of \$19.054 million (2019: \$3.847 million) to recognise Crown Land that had previously been under the dedication and control of other entities, including other government agencies. The adjustment includes \$16.750 million for removing the dedication and disposal of land parcel to Flinders University.

Crown Lands Error Correction

An error correction of (\$17.662 million) adjusted against retained earnings at 1 July 2018 has been disclosed in the above asset movements schedule. 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. Information leading the recognition of the error correction was obtained during the financial year resulting from the validation of tenement holdings associated with the land revaluation exercise undertaken as at 1 July 2019.

A5. Financial assets

A5.1. Receivables

	2020	2019
	\$'000	\$'000
Current		
Water levies	854	732
Penalties	11 472	4 462
Accrued interest	-	4
Other	179	124
Less allowance for doubtful debts	(5 493)	(2 735)
Total current receivables	7 012	2 587
Total receivables	7 012	2 587

A5.2. 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A5.2. Interest in joint operation (continued)

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2020 (%)	2019 (%)
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:

Murray Darling Basin Authority	2020 \$'000	2019 \$'000
Non-current assets		
<i>Property, plant and equipment</i>		
Infrastructure Assets	708 464	700 572
Work in Progress	22 679	20 899
Other property, plant and equipment assets	4 419	5 583
<i>Intangibles - Water entitlements</i>	163 531	161 454
Total non-current assets	899 093	888 508
Total assets	899 093	888 508
Income	5 544	10 681
Expenses	12 222	10 563

Refer note 4.2 of the DEW Controlled financial statements for details of the State's grant payment made to the MDBA.

The 2020 and 2019 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.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2020

A6. Liabilities

A6.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Creditors	33 131	5 726
Accrued expenses	14	9
Other	428	297
Total current payables	33 573	6 032
Total payables	33 573	6 032

A7. Other disclosures

A7.1. Administered cash flow reconciliation

	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
National Landcare Program	358	341
Crown Lands	35 453	7 528
SA Drought Resilience Fund	4 000	-
Natural Resource Management Fund	4 022	3 590
Qualco Sunlands	114	71
National Action Plan for Salinity and Water Quality	37	37
Adelaide Dolphin Sanctuary	1	1
The Department's Corporate Administrative Items	2 430	2 406
Cash and cash equivalents disclosed in the Statement of Financial Position	46 415	13 974
Balance as per the Statement of Administered Cash Flows	46 415	13 974
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	(2 830)	(10 651)
Add / (less) non-cash Items		
Expenses associated with joint operation	(12 222)	(10 563)
Income associated with joint operation	5 544	10 681
Assets received free of charge	5 705	335
Donated assets	(5 200)	(3 170)
Net gain on disposal of non-current assets	10 644	187
Movement in assets and liabilities		
(Decrease)/increase in receivables	4 425	(505)
(Increase)/decrease in payables	(27 540)	616
Net result	(21 474)	(13 070)

A8. Outlook

A8.1. Contingent assets and liabilities

A contingent asset is acknowledged whereby the Minister for Environment and Water 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.