



Government of South Australia

Department of Environment,
Water and Natural Resources

**HOUSE OF ASSEMBLY
LAID ON THE TABLE**

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30 September 2015

Hon Ian Hunter MLC
Minister for Sustainability, Environment and Conservation
Minister for Water and the River Murray
Minister for Climate Change
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

I am pleased to present the Department of Environment, Water and Natural Resources' Annual Report for the financial year 1 July 2014 to 30 June 2015.

This report has been prepared in accordance with the:

- *Public Sector Act 2009*
- *Public Sector Regulations 2010*
- *Public Finance and Audit Act 1987*
- Department of the Premier and Cabinet Circular *PC013 – Annual Reporting Requirements*.

Yours sincerely



Sandy Pitcher
CHIEF EXECUTIVE

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CHIEF EXECUTIVE'S STATEMENT

This is my first Annual Report as the Chief Executive of the Department of Environment, Water and Natural Resources. Over the last eight months, I have been privileged to lead a dynamic and positive team of people who are all dedicated to helping South Australians to conserve, sustain and prosper.

Adelaide is the State's gateway, centrally located to allow visitors easy access to outback Australia, to marine parks and numerous established and emerging tourism regions, including the Mount Lofty Ranges, the Fleurieu Peninsula and Kangaroo Island. The potential of nature-based tourism as a driver for sustainable economic development is enormous, with nature-based tourism being one of the world's fastest growing industries.

South Australia's large network of parks and reserves offer unique visitor experiences along with the protection and conservation of natural and cultural assets. South Australia's parks attract more than four million visits each year, with around a quarter of these from people who live interstate or overseas. Nature-based tourists from overseas spend over \$19 billion a year in Australia as they come to access and use our natural places. There is great potential for further growth in South Australia's share of this market and there are a host of existing destinations that are yet to reach their full potential.

In addition to the environmental and economic importance of our reserve system, it is well recognised that South Australians and visitors derive health and wellbeing benefits from parks and reserves. The link between nature and good health in South Australia was recently formalised in a landmark agreement with South Australia's health chiefs at the People, Parks and Wellbeing Conference. The three-year memorandum of understanding will see our two agencies work together to build the public value of parks by investing in health and wellbeing related initiatives.

We also invest in providing genuine opportunities for Aboriginal people. At 30 June 2015, Aboriginal people were identified as 2.4 percent of our workforce, with the department also contributing to the employment of Aboriginal people through other avenues such as the Aboriginal Learning on Country Program in the South Australian Murray-Darling Basin region. The State also fosters a shared desire to manage land in a way that combines traditional knowledge with contemporary park management through co-management of parks in South Australia. There are now 12 co-management agreements covering two-thirds of the area of the parks system, being more than 13 million hectares. The latest to be established is the Ngaut Ngaut Conservation Park, with the transfer of title going into Aboriginal ownership, while still being retained as a co-managed park.

Our biggest challenge will be our changing climate and the need to respond. In response to the challenges posed by climate change, the government announced its ambition to establish a carbon neutral 'Adelaide Green Zone' to make it the world's first carbon neutral city. In 2012-13, the City of Adelaide generated nearly one million tonnes of greenhouse gas emissions from electricity and gas consumption, transport and waste. The new approach will concentrate on realising the economic opportunity of the transition to a low carbon economy, whilst focussing government funding on unlocking investment in South Australia. This would differentiate Adelaide from other Australian capitals and could also help to make Adelaide more attractive to business. The department is responding to this challenge and will work with South Australia's communities, businesses and government representatives to address this challenge.

I have been encouraged by the positive relationship that has formed between the department, the University of South Australia and Ocean Park in Hong Kong through the gifting of koalas. At the recent opening of the 'Adventures in Australia' exhibit at Ocean Park in Hong Kong, the department, the University of South Australia and Ocean Park signed a memorandum of understanding to work together to research this iconic Australian animal. The transfer of our ambassadors – Dougie, Merinda and Yani -

will help enhance South Australia's reputation as a leader in nature based tourism and is an amazing opportunity to promote South Australia.

I would like to take this opportunity to acknowledge and thank my colleagues for their enormous support, especially my executive colleagues and Group Executive Directors, Tim Goodes, John Schutz and Ben Bruce. I would also like to thank the Minister, Hon Ian Hunter MLC, for his goodwill, support and sound advice. Most importantly, I recognise the decent and hardworking employees and volunteers of DEWNR.

Sandy Pitcher

CHIEF EXECUTIVE

ABOUT DEWNR

The Department of Environment, Water and Natural Resources (DEWNR) leads the management of South Australia's natural resources. Our aim is to protect our environment and support healthy and productive natural resources which sustain our wellbeing and economy.

DEWNR works across a diverse range of issues, including climate change, water security, the health of the River Murray, nature conservation, sustainable land management, built and cultural heritage, and the management of parks, botanic gardens and public lands.

In partnership with the State's eight natural resources management (NRM) boards, DEWNR works to advise, inform and support community and government decision-making and to deliver services to communities.

DEWNR's purpose is to help South Australians conserve, sustain and prosper.

DEWNR achieves this by being:

- a **facilitator** of community involvement in and responsibility for the environment;
- a **steward** of the State's natural resources to enable sustainable development;
- the **custodian** of public places (parks, gardens, heritage places and Crown lands) for public benefit and enjoyment, and for their intrinsic value; and
- an **authority** on the State's environment and natural resources to help governments, businesses and individuals make good long-term decisions.

RELATIONSHIPS

The department, in partnership with the State's eight NRM boards, works closely with State agencies, including the Environment Protection Authority, Green Industries SA (formerly Seero Watse SA), SA Water, SAFECOM, the Department of the Premier and Cabinet, the Department of Treasury and Finance, Primary Industry and Regions SA, the Department of State Development, Country Fire Service and the Department of Planning, Transport and Infrastructure.

The department works with local government (the Local Government Association) and Australian Government agencies, including the Department of the Environment and the Department of Agriculture, Fisheries and Forestry on partnership programs and funding agreements which support the delivery of priority projects across the State.

A coordinated and consistent approach is used to deliver our priorities, with departmental officers participating in many State and national committees and working groups.

The department also works closely with conservation groups to coordinate and deliver community grants, volunteering programmes and conservation activities. Partnerships with local government, industry, landholders, NRM agencies and community organisations include the Conservation Council SA, Conservation Volunteers Australia, Friends of Parks, Greening Australia, National Trust of South Australia, Nature Conservation Society SA, Nature Foundation SA, Nature Glenelg Trust, Trees for Life, The Wilderness Society and Zoos SA.

Partnerships with research organisations build knowledge and capacity across the State, including with the National Centre for Groundwater Research and Training, Goyder Institute for Water Research, University of Adelaide, University of South Australia, Flinders University and SARDI.

THE PORTFOLIO

DEWNR is one of the agencies within the Sustainability, Environment and Conservation portfolio, along with the Environment Protection Authority and Green Industries SA (formerly Zero Waste SA). This portfolio is the responsibility of the Minister for Sustainability, Environment and Conservation, the Minister for Water and the River Murray, and the Minister for Climate Change.

GOVERNANCE

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

DEWNR provides support to a number of advisory and decision-making boards and committees established under legislation committed to the Minister for Sustainability, Environment and Conservation, the Minister for Water and the River Murray, and the Minister for Climate Change.

LEGISLATION

DEWNR is responsible for providing advice on, and administering under delegated authority, a range of State legislation committed to the Hon Ian Hunter MLC, Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, and Minister for Climate Change.

Administrative legislation

DEWNR complies with applicable administrative legislation, including:

- *Copyright Act 1968 (Cth)*
- *Disability Discrimination Act 1992 (Cth)*
- *Equal Opportunity Act 1984*
- *Freedom of Information Act 1991*
- *Independent Commissioner Against Corruption Act 2012*
- *Library Act 1982*
- *Ombudsman Act 1972*
- *Parliamentary Committees Act 1991*
- *Privacy Act 1988 (Cth)*
- *Public Finance and Audit Act 1987*
- *Public Sector Act 2009*
- *Public Sector (Honesty and Accountability) Act 1995*
- *State Procurement Act 2004*
- *State Records Act 1997*
- *Whistleblowers Protection Act 1993*
- *Work Health and Safety Act 2012*

Legislation administered by DEWNR

DEWNR derives its functions, authorities and responsibilities through legislation committed to the Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray and Minister for Climate Change and legislation that applies generally to the public sector.

These Acts deal with the:

- administration of Crown lands
- creation and management of conservation and pastoral areas
- protection of vegetation and wildlife and the welfare of animals
- conservation, protection or management of cultural assets
- conservation or management of specific public or cultural areas of the State
- conservation, protection and management of natural resources, including water
- challenge of addressing climate change

- regulation of the water industry
- provision or management of water, sewerage and storm water services, facilities and schemes.

The following legislation was administered by DEWNR during 2014-15:

- *Adelaide Dolphin Sanctuary Act 2005*
- *Adelaide Park Lands 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*
- *Ground Water (Qualco-Sunlands) Control Act 2000*
- *Groundwater (Border Agreement) Act 1985*
- *Heritage Places Act 1993*
- *Historic Shipwrecks Act 1981*
- *Irrigation Act 2009*
- *Lake Eyre Basin (Intergovernmental Agreement) Act 2001*
- *Lands for Public Purposes Acquisition Act 1914*
- *Marine Parks Act 2007*
- *Metropolitan Drainage Act 1935*
- *Murray-Darling Basin Act 2008*
- *National Parks and Wildlife Act 1972*
- *National Trust of South Australia Act 1955*
- *Native Vegetation Act 1991*
- *Natural Resources Management Act 2004*
- *Pastoral Land Management and Conservation Act 1989*
- *Renmark Irrigation Trust Act 2009*
- *River Murray Act 2003*
- *River Murray Waters Agreement Supplemental Agreement Act 1963*
- *River Murray Waters (Dartmouth Reservoir) Act 1971*
- *South Eastern Water Conservation and Drainage Act 1992*
- *Water (Commonwealth Powers) Act 2008*
- *Water Efficiency Labelling and Standards (South Australia) Act 2013*
- *Water Industry Act 2012*
- *Wilderness Protection Act 1992*
- *Wilpena Station Tourist Facility Act 1990*

BOARDS AND COMMITTEES

In 2014-15, DEWNR provided administrative support to the following boards and committees:

- Adelaide and Mount Lofty Ranges NRM Board + Committees and Groups
- Adelaide Dolphin Sanctuary Advisory Board
- Alinytjara Wilurara NRM Board
- Animal Ethics Committee – Wildlife
- Animal Welfare Advisory Committee
- Arabana Parks Advisory Committee
- Board of the Botanic Gardens and State Herbarium
- Border Groundwater Review Committee
- Breakaways Conservation Park Co-Management Board
- Coast Protection Board
- Dog and Cat Management Board
- Dog Fence Board + Local Dog Fence Boards
- Eight Mile Creek Water Conservation Drainage Board
- Eyre Peninsula NRM Board + Committees
- Flinders Ranges National Park Co-Management Board
- Gawler Ranges National Park Co-Management Advisory Committee
- General Reserves Trust
- Kangaroo Island NRM Board + Committees
- Lake Gairdner National Park Co-Management Board
- Maralinga Lands Unnamed Conservation Park Board
- Marine Parks Council of South Australia
- Native Vegetation Council + Committees
- Natural Resources Management (NRM) Council + Subcommittees
- Ngaut Ngaut Conservation Park Co-Management Committee
- Northern and Yorke NRM Board + Groups
- Pastoral Board

- Premier's Climate Change Council
- Scientific Working Group
- South Australian Arid Lands NRM Board + Committees and Groups
- South Australian Heritage Council
- South Australian Heritage Council Register Committee
- South Australian Murray-Darling Basin NRM Board + Groups
- South East NRM Board + Groups
- South Eastern Water Conservation Drainage Board
- South Australian National Parks and Wildlife Council
- Stormwater Management Authority Board
- Vulkathunha-Gammon Ranges National Park Co-Management Board
- Wilderness Advisory Committee
- Witjira National Park Board of Management
- Yandruwandha Yawarrawarrka Parks Advisory Committee

On 8 July 2014, the Premier announced that every government board and committee would be abolished unless it could demonstrate that it had an essential purpose that could not be fulfilled in an alternative way. DEWNR commenced a review of the boards and committees listed above against a set of five specific criteria. As a result of the extensive review, DEWNR boards and committees were categorised as either *retain*, *abolish*, *merge*, *other reform*, *subject to further investigation* or *reclassify*. The *Statutes Amendment (Boards and Committees - Abolition and Reform) Act 2015*, which became operational on 1 July 2015, gave effect to a number of the proposed changes.

The changes included the abolition of the NRM Council and General Reserves Trust. The General Reserves Trust did not meet during the 2014-15 financial year. The NRM Council met four times but continued to deal with its legislative responsibilities out of session, as required. At the last official meeting of the Council held in December 2014, members discussed future opportunities and challenges for the State's natural resources management system and provided strategic advice and reflections to the Minister for consideration.

In addition, it was decided to merge the Adelaide Dolphin Sanctuary Advisory Board, Marine Parks Council, Scientific Working Group, National Parks and Wildlife Council and the Wilderness Advisory Committee to create the new Parks and Wilderness Council. The new Parks and Wilderness Council was established on 1 July 2015 but is not expected to become fully operational until around October 2015.

During 2014-15, the Marine Parks Council did not hold any official meetings. Seven members' terms of appointment ended on 20 July 2014 (leaving only three Council members plus an ex-officio member) and these vacancies were not filled given that the review of all boards and committees was underway.

During 2014-15 the Adelaide Dolphin Sanctuary Advisory Board, Scientific Working Group, National Parks and Wildlife Council and the Wilderness Advisory Committee continued to meet as required in order to discuss mandatory operational matters, provide advice to the Minister on the boards and committees review and to consider matters that would require transfer to the new Parks and Wilderness Council. These Boards (with the exception of the National Parks and Wildlife Council which held a meeting in May 2015) only continued meeting until December 2014 and then dealt with any urgent matters or mandatory requirements out of session.

Further, a number of other legislative changes were made in an attempt to streamline DEWNR's boards and committees, including the appointment of members by the Minister rather than the Governor. A more detailed summary of the review and reform work undertaken can be found in the Premier's Final Report on Boards and Committees, which was released on 30 October 2014.

RECONCILIATION

Reconciliation statement

The staff of DEWNR recognise South Australia's Aboriginal people as the traditional custodians of the State's lands, water, plants and animals, commonly known as country.

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

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

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

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

Reconciliation actions

DEWNR continues to build relationships and maintain partnerships with Aboriginal communities across the State to support our programmes, goals and services to deliver progressive outcomes for all South Australians. By working together, we have developed various mechanisms that contribute to genuine reconciliation, such as:

- combined partnership arrangements with NRM boards, the Australian Government, Aboriginal Lands Trust and other State organisations to deliver further economic opportunities for Aboriginal people
- co-management agreements and regional agreements such as the Kungun Ngarrindjeri Yunnan Agreement
- effective partnerships with Aboriginal communities that have Freehold Land Titles, such as Anangu Pitjantjatjara Yankunytjatjara (APY) and Maralinga Tjarutja
- delivering a wide range of on-ground projects across the State, including the Coorong Lower Lakes and Murray Mouth Recovery Project and Riverine Recovery Project.

We provide genuine opportunities for Aboriginal people to participate, prosper and progress. At 30 June 2015 Aboriginal people were identified as 2.4 percent (40) of DEWNR's workforce, exceeding the South Australian Strategic Plan target of two percent. It is also important to note, the department contributes to the employment of Aboriginal people through other avenues such as the Aboriginal Learning on Country (ALOC) Programme in the South Australian Murray-Darling Basin region, which employs 18.0 FTE Aboriginal staff (2.0 internal) for projects based in Berri, Gerard, Monarto Zoo, Murray Bridge and Raukkan. A Riverland Working on Country Project employs 5.8 FTE Aboriginal rangers and another ALOC program based in the AMLR region employs 4.5 FTE Aboriginal staff, which is now on the AMLR contract register and is developing into an independent and sustainable business example.

There are now 12 co-management agreements covering two-thirds of the area of the parks system that cover over 13 million hectares. The latest is the Ngaut Ngaut Conservation Park, with the transfer of title going into Aboriginal ownership, while still being retained as a co-managed park. The eLiners Ranges National Park is under co-management where western quolls were recently introduced as part of the Bounceback Program.

A renewed Reconciliation Action Plan is currently being drafted along with an updated version of the Aboriginal Workforce Strategy. It is anticipated these documents will further enhance the department's ability to deliver better reconciliation outcomes across South Australia.

DIGITAL BY DEFAULT DECLARATION

DEWNR has consistently demonstrated leadership in the delivery of openly licensed data, suitable for commercial reuse. The department was recognised with a Sustainability iAward in 2014 for innovation in open data delivery. On behalf of the Natural Resources Chief Executive's group, DEWNR launched and hosts Enviro Data SA (<http://data.environment.sa.gov.au>), a customer-focussed open data portal for environmental and natural resources topics.

In 2014-15 DEWNR continued expanding the number of products and services available online to regulatory customers and tourists.

Consultation with irrigators in the McLaren Vale Prescribed Wells region highlighted opportunities to improve the cost and speed of transferring water allocations. In response, a new online assessment tool makes this process easier and faster. The self-service assessment system has won a Water Industry Alliance award for innovation. In addition to the self-assessment tool, DEWNR introduced an online application form for requests to transfer water, which includes options for secure electronic payment.

Through consultation, the kangaroo harvesting industry has benefitted from digitally-enabled reform. Sealed tags, which are required by law to be attached to any commercially harvested kangaroo, used to be purchased by meat processors and passed on to field processors. Following calls from the industry for change, the first phase of the new process and online forms were rolled out in December 2014. Field processors can now directly purchase the appropriate tags for each species and location they are permitted to operate. The Kangaroo Management Reference Group, advising DEWNR on all matters related to kangaroo management, congratulated the department on the successful implementation.

In July 2014, DEWNR rolled out additional online capability to book park entry, camping and accommodation in National Parks and reserves, including Innes and Mount Remarkable National Parks, and Limestone Coast parks and reserves, as well as diving times for Piccaninnie Ponds.

During 2014-15, DEWNR also consulted extensively with staff to inform its future Digital Strategy, to support both internal and external business and service transformation.

ORGANISATIONAL STRUCTURE

DEWNR's organisational structure comprises three groups, each led by a Group Executive Director, underpinned by regions and functional branches. All regions and branches work in partnership with the eight NRM boards.

Strategy and Advice

The Strategy and Advice Group leads the development and implementation of government policies and strategies. The group provides practical and informed advice to guide operations and inform government, business and community decision-making.

The group's roles include:

- developing and reviewing policy and legislation for natural resources, climate change, sustainable water use and the interaction of people with parks, public places and heritage

- providing information and advice about the quality, quantity, use and conservation of our natural resources and heritage
- monitoring and using science to support and inform policy and delivery, and to enhance the State's scientific knowledge and understanding
- driving organisational strategy and performance initiatives to facilitate our development and ongoing improvement
- providing governance, legal, risk and audit advice and services for the department, the Minister and the boards and committees supported by the department
- coordinating internal and external communication and providing strategic guidance to inform our engagement with communities and customers
- supporting our many boards and committees.

Partnerships and Stewardship

The Partnerships and Stewardship Group is responsible for much of the department's on-ground operations, including service delivery through eight regions – Alinytjara Wilurara, Adelaide and Mount Lofty Ranges, Eyre Peninsula, Kangaroo Island, Northern and Yorke, South Australian Arid Lands, South Australian Murray–Darling Basin, and South East – in partnership with the NRM boards.

The group's roles include:

- coordinating regional natural resources management planning and priority-setting with communities
- regional delivery of a range of services, including land and water resource assessment and planning, nature conservation, sustainable land management advice and technical support, monitoring and evaluation, and compliance and enforcement activities
- coordinating and delivering community grants, volunteering programs and activities to engage communities and involve people in natural resources management
- bushfire and flood hazard management
- delivering major projects, including maintenance of water infrastructure and ecological restoration programs for riverine environments
- managing River Murray operations, infrastructure and Living Murray Icon Sites
- managing visitor services and public access to national parks and reserves.

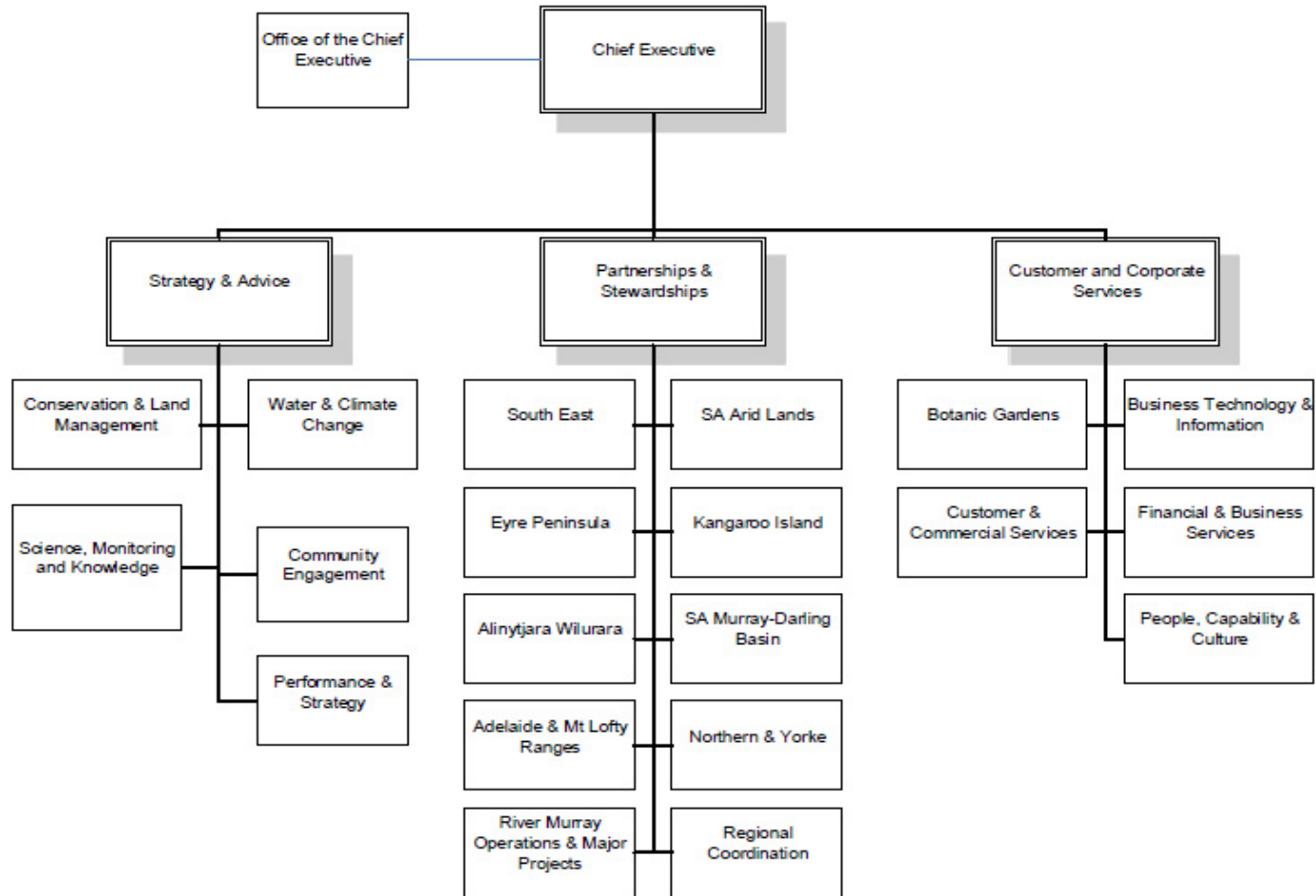
Customer and Corporate Services

The Customer and Corporate Services Group provides the agency support and customer services that ensure we are a high-performing and customer-focused organisation.

The group's roles include:

- serving customers through the administration of leases, licences and permits
- managing crown land as a public asset
- showcasing our botanic gardens for the benefit and enjoyment of the community
- managing commercial sites including State Flora, Cleland Wildlife Park and Seal Bay
- providing corporate services for the organisation, including financial, human resources, business planning, business operations and work health and safety.

Organisational Structure (as at 30 June 2015)



SOUTH AUSTRALIA'S STRATEGIC PLAN

State strategic priorities

Of the Government's seven strategic priorities, DEWNR supports delivery of:

- Creating a vibrant city
- Safe communities, healthy neighbourhoods
- Premium food and wine from our clean environment
- Realising the benefits of the mining boom for all South Australians.

State economic priorities: South Australia is the place where people and business thrive

Of the Government's ten economic priorities, DEWNR supports delivery of:

- Priority one: unlocking the full potential of South Australia's resources, energy and renewable assets
- Priority two: premium food and wine produced in our clean environment and exported to the world
- Priority five: South Australia - a growing destination choice for international and domestic travellers
- Priority eight: Adelaide, the heart of the vibrant State
- Priority nine: promoting South Australia's international connections and engagement.

Lead agency targets

DEWNR was lead agency for the following South Australia's Strategic Plan (SASP) targets in 2014-15:

Target 59 – Greenhouse gas emissions reduction

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

Target 62 – Climate change adaptation

Develop regional climate change adaptation plans in all State Government regions by 2016.

Target 69 – Lose no species

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

Target 70 – Sustainable land management

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

Target 71 – Marine biodiversity

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

Target 72 – Nature conservation

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

Target 73 – Recycled stormwater

South Australia has the system capacity to harvest up to 35 GL of stormwater per annum by 2025.

Target 74 – Recycled wastewater

South Australia has the system capacity to recycle up to 50 GL of wastewater per annum by 2025.

Target 75 – Sustainable water use

South Australia's water resources are managed within sustainable limits by 2018.

Target 76 – River Murray – flows

Increase environmental flows in the River Murray by a minimum of 1500 GL by 2018.

Target 77 – River Murray – salinity

South Australia maintains a positive balance on the Murray-Darling Basin Authority salinity register.

Public sector targets

The department also supported the delivery of these additional public sector targets:

Target 1 – Urban spaces

Increase the use of public spaces by the community.

Target 2 – Cycling

Double the number of people cycling in South Australia by 2020.

Target 4 – Tourism industry

Increase visitor expenditure in South Australia's total tourism industry to \$8 billion and on Kangaroo Island to \$180 million by 2020 (Milestone of \$6.3 billion (total industry) by 2014).

Target 6 – Aboriginal wellbeing

Improve the overall wellbeing of Aboriginal South Australians.

Target 23 – Volunteering

Maintain a high level of formal and informal volunteering in South Australia at 70% participation rate or higher.

Target 28 – Aboriginal leadership

Increase the number of Aboriginal South Australians participating in community leadership and in community leadership development programmes.

Target 32 – Customer and client satisfaction with government services

Increase the satisfaction of South Australians with Government services by 10% by 2014, maintaining or exceeding that level of satisfaction thereafter.

Target 33 – Government planning decisions

South Australia leads the nation in timely decisions of development applications through to 2020.

Target 50 – People with disability

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

Target 52 – Women

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

Target 53 – Aboriginal employees

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

Lead agency election policy commitments

Of the Government's election policy commitments, DEWNR has responsibilities to:

- develop a new strategy for climate change action together with the community
- increase South Australia's system of parks and reserves to protect more of the State's unique environment
- invest \$1.7 million to create the Adelaide International Bird Sanctuary over the former Dry Creek salt fields, and extending for 60 kilometres along the Gulf St Vincent coast from the Barker Inlet in the south to Parham in the north
- encourage more South Australians to use our metropolitan parks and reserves through initiatives such as establishing a scenic lookout at Onkaparinga Gorge, upgrading and expanding the facilities and walking trails in Onkaparinga National Park (\$8.9m over four years).
- invest \$1.5 million over four years to establish the Mount Lofty region as an international mountain bike destination
- ensure South Australia's 19 marine parks are effectively managed
- establish new recreational fishing opportunities
- implement Building Upgrade Finance in South Australia
- implement amendments to the Pastoral Land Management and Conservation Act 1989 to allow renewable energy developers to access Crown owned land used for pastoral purposes
- commission a business case for developing a publicly accessible database that captures the micro-chipping details for pets
- increase the RSPCA annual funding grant to \$1 million per year indexed
- amend legislation to require animals sold through the commercial pet trade to be micro-chipped before being sold
- establish a new code of practice targeting both 'puppy farms' and individuals to make sure family pets come from healthy and humane conditions
- provide a further \$1.6 million to the Botanic Gardens to extend their current Kitchen Garden initiative to include a pre-school visiting program
- investigate reforms to third party access to State-owned water infrastructure
- progress COAG initiatives across the environment portfolio
- construct a new five-day Kangaroo Island Wilderness Walking Trail
- establish Nature Play SA, an independent not-for-profit organisation.

DEWNR CORPORATE PLAN 2014-15

The *Corporate Plan 2014-15* sets the department's roles and priorities for delivery over that period, outlined below.

The department is structured and guided by the priorities described in the corporate plan, and delivers its obligations and services described as ten agency goals:

Goal 1.1	Ensure the management of natural resources is sustainable
Goal 1.2	Help South Australia prepare for climate change
Goal 1.3	Ensure that animals are treated humanely
Goal 2.1	Manage water for economy, society and environment
Goal 2.2	Deliver a healthy working River Murray
Goal 3.1	Enhance visitor experiences at parks and places
Goal 3.2	Help mitigate the impacts of bushfires
Goal 3.3	Improve management of public and listed assets
Goal 3.4	Curate high quality Botanic Gardens
Goal 4	Achieve a modern and effective organisation

ACHIEVEMENTS

Achievements against each of the Corporate Plan goals, other lead agency targets, and State strategic priorities are highlighted below.

Program Performance

Goal 1.1 Ensure the management of natural resources is sustainable

Objective

To ensure the sustainability of our natural resources through the administration of legislation, planning, and the delivery of natural resources management programmes.

Natural resources security – State-wide

DEWNR worked in partnership with Primary Producers SA, regional NRM boards, the NRM Council and the Department of Primary Industries and Regions (PIRSA) to develop the new 'Agriculture and NRM Working Together Action Plan for 2014 – 2017'. The Action Plan focuses on improving how the NRM system and the agricultural sector work together in South Australia. It demonstrates a continued commitment by the partners to work together on priority issues for the benefit of both agriculture and NRM. This supports the delivery of State Economic Priority two (premium food and wine from our clean environment and exported to the world) and the State NRM Plan.

To assist with streamlining State environmental assessments and approvals, the current assessment bilateral agreement, which accredits the major development provisions of the *Development Act 1993* under the *Environment Protection and*

Unlocking SA's resources

Premium food and wine

Benefits of the mining boom

SA - a growing destination choice for international and domestic travellers

Adelaide, the heart of the vibrant state

SASP Target 62 – Climate change adaptation

SASP Target 69 – Lose no species

SASP Target 70 – Sustainable land management

SASP Target 71 – Marine biodiversity

SASP Target 72 – Nature conservation

Biodiversity Conservation Act 1999 (EPBC Act) to undertake assessments on behalf of the Commonwealth, was updated and approved. The *Mining Act 1971* was also included in this updated assessment bilateral. A draft approval bilateral has also been developed and undergone public consultation. This draft agreement is now awaiting amendments to the EPBC Act prior to being progressed further.

DEWNR, in conjunction with State environmental regulation agencies, contributed to South Australia's recent, current and proposed reforms to the Interim Report on the National Review of Environmental Regulation. This reform is part of a program of environmental regulatory streamlining being undertaken through the Meeting of Environment Ministers, which was established by the Commonwealth Minister of the Environment and first met in April 2014. The report is available on the Commonwealth Department of the Environment website (<http://www.environment.gov.au/>).

DEWNR worked with PIRSA and the Department of State Development (DSD) to review South Australia's application to export beach-cast marine algae. This led to the development of a State-based framework for the management of the industry for environmental sustainable development.

In collaboration with researchers from across Australia, DEWNR compiled and processed South Australia's comprehensive soil catalogue for use in the new Soil and Landscape Grid of Australia. Soil and landscape data for the whole of Australia has been produced at the finest resolution ever. Knowledge about soil and landscape is crucial for land managers to facilitate productive agriculture, protected biodiversity, effective water management and appropriate infrastructure development.

The Natural Resources Management Reporting Framework Trial was completed, with 56 State-wide report cards and 242 regional snapshots produced. These assess the status and trends in condition of our State's natural resources. This is the first time that South Australia has undertaken such a comprehensive audit of our natural resources. The single-page report cards and regional snapshots are available on Enviro Data SA. These report cards inform NRM investment decisions and community understanding of the status and trends in the condition of our natural resources at State and regional levels.

The Natural Resources Management Research and Innovation Network is led by DEWNR and includes the SA NRM boards, the University of Adelaide, the University of South Australia, Flinders University, PIRSA and SA Water. The flagship of the network is the weekly newsletter that reports on a range of natural resources management research opportunities and publications. The newsletter has more than 15 000 subscribers with interest continuing to grow. Twenty five Honours scholarships and six third year internship programmes in the field of natural resources management research were provided in 2014-15.

The NRM Council met four times during 2014-15, which included a strategic planning workshop. Throughout the year the Council fulfilled its statutory functions, however, it ceased to formally meet from December 2014. This was due to the Government's recommendation to abolish the NRM Council following its review and reform of boards and committees. At the last official meeting of the Council, members discussed future opportunities and challenges for the State's natural resources management system and insights into the emerging trends and issues. As a result, the NRM Council prepared strategic advice and reflections for the Minister's consideration.

DEWNR and associated statutory bodies contributed to numerous major developments and significant activities to ensure the maintenance of environmental values while facilitating sustainable economic development.

DEWNR continued to actively engage in the State Government's Planning Reform process, which aims to create an effective and efficient planning system. DEWNR is working with DPTI to ensure that the SA land use planning system enables ecologically sustainable development. DEWNR participated on the Agency Reference Group for the Expert Panel on Planning Reform, made a submission on the Expert Panel's second report, *Our Ideas for Reform*, and contributed to the Government's response to the Expert Panel's final report, *The Planning System We Want*. DEWNR will continue to provide input into the associated legislative reform process.

The *Pastoral Land Management and Conservation (Renewable Energy) Amendment Bill 2014* was assented to on 23 October 2014. These amendments remove barriers to investment in renewable energy development in the north of the State, creating jobs and investment in regional South Australia.

The Dry Creek saltfield is on both Freehold and Crown land between Barker Inlet and Middle Beach, north of Adelaide. The closure of its only customer forced the cessation of salt production by the site operator. Successful closure of the saltfield and its transition to future land uses is a challenge, but will provide opportunities to improve water quality, conservation, residential and business development, and climate change adaptation. The Government has invested \$2.276 million over 2014-15 and 2015-16 through DEWNR to work with the site operator on the saltfield closure project to manage the associated risks and deliver benefits for the South Australian community. DEWNR heads up the Dry Creek Saltfield Closure Chief Executives' Steering Group.

Wildlife biosecurity matters supported by DEWNR in 2014-15 included provision of expert advice into national and State strategies to reduce the potential spread and impact of Myrtle Rust and *Phytophthora cinnamoni* in SA's natural environment, policy and operational support in response to whale and dolphin strandings across the SA coast, and coordination of activity around feral cat management. This includes support for the feral cat targets in the Australian Government Threatened Species Strategy, the Ministerial declaration of feral cats as a pest of national interest and expert advice for the review of the feral cat threat abatement plan.

DEWNR worked with other government agencies, affected industries and communities to develop responses to a range of marine mammal issues. This included technical advice and policy development relating to long-nosed fur seals and fisheries, technical advice to reduce the impact of aquaculture debris on marine mammals and finalising the policy relating to marine mammal intervention (e.g. rescue, release, entanglement). A review of the *National Parks and Wildlife (Wildlife) Regulations 2001* commenced in 2014-15, including workshops with stakeholders and the release of a discussion paper for consultation.

DEWNR worked in partnership with agricultural advisory and consultancy groups, both government and non-government, to deliver soil management programs to regional farm industry groups. Highlights include the release of 'Smart Apps for smart farmers v2' in December 2014, developed in partnership with the SA Murray-Darling Basin NRM Board and Ag Excellence Alliance. Five 'Innovation in agriculture' fora were held across the State, generating considerable interest in new technologies such as the use of drones. An independent evaluation of these fora showed that participants increased their understanding of the synergies between agriculture and natural resources management.

Soil acidity is an emerging issue for South Australian soils and land managers. A 'Managing soil acidity' technical and project update was held in mid-2015 to share the most recent data and knowledge on this issue with government staff, industry groups, lime contractors/suppliers and advisors.

With PIRSA, DEWNR participated in a 90-day change project to investigate policy options to facilitate camel grazing on native vegetation in South Australia. Draft guidelines under the *Native Vegetation Act*

1991 for development of a management plan that would meet both *Native Vegetation Act 1991* and *Pastoral Land Management and Conservation Act 1989* requirements relating to grazing camels on native vegetation were developed during the 90-day change project and were released for public consultation.

Native vegetation management

The South Australian Government is currently reforming native vegetation management in South Australia. This will improve the regulatory system and deliver better outcomes for the environment and the community.

The department supported the development of Olympic Dam Corporation's Naturelinks concept which will have the potential to provide 1.6 million hectares as a significant environmental benefit.

Key projects progressed through the year were the first phase of transition to a regional delivery model, development of the Third Party Significant Benefits Offset Scheme and review of the *Native Vegetation Regulations 2003*.

Further details are contained in the Native Vegetation Council Annual Report 2014-15.

Coast and beach protection

The Adelaide's Living Beaches strategy ensures that sand is kept on Adelaide's beaches to provide protection against erosion and damage to coastal infrastructure, and so that people can continue visiting and enjoying our beaches. Pipelines and pumping stations along Adelaide's coast are used to collect sand from areas where it builds up at Glenelg and the River Torrens outlet and pump it southwards to be deposited onto eroding beaches. 137 000 cubic metres of sand was pumped from these locations in 2014-15. In addition, 56 000 cubic metres of sand was transported by truck to replenish eroding beaches.

To protect settlements and infrastructure from erosion, flooding and the exacerbating effects of climate change-induced sea level rise, the department administered \$391 000 of grants to councils for coast protection studies and works on behalf of the Coast Protection Board.

Allowing for the impacts of climate change and guiding sustainable development, coastal development was delivered by providing expert advice into regional Integrated Vulnerability Assessments and providing advice and direction on 153 development applications under delegation from the Coast Protection Board. Input to one statement of intent and three development plan amendments were provided under delegation from the Board.

Further information is contained in the Coast Protection Board Annual Report 2014-15.

Wildlife licensing and permitting

DEWNR is reviewing the *National Parks and Wildlife (Wildlife) Regulations 2001*, to contemporise the policy settings for rescue and release, keeping and trading of native animals and native seed collection. Key drivers for the review are to reduce regulatory burden on business and private individuals and to ensure the conservation of native species in the wild is not compromised. The community has been engaged in the regulation review in 2014-15 through stakeholder workshops and the release of a discussion paper for consultation. Furthermore, DEWNR issued and maintained 13 342 active permits for the year ending 30 June 2015. Of these permits 9331 (70%) were requested for hunting purposes (general hunting and duck hunting), 1363 (10%) for import and export permits and the remaining 2648 (20%) for keep and sell, destruction and other miscellaneous permits.

Regional NRM planning, governance and evaluation

In 2014-15, the department strengthened the partnership arrangements with the eight regional NRM boards through the joint development and signing of a Service Level Agreement. DEWNR also provided technical advice and policy support to the regional NRM boards as part of the process for developing the regional NRM plans, and provided assistance with the implementation of resilience planning approaches to regional NRM planning. The department worked in partnership with the boards to produce the first round of report cards as part of the Natural Resources Management Reporting Framework.

Administrative support was provided to NRM boards as part of the NRM levy adoption process, the review of NRM board business plans and the collection of the Outside Council Areas levy. The administrative support ensures that the review process can be completed and any gazettal of levies occurs within appropriate timeframes and in the context of a State-wide approach.

NRM program delivery

In 2014-15, the department developed and put in place innovative systems such as the Arid Lands Information System (ALIS) to provide support for the Pastoral Programme. The DEWNR-led Living Flinders project operates at a landscape scale to improve habitat condition, connectivity and resilience through an extensive community engagement programme. It aims to increase participation rates in land management, to collaboratively deliver pest control programmes on Aboriginal community lands, and strategic on-ground works to address threats posed by feral animals (70 000 ha) and weeds of national significance (5100 ha).

Furthermore, the department provided support for the Bounceback programme that operates on national park reserves, Aboriginal owned and managed lands, private sanctuaries, and pastoral lands, with the aim of protecting and restoring the semi-arid environments of the Flinders, Olary and Gawler ranges. Part of the Bounceback programme involves the reintroduction of Western Quolls in the Flinders Ranges National Park. This reintroduction is a public-private partnership between DEWNR and the Foundation for Australia's Most Endangered Species Ltd (FAME). Seventy-four Western Quolls have been released in the Flinders Ranges National Park since 2014 as part of a trial fauna reintroduction project. Over the year (between April 2014 and April 2015), up to 60 quolls were born, further increasing the population.

SASP Target 69: Lose no species

'Lose no native species as a result of human impacts' is a broad reaching target that is underpinned by key government strategies such as 'No Species Loss – A Nature Conservation Strategy for SA 2007-17', 'Our Place, Our Future – State Natural Resources Management Plan 2012-2017' and much of the business of the department as well as other agencies. Much of the progress towards this target is captured across the breadth of this Annual Report, such as land proclaimed and managed in the protected area network, wildlife management, sustainable resource use, planning reforms etc.

With such a broad scope for this target, it is difficult to identify one or two absolute measures for reporting. Instead, this target is measured through a set of 20 indicator species (15 animals, five plants), representing a wide range of threatened species from a broad scope of South Australian habitats where much effort is focused by organisations across the State towards their protection. The annual trend for 2014-15 shows nine of the indicator species had 'positive movement', eight remained 'steady or no movement' and three showed 'negative movement'. This aspirational target continues to focus agency and community attention on the importance of landscape and species conservation activity

to protect biodiversity and the ecosystem services that ultimately underpin the economic activity in South Australia.

2014-15 saw the integration of the NatureLinks principles into regional and State-level conservation and natural resource programs. An independent review and conservation planning guidelines were completed to finalise the project. DEWNR continues to work with environmental NGOs to deliver the NatureLinks principles.

Noting that the No Species Loss Strategy's end-date is 2017, DEWNR has commenced scoping, with partners, of a project to explore the future framework for nature conservation after the end of the current strategy.

SASP Target 70: Sustainable land management

DEWNR is the lead agency responsible for achieving the SA Strategic Plan target 70 relating to sustainable land management. The target is to achieve a 25% increase in the protection of agricultural cropping land from soil erosion and a 25% improvement in the condition of pastoral land. The target also contributes to the Premier's Premium Food and Wine from our Clean Environment strategic priority.

For 2014-15 (as calculated July 2014), cropped land in the agricultural zone was protected for an average of 336 days, which is a 24% improvement from 2003 and almost reaches the target of 340 days. This is the highest level of protection recorded since monitoring began in 2000.

Based on relevant data collected during pastoral lease assessments and inspections in the 2014-15 financial year, there was no net change of pastoral properties with an improvement in paddock condition, and the cumulative improvement for the period 2005-06 to 2014-15 is 21%.

Election Commitment: Invest \$1.7 million to create the Adelaide International Bird Sanctuary over the former Dry Creek salt fields, and extending for 60 kilometres along the Gulf St Vincent coast from the Barker Inlet in the south to Parham in the north.

Scheduled on-ground works for 2014-15 have been completed, consisting mostly of access control measures over land of high conservation value. Community engagement activities such as the community forum on 5 December 2014, a promotional presence at Dolphin Day in April 2015 and the distribution of three newsletters have been successful and are creating significant momentum and enthusiasm for the bird sanctuary. Preparations were made in early 2015 for the first meeting of the Collective, the sanctuary's guiding body, in July 2015. Progress towards the first park proclamations in 2016 is on schedule. Planning is underway for an ecological summit, a Karna involvement forum, and a Flyway Festival at St Kilda in the second half of 2015.

Goal 1.2 Help South Australians prepare for climate change

Objective

To respond to the challenges of climate change, to improve our wellbeing and the resilience of our economy and natural resources.

Overview

The *Climate Change and Greenhouse Emissions Reduction Act 2007* (the Act) was established as the first specific climate change related legislation in Australia, with the objective to reduce greenhouse gas emissions and increase renewable energy.

SASP Target 59 – Greenhouse gas emissions reduction
SASP Target 62 – Climate change adaptation

The Act contains specific targets to reduce greenhouse gas emissions and increase renewable energy.

In particular, it contains a target 'to reduce by 31 December 2050 greenhouse gas emissions within South Australia by at least 60 percent to an amount that is equal to or less than 40 percent of 1990 levels' as part of a national and international response to climate change. This target is incorporated into South Australia's Strategic Plan (SASP) as Target 59.

The latest measure of South Australia's progress towards the 2050 emissions reduction target was released by the Commonwealth Government in May 2015. The Commonwealth reported that South Australia's net greenhouse gas emissions were 29.25 million tonnes of carbon dioxide equivalent in 2012-13. This means that 2012-13 greenhouse gas emissions in South Australia were nine percent lower than the 1990 baseline. Over the same period, South Australia's Gross State Product rose over 60 percent, showing that emissions can be reduced with continued economic growth.

In 2009, an additional target was established under Part 2 of the Act to increase the proportion of renewable energy generated in the State to 33.3 percent by 2020. This target was incorporated into SASP as Target 64.

Renewable energy generation in South Australia has grown from virtually zero in 2003 to approximately 39 percent today, achieving the 2020 target of 33 percent six years early. The State government announced a new target of 50 percent of electricity generation by 2025. Installed renewable energy capacity has grown from zero in 2003 to 1473 megawatts in wind and 565 megawatts in roof-top solar. This success has been achieved through the Government of South Australia working collaboratively with industry and the community.

Statutory progress reviews on the progress towards the targets and operation of the Act are conducted every two years, including reporting on progress by the Minister for Climate Change in the State Parliament. Every second report includes an independent expert analysis by the Commonwealth Scientific and Industrial Research Organisation (CSIRO) regarding progress reported, including the targets that have established. In addition, every four years a review of the objects of the Act is required. DEWNR will finalise both of these legislative reviews of the Act by December 2015.

A number of policy initiatives in DEWNR support managing the risks and potential effects of climate change through ongoing partnerships with research institutions, government and statutory groups. The department is informed by quality science, a coordinated and consistent approach to sustainable land management, biodiversity conservation and managing the health of the River Murray. The department leads on addressing effective fire management under climate change conditions through an integrated and landscape-based approach to risk management, mitigation and prevention.

As the lead environment agency, DEWNR uses best practice in adopting sustainable technologies and practices for its own operations. DEWNR owned and leased sites are gradually being upgraded to incorporate water and energy efficiency technologies and to reduce consumption and waste.

Under section 20 of the Act DEWNR is required to report on work undertaken within the department in relation to the development of climate change policy and related initiatives during 2014-15. Key initiatives are outlined below:

- South Australia's international leadership and engagement
- National climate change policy
- Support for the Premier's Climate Change Council
- Progress the development of a new State Climate Change Strategy
- Carbon Neutral Adelaide initiative

- South Australia's Climate Change Adaptation Framework
- Prospering in a Changing Climate Grants Program
- Building Upgrade Finance
- SA Climate Ready.

International leadership and engagement

DEWNR has led the South Australian Government's international leadership and engagement. South Australia is the longest standing co-chair and a founding member of the Climate Group's States and Regions Alliance. South Australian Premier Jay Weatherill has been a co-chair of the Alliance since 2012. The Alliance comprises approximately 30 sub-national governments from across the world, including Quebec, California, New York State, the Basque Country, Scotland, Bavaria, Lombardy, Gujarat, Rio De Janeiro, Kwazulu-Natal and the China Regional Low Carbon Alliance. The Alliance brings together sub-national government leaders from around the world in a network to influence international dialogue on climate change, to share expertise, and to show the impact of sub-national government actions to address climate change.

During 2014-15, DEWNR supported participation by the State Government at the United Nations Climate Summit in New York, and the 20th session of the Conference of the Parties (COP20) under the United Nations Framework Convention on Climate Change (UNFCCC) in Lima, Peru. These key international events provide an important forum to showcase South Australia's leadership in climate change action and progress.

In 2014-15 the SA Government became a signatory to the Compact of States and Regions, the first ever single, global account of greenhouse gas reduction targets made by State and regional governments. The Compact is supported by the United Nations and is a partnership between The Climate Group, R20, the Network of Regional Governments for Sustainable Development (nrg4SD) and CDP (formerly known as Carbon Disclosure Project).

In April 2015, South Australia became the first Australian State where a State government and the capital city council had both signed key international agreements on climate change, with the signing of the Compact of States and Regions and the Compact of Mayors respectively. These Compacts commit the South Australian Government and Adelaide City Council to report on targets and emissions reduction progress annually, at an international level. In May 2015, the SA Government submitted its first report under the Compact of States and Regions.

National policy context

The Act aims to promote action within South Australia that provides consistency with national and international schemes designed to address climate change. DEWNR as the lead agency for climate change, provides coordination and advice across government on national climate change policy issues. Some aspects of climate change policy are led by other agencies with specific technical expertise in those areas.

The Commonwealth Government has committed to a five percent greenhouse gas emissions reduction target by 2020. Its main policy response to meet this commitment is through the Direct Action Plan, which uses a reverse auction to purchase emissions abatement through a \$2.55 billion Emissions Reduction Fund (ERF). In addition, the Commonwealth Government indicated its intention to include a Safeguard Mechanism, commencing operation in 2016.

During 2014-15 DEWNR led whole of State government submissions to the Commonwealth Government in response to its consultation processes on Australia's post 2020 emissions reduction target and the Safeguard Mechanism.

In response to the Commonwealth Government's review of the Federal Renewable Energy Target (RET), DEWNR supported the Clean Energy Summit hosted by the Premier and attended by key industry leaders on 1 December 2014 to promote renewable energy investment in South Australia.

DEWNR provided support for the Premier to host a Jurisdictional Meeting on Climate Change attended by representatives¹ from seven Australian jurisdictions and the Executive Secretary of the UNFCCC, Ms Christiana Figueres. Attending Ministers agreed to focus on four areas for collaborative action, including driving uptake in renewable energy, harmonisation of States' energy efficiency schemes, information sharing and best practice delivery in adaptation to support community resilience, as well as emissions reduction targets and progress. DEWNR is supporting progress of this work on behalf of the State government. In addition, DEWNR participates in the cross-jurisdictional Adaptation Working Group under the Meeting of Environment Ministers, through the Council of Australian Governments (COAG).

Providing support to the Premier's Climate Change Council

The Premier's Climate Change Council (PCCC) was established under the *Climate Change and Greenhouse Emissions Reduction Act 2007*. The primary roles of the Council are to provide independent advice to the Minister for Climate Change on reducing greenhouse gas emissions and adapting to climate change, as well as taking a leadership role consulting with businesses, the environment and conservation sector, and the wider community about issues associated with climate change. DEWNR provides the administrative and policy support for the PCCC and its functions. Throughout 2014-15 the PCCC has focussed on providing strategic advice in relation to the development of the new climate change strategy, along with submissions to the Expert Panel on Planning Reform, Green Industries and the Nuclear Royal Commission.

New Climate Change Strategy

The State government committed to develop a new climate change strategy consultation with the community as part of the Ministerial response to the Premier's Climate Change Council's advice, South Australia's climate change vision: Pathways to 2050 delivered in February 2014. DEWNR has led the development of the Climate Change Strategy throughout 2014-15. The new strategy will outline the State's plan to achieve a low carbon, resilient future. At the centre is a commitment to make the City of Adelaide the world's first carbon neutral city and the development of a Low Carbon Investment Plan for South Australia, that is being led by RenewablesSA in the Department of State Development.

This new strategy will build on the achievements of Tackling Climate Change: South Australia's Greenhouse Strategy 2007-2020, and the leadership demonstrated in South Australia by industry, the community and the government to date. The new strategy will also build upon the significant achievements under Prospering in a Changing Climate: A Climate Change Adaptation Framework for South Australia.

Carbon Neutral Adelaide

In February 2015, the State government announced its ambition for the City of Adelaide to be the world's first carbon neutral city. This initiative, led by DEWNR, is designed to drive further emissions reductions, increase the demand for renewable energy, build the State's green industries, increase resource efficiency, improve waste management and facilitate the transition to cleaner transport

¹ South Australia, Victoria, Queensland and the Australian Capital Territory were represented at the Ministerial level. The Commonwealth Government, New South Wales, Tasmania and the Australian Local Government Association were represented by Senior Officials.

modes. During 2014-15 DEWNR commissioned a foundation report and worked collaboratively with the Adelaide City Council to progress this initiative, holding workshops with Council members and the Cooperative Research Centre for Low Carbon Living.

As a first step, DEWNR also provided matching funding to the Adelaide City Council for its Sustainable City Incentives Scheme. The scheme provides up to \$5000 in incentives to businesses, schools, residents and community and sporting organisations for the installation of solar photovoltaics (PV), battery storage systems, energy efficient lighting and electric vehicle charging points.

DEWNR is responsible for developing a Carbon Neutral Adelaide framework and action plan to identify viable opportunities to reduce emissions, create a more resilient urban environment and influence future action with the private sector and wider community.

South Australia's Climate Change Adaptation Framework

In August 2012, the South Australian Government released *Prospering in a Changing Climate: A Climate Change Adaptation Framework for South Australia*. The South Australian Government has committed to delivering regional climate change adaptation plans in all 12 State government regions by 2016 under SASP Target 62. Founded on collaboration, the approach is a partnership between local communities and decision-makers, local and State government and the private sector.

The formation of these plans, with financial support provided by DEWNR, is an important first step that is assisting regions to identify key climate change impacts and vulnerabilities (within various sectors) and enable prioritisation of actions.

DEWNR has facilitated the development and completion of five climate change adaptation plans, with the remaining plans to be completed by the end of 2016. During 2014-15 adaptation plans were delivered in southern Adelaide (Resilient South), the Murray and Mallee, and Barossa regions. The Resilient South adaptation planning project won the 2014 National Climate Change Adaptation Research Facility's Adaptation Champions Award.

Building Upgrade Finance

The South Australian Government has committed to establishing a Building Upgrade Finance mechanism in South Australia. DEWNR is responsible for the delivery of this initiative. Building Upgrade Finance is a voluntary mechanism which assists building owners to access commercial loans to improve the energy, water and environmental efficiency of existing commercial buildings. On 11 February 2015, the *Local Government (Building Upgrade Agreements) Amendment Bill 2015* was introduced to the Legislative Council.

Prospering in a Changing Climate Grants Program

The Prospering in a Changing Climate Grants Program was launched in 2012-13, providing seed funding over a three year period to enable the development of regional climate change adaptation plans and innovative climate resilient projects across South Australia. DEWNR continued to support regional adaptation planning processes and projects throughout 2014-15.

SA Climate Ready

In February 2015, The Goyder Institute for Water Research, as part of the SA Climate Ready Project, released the most comprehensive set of downscaled climate projections data ever available in South Australia. This data complements the national scale projections produced by the CSIRO and the Bureau of Meteorology.

Data is available for six climate variables: rainfall, temperature maximum, temperature minimum, areal potential evapotranspiration, solar radiation, and vapour pressure deficit.

The projections data is aligned to the South Australian NRM regions, being directly relevant to region scale climate change adaptation planning. DEWNR provided funding and support to deliver the project.

Goal 1.3 Ensure that animals are treated humanely

Objective

Ensure the humane treatment of animals and the management of dog and cats.

Safe communities, healthy neighbourhoods
SASP Target 69 – Lose no species

Animal welfare and cat and dog management

In response to the ABC *Four Corners* program entitled 'Making a Killing', which included surveillance footage of trainers interstate using live animals tied onto lures to train greyhounds, a Bill to broaden the current legislative prohibition on the use of live animals as bait was developed and introduced to Parliament in May 2015. DEWNR, the Office of Recreation and Sport, RSPCA (SA) and Greyhound Racing SA worked cooperatively and quickly to develop the Bill to amend the *Animal Welfare Act 1985* to outlaw this practice.

A Bill to amend the *Dog and Cat Management Act 1995*, as well as a draft *Breeding code of Practice* was released for public consultation in 2014-15. While the draft Bill focuses on the better management of dogs and cats in the community, it also promotes animal welfare outcomes through reducing the number of unwanted dogs and cats and dismantling 'puppy farms'.

Animal welfare regulatory services (RSPCA)

The Government increased its funding contribution from \$600k to \$1m, indexed, and all payments have been made to the RSPCA in accordance with the Funding Agreement 2013-16. The funding is used only for the investigation of alleged offences and enforcement of the *Animal Welfare Act 1985* and RSPCA reporting demonstrates that the terms of the Agreement are being met.

Election Commitment: Commission a business case for developing a publicly accessible database that captures the micro-chipping details for pets

A business case to examine the feasibility of developing a publicly accessible database to capture micro-chipping and registration details for dogs and cats was completed in 2014-15.

Election Commitment: Require animals sold through the commercial pet trade to be micro-chipped before being sold.

Compulsory micro-chipping of all dogs and cats has been included in the draft Bill to amend the *Dog and Cat Management Act 1985*. In addition, the draft 'Code of Practice for the Welfare of Animals in the Pet Trade' and the draft 'Code of Practice for the breeding of dogs and cats' both have the flexibility to include mandatory micro-chipping requirements should the amendments to the *Dog and Cat Management Act 1985* be endorsed. The draft 'Code of Practice for the Welfare of Animals in the Pet Trade' was updated in 2014-15 to ensure alignment with the 'Code of Practice for breeding of dogs and cats', and it is anticipated that these Codes will be regulated simultaneously in the first half of 2015-16.

Election Commitment: Establish a new code of practice to make sure family pets come from healthy and humane conditions. This code will target 'puppy farms' and individuals.

A draft 'Code of Practice for the breeding of dogs and cats' has been developed through an extensive public consultation process. This will be regulated, subordinate to the *Animal Welfare Act 1985* in the first half of 2015-16. The draft bill, developed in 2014-15 to amend the *Dog and Cat Management Act 1995*, also contains provisions to assist in the detection and prosecution of puppy farms.

Goal 2.1 Manage water for economy, society and environment

Objective

State-wide priority-setting and planning for State and regional water resources, integrated urban water management, water resource management programs and the development and review of water policy and legislation.

DEWNR has lead responsibility for the sustainable management of the State's water resources to ensure that they can support environmental assets, economic activity and key social services. The primary mechanisms for this are water allocation plans and associated licensing arrangements, other provisions under the *Natural Resources Management Act 2004* and specific water programs.

In addition, the department is also responsible for urban water policy, demand and supply planning, administration of the *Water Industry Act 2012* and the development of initiatives to support water related economic development.

All of these activities are underpinned by robust and peer reviewed scientific analysis.

Water security – State-wide

Security of water supply supports a range of economically and socially important activities such as:

- irrigated agriculture worth \$1.5 billion annually
- mining industry development worth \$4.4 billion annually
- public water supply for a majority of cities and towns
- recreational use and the watering of sports grounds
- domestic use and stock water.

Reform of the water planning framework is a key area of focus under this area of activity. Such reform will ensure that water planning and management is simpler, quicker and more pragmatic, providing water users with greater certainty of future supply.

DEWNR has oversight of the State's water security plan, *Water for Good*, and related initiatives such as demand and supply planning, water sensitive urban design policy, administration of the *Water Industry Act 2012* and providing support to the Stormwater Management Authority.

South Australia's approach to water security and management is recognised internationally. This expertise provides a foundation for developing economic relationships with countries such as the United States of America, China and India to support the investment and export market.

Premium food and wine

Unlocking the full potential of SA's resources, energy and renewable assets

SASP Target 73 – Recycled stormwater

SASP Target 74 – Recycled wastewater

SASP Target 75 – Sustainable water use

Achievements in 2014-15 include:

- support for the development and introduction of the *Water Industry Act (Third-Party Access) Amendment Bill 2015* into State Parliament
- completion of the Five Year Forward Work Plan for water resource management in collaboration with regional NRM boards. The work plan provides, for the first time, a common understanding of upcoming water planning work across the State and greater certainty to industry and the wider community about the expected progress of individual water planning projects
- the holding of the first water planners' forum in March 2015 to build capacity across DEWNR in water planning and management
- development of comprehensive implementation plans and governance arrangements to support effective implementation of priority water planning tasks
- ongoing implementation of the State-wide Water Sensitive Urban Design policy, including the establishment of a capacity building program, Water Sensitive SA, by the Adelaide and Mount Lofty Ranges NRM Board
- completion of a comprehensive five year review of *Water for Good*
- the release of an Issues Paper to initiate stakeholder engagement on the development of a new Urban Water Plan for Greater Adelaide
- development of a strategic and operational plan for the Stormwater Management Authority
- the development of draft legislation to renew Schedule 1A of the *Local Government Act 1999* to give effect to the 2013 State and Local Government Stormwater Management Agreement
- successful delivery of the Lake Eyre Basin Rivers Monitoring, and the Arckaringa and Pedirka Basins Groundwater Investigations projects. A total of 14 project reports were finalised, which further our understanding of the potential impacts of coal seam gas and large coal mining developments on water resources in the far north of the State. They were completed through the Commonwealth funded National Partnership Agreement for Coal Seam Gas and Coal Mining Water Knowledge Program
- completion of a rebid for another term of the Goyder Institute for Water Research, which undertakes science for new water policy priorities and the Premier's Strategic Priorities. The bid was successful, resulting in the allocation of \$2 million per annum for four years (2015-16 to 2018-19) in the 2015 State Government Budget
- a scientific assessment of the risks to the condition of water resources in SA was undertaken to inform the five-year work program for water plan development and implementation
- completion of the Goyder Institute G-FLOWS projects on northern Eyre Peninsula utilising Airborne Electro Magnetic Data and field validation to identify regional groundwater systems to support mining development and to understand the potential regional impacts of mining developments on regional systems and other primary industry users. The Institute has secured additional funding to extend similar work in the APY lands and further work in the Gawler Ranges region of Eyre Peninsula and the Braemar region. This work supports implementation of the State Government Regional Mining and Infrastructure Plan by identifying groundwater resources in these priority mineral exploration areas.

Water resource planning

DEWNR supports the NRM boards in the review, preparation, endorsement and implementation of water allocation plans and the management of non-prescribed water resources through policies in regional NRM plans. Nineteen water allocation plans across the State provide for the management of 2650 GL of water. This important asset has an estimated market value of just under \$3 billion.

Progress reporting against SASP Target 75 shows that the proportion of South Australian water resource management areas assessed as being managed within sustainable limits remained stable from 2003 to 2014. Over this same time period, the number of areas listed as not managed within sustainable limits

has reduced significantly (eight in 2003, two in 2014). The target is considered ambitious but progress is encouraging.

A total of eight trial sites were established as part of the Securing Low Flows project to test and monitor how low flows can be passed from farm dams in the Mt Lofty Ranges. The establishment of trial sites will help to inform how different types of low flow devices operate in varying catchments, how they affect water supply for primary producers, and how they cause changes to downstream hydrology and ecology.

Achievements in 2014-15 include:

- winning the South Australian Water Association Award 2014, together with the South East NRM Board, in the Program Innovation Category for accounting for, and managing the water resource impacts of plantation forestry in the Lower Limestone Coast region of South Australia
- support for the development of drafts and public consultation on the Water Allocation Plan for the Southern Basins and the Musgrave Prescribed Wells Areas (Eyre Peninsula) and the Water Allocation Plan for the River Murray Prescribed Watercourse
- development of regulations to enable large stock and domestic dams in the Eastern Mount Lofty Ranges to return low flows
- support the implementation planning for the Alinytjara-Wilurara Regional NRM Plan water management policies and the implementation of the Lower Limestone Coast, Eastern and Western Mount Lofty Ranges Water Allocation Plans.

Water licensing and permitting

The department's water licensing program is proactively transforming its water licensing services using digital technology to assist customer decision making such as water trading and managing water use. DEWNR delivered significant system reforms in water management across the State in 2014-15 which align with the Premier's Digital by Default Declaration.

These innovations, using digital technology, are creating mutual benefits for customers and government in terms of providing ease of access to information, efficiency in submitting and processing applications, and aiding effective natural resources management. In addition, the water licensing program completed three major licensing roll outs across the State, resulting in the issue of approximately 5500 water licences (these licences make up approximately 37 percent of the water licences State-wide) and have commenced projects to issue water licences in two other areas.

Achievements in 2014-15 include:

- digital technology:
 - The use of online 'smart' forms, such as the Well Construction Permit Application Form, River Murray Trade Forms, Meter Notification Form and the mobile compatible Meter Reading Form. These online smart forms simplify transactions with the department, allow online payment, and assist customers to access services at any time and comply with their water licensing requirements
 - Assisting rural businesses through the introduction of an online Water Usage Advice Statement that is provided to licence holders that submit a meter reading and email address using the online form, making it easier for businesses to monitor water usage and inform decision making
 - The development of a self-assessment and online application tool for McLaren Vale irrigators that has reduced application processing times. This online tool allows water users to determine the likelihood of their application being successful before they apply and pay online. The system was developed through a Change@South Australia 90 Day Project initiative and involved significant consultation with irrigators and the McLaren Vale Grape,

Wine and Tourism Association. This tool was recognised by the Water Industry Alliance 2015 Smart Water Awards where the department was the recipient of an Australian Water Association Resource Management High Commendation.

- licence roll outs:
 - The department has issued water licences to 99 percent of existing users in the Western Mount Lofty Ranges Prescribed Water Resources Area (WMLR), resulting in the issue of 2273 water licences. A further 16 remaining licence applications are yet to be issued. The department continues to work with the relevant landholders to resolve outstanding issues prior to issuing these licences
 - As at 30 June 2015, eight appeals remain active that relate to water licences issued as a result of the existing user licence rollout for the WMLR
 - The department has issued 94 percent of water licences to existing users in the Eastern Mount Lofty Ranges Prescribed Water Resources Area (EMLR), resulting in the issue of 870 water licences, including Angas Bremer flood diverter water licences. The department will continue to work with applicants to resolve the remaining applications, the majority of which will be resolved in July 2015
 - As at 30 June 2015, eight appeals have been lodged for the EMLR, seven of which have been resolved
 - DEWNR completed a project to convert approximately 2500 area based water licences to volumetric allocations in the Lower Limestone Coast Prescribed Wells Area (LLC).
 - As at 30 June 2015, 18 appeals have been lodged for the LLC
 - In addition, the department issued 165 forestry water licences and have issued levy invoices for the 2014-15 year for these licences, consistent with other water licence holders in the LLC
 - No appeals have been submitted as at 30 June 2015 in relation to forestry water licences.
- upcoming licence roll outs:
 - The department has developed a proposed methodology for determining reasonable requirements in the Kangaroo Flat area of the Northern Adelaide Plains Prescribed Wells Area and has presented its proposal to the Minister
 - DEWNR is also working closely with the Adelaide and Mount Lofty Ranges NRM Board in planning for the roll out of existing user licences in the Central Adelaide Prescribed Wells Area.

The department administered various water related licences and permits across the State in addition to undertaking a number of projects, including commitments under the National Framework for Compliance and Enforcement (NFCE). The department has reformed the way that compliance is undertaken, employing a risk-based approach acknowledging that the majority of customers are compliant. In the 2014-15 year, DEWNR commenced a number of targeted compliance operations and implemented a meter self-read strategy.

Achievements in 2014-15 include:

- finalisation of the sale of unallocated water in the Marne Saunders Prescribed Water Resources Area. 162.3 megalitres was sold to nine water users for \$88 458 with the funds going directly to General Revenue
- meter self-reads:
 - Implemented a meter self-read strategy State-wide which included the amendment of water licence conditions, communications material to customers and the development of tools to assist customers to provide the department with meter self-reads. To date, there is a high degree of compliance by licence holders and meter self-reads are being submitted ahead of specified timeframes.
- targeted compliance operations:
 - Processes and systems put in place as part of the NFCE have allowed the department to commence a targeted monitoring operation that involves contacting and visiting water licence holders in the WMLR and EMLR to educate them on their metering requirements and

- assist them in installing meters. The objective of this operation is to ensure that customers have meters installed to enable them to monitor and account for water use during the water use year. This also assists the department in effectively monitoring the sustainable use of water resources
- Processes and systems put in place as part of the NFCE have allowed DEWNR to commence a collaborative compliance operation called 'Swamps, Shacks and Self-reads'. This operation is focusing on sustaining the health of the River Murray channel through auditing water use by irrigators and shack owners and structures on Crown land bordering the river channel. The operation's purpose is to ensure those targeted are complying with relevant legislation. Two hundred and twenty four sites across four groups will be visited for this operation
 - Officers of the department visited 47 water licence holders in the Northern Adelaide Plains Prescribed Wells Area on the Queen's Birthday Public Holiday. The licence holders targeted were those who had previously been caught tampering with their meter or where meter readings indicated a significant decline in water use below allocation after several years of overuse.
- NFCE project outcomes:
 - Milestone 1 of the South Australian NFCE Implementation Plan has been completed and signed off by the Commonwealth. Milestone 1 involved the implementation of consistent water offences, penalties and evidentiary requirements
 - Milestone 2 of the South Australian NFCE Implementation Plan has been completed and signed off by the Commonwealth. Milestone 2 involved assigning risk categories to each of the State's prescribed water resources based on the level of availability and use of water, current and future demand and the impact of unlawful or unauthorised use. These risk categories will inform where the department will focus compliance efforts and have been made publically available via the WaterConnect and Enviro Data SA websites
 - A framework for determining administrative penalties for unauthorised and unallocated take is being developed.

Water resource program delivery

The Patawalonga Sediment Management Project and the Glenelg Gates Upgrade Project continued, with rehabilitation of the barrage gates and removal of approximately 10 000 cubic metres of sediment. A long-term plan and an emergency management plan for the Patawalonga Lake System were also developed.

The Coorong, Lower Lakes and Murray Mouth (CLLMM) Recovery Project vegetation program coordinated the planting of more than 1.3 million native seedlings across 418 hectares, by community groups, Ngarrindjeri people, and contractors. This involved community propagation and planting activities, with over 15 000 recorded volunteer hours. Detailed designs were progressed for the CLLMM Recovery Project South East Flows Restoration Project.

The Commonwealth considered a Lakes Hubs Transition Plan and released funds to support CLLMM Recovery Project transition and engagement activities with the Lower Lakes community in 2015-16.

The CLLMM Ngarrindjeri Partnerships Project has proceeded to the second round of the Australian Riverprize. Innovative Aboriginal engagement approaches developed through the CLLMM Recovery Project and Riverine Recovery Project (RRP) are central to the Ngarrindjeri Regional Authority application, enabling Ngarrindjeri voices to be heard and water rights to be better recognised.

The RRP has completed approximately \$15 million of infrastructure on the Pike and Katarapko floodplains to deliver environmental water savings, improve environmental outcomes and deliver on important Basin Plan objectives. Aboriginal input was finalised for the RRP Phase 1 wetland

management plans and the final RRP Sugar Shack Wetland Complex plan was developed by the Ngarrindjeri Regional Authority.

The investigations phase of the \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) has commenced and will inform major infrastructure investment decisions for the Pike and Katarapko floodplains, and deliver on Murray-Darling Basin Plan outcomes.

A water search program to address the risks to critical water supply needs of the Aboriginal communities in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands and Yalata regions was implemented. Concurrently, DEWNR is also providing water search investigations to support the upgrade of the 210 km main access road between Stuart Highway and Pukatja (Ernabella) by the Department of Planning, Transport and Infrastructure (DPTI) in the APY lands. Together these projects utilise funds from SA Water and DPTI totalling \$3.2 million.

Bathymetric work to inform the dredging component of the Patawalonga Sediment Management Project was completed. Additionally, a monitoring plan and report about the eco-hydrological knowledge of weir pool manipulation between Locks 1 and 3 on the River Murray were delivered, as part of the RRP.

Modelling was undertaken for SARFIIP inundation and salinity projects on Pike and Katarapko floodplains, with outputs informing investigations on preliminary design, risks and ecological outcomes. Modelling was also undertaken to support the operation of Lower Lakes barrages and negotiations for environmental water to be delivered to South Australia. This involved assessment of variable lake level cycling of Lake Alexandrina with the aim of managing the lake level down to 0.5 metres AHD. Deliberately managing water levels in the Lower Lakes down to this height has not been undertaken often, particularly with low flows in the River Murray. The modelling was used to maximise the barrage release volumes that could be made for these environmental benefits, while maintaining water levels within the Lower Lakes for environmental, social and water security outcomes.

Goal 2.2 Deliver a healthy working River Murray

Objective

Management of the River Murray system to ensure a healthy functioning river that supports resilient and productive industries, communities and ecosystems.

SASP Target 76 – River Murray – flows
SASP Target 77 – River Murray – salinity

River Murray operations

Critical human water needs, as well as environment, irrigator, industry and recreation needs were balanced to achieve the best outcome for South Australia with the volume of River Murray water that was available.

South Australia's River Murray Annual Operating Plan was successfully implemented, providing fit for purpose River Murray water for all users, including 100 per cent water allocations for Water Access Entitlement holders. South Australia also successfully negotiated the delivery of approximately 770 gigalitres of environmental water. Approximately 610 gigalitres of this environmental water is in addition to South Australia's Entitlement Flow.

River Murray operations were managed to ensure the Basin Plan and South Australia's River Murray Annual Operating Plan 2014-15 objectives were achieved.

Three weir pool raisings were undertaken in 2014-15, promoting a range of ecological benefits.

Operations and management of department-owned infrastructure including Lower Murray levee banks, River Murray Waste Disposal Stations and various evaporation and drainage basins continued, including an upgrade of the Renmark River Vessel Waste Disposal Station.

Riverbank Collapse was delisted as a State hazard, with responsibilities now residing with local councils.

The Chowilla regulator and ancillary structures were successfully tested, with approximately 2300 hectares of floodplain and wetlands inundated. Ecological outcomes included increased frog breeding, provision of waterbird habitat, improved tree health and understory vegetation germination and growth.

A Water Resource Planning Statement of Commitment between the South East and SA Murray-Darling Basin Natural Resources Management Boards, Ngarrindjeri Regional Authority and DEWNR was finalised, to guide the implementation of the Murray-Darling Basin Plan as well as broader Ngarrindjeri interests in water.

Murray-Darling Basin Authority contribution

In 2014-15 South Australia's contribution to the Murray-Darling Basin Authority (MDBA) was \$15.5 million. These funds were managed by the MDBA to:

- ensure delivery of agreed water shares in the River Murray system to the Basin States
- operate and maintain the dams, locks and weirs
- continue operation of salt interception schemes for acceptable river salinity levels
- coordinate delivery of the Living Murray Program and basin wide environmental watering
- commence dredging of the Murray Mouth in January 2015 to maintain connectivity between the Coorong and the sea.

Murray-Darling Basin Plan delivery

Significant progress was made in delivering key actions in the *Murray-Darling Basin Plan: South Australian Implementation Strategy 2013-19*. Successful implementation of the Basin Plan will improve environmental flows to South Australia and support secure, reliable and good quality River Murray water supplies for the State. Some highlights are outlined below with more detail in the Basin Plan implementation strategy status report attached as an appendix.

South Australia achieved its 2014-15 milestones for Basin Plan implementation under the *National Partnership Agreement (NPA) on Implementing Water Reform in the Murray-Darling Basin*. This is an important step in progressing implementation of the Basin Plan and in securing Commonwealth funding to partially offset implementation costs.

Good progress was made towards meeting the State's Basin Plan target of 183.8 gigalitres of environmental water recovery with three quarters of the water required recovered or contracted for recovery.

Three business cases for projects to offset water recovery through adjustment of sustainable diversion limits (SDLs) were submitted for multi-jurisdictional assessment. The projects are the Chowilla Regulator (The Living Murray) floodplain project, Riverine Recovery Project, and the South East Flows Restoration Project. Departmental officials reviewed upstream projects and provided input to develop the SDL adjustment method.

The \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) is being implemented with the construction proposals for early works at Margaret Dowling (Pike Floodplain) and Bank J (Katarapko Floodplain) endorsed by the SARFIIP Board.

Around \$170 million of investment has supported over 160 projects to improve farm productivity and return a total of 19.8 gigalitres to the River under the South Australian River Murray Sustainability programme.

As at 30 June 2015, a total of 1799.57 GL of water had been recovered across the Basin, consistent with SASP Target 76 (River Murray - flows), exceeding the aim to increase environmental flows in the River Murray by a minimum of 1500 GL by 2018. The target is being delivered through water recovered under The Living Murray Initiative, by the Commonwealth Government and by the South Australian Government.

Significant environmental water planning and management activities included:

- delivery of around 809 GL of held environmental water to priority watering sites in South Australia, including the River Murray channel and the Lower Lakes, Coorong and Murray Mouth icon sites
- development of an annual environmental watering plan and priorities for 2015-16 in consultation with community and Indigenous groups
- development of a draft long-term environmental watering plan for the River Murray
- testing of the Chowilla Environmental Regulator with an extra 2300 hectares of floodplain inundated and a significant vegetation and frog response
- raising of water levels in three weir pools to water 646 hectares of floodplain
- continuing monitoring programs to determine ecological condition and responses to environmental watering, including engaging scientists from the University of Adelaide, Flinders University, SARDI Aquatic Sciences and DEWNR.

Work progressed to investigate and develop business cases to address the policy, physical and legal barriers to delivering larger volumes of environmental water consistent with the Basin Plan Constraints Management Strategy.

South Australia's River Murray salinity management program ensured the State maintained a positive balance on the Basin Salinity Management Strategy (BSMS) Salinity Registers delivering on SASP Target 77 (River Murray - salinity).

DEWNR represented South Australia's interests in managing River Murray salinity at a Basin level including input to a review of Basin salinity management (which highlighted that salinity remains an issue requiring active management) and participation in development of a new Basin Salinity Management Strategy.

Groundwater models that support salinity modelling for the River Murray in South Australia were updated.

Water Resource Planning progressed with the development of a risk assessment to inform the SA Murray Region Water Resource Plan.

Scientific assessment of priority environmental assets and functions and associated watering requirements were undertaken to support development of a long term environmental watering plan for the River Murray.

DEWNR successfully operated and maintained 92 surface water monitoring stations between Lock 9 in Victoria through to the Coorong, Lower Lakes, Eastern Mount Lofty Ranges and Murray Mouth. The

monitoring stations measure water level, flow, salinity, rainfall and related water quality information and are required to provide fit-for-purpose data for 95 percent of the period.

Twenty-four groundwater networks (consisting of 1101 wells) were operated within the SA Murray-Darling Basin. Knowledge obtained from monitoring was used to enable the management of groundwater for water supply, economic and environmental needs.

Goal 3.1 Enhance visitor experiences at parks and places

Objective

Contribute to State and regional economies through tourism and recreation within the State's system of parks and reserves.

Parks and reserves - overview

South Australia has a large network of parks and reserves on land and sea, offering unique visitor experiences along with the protection and conservation of natural and cultural assets. South Australia's parks attract more than four million visits each year, with around a quarter of these from people residing interstate or overseas. Nature-based tourists from overseas spend over \$19 billion a year in Australia as they come to access and use our natural places. Apart from the environmental and economic importance of our reserve system, it is well recognised that South Australians and visitors derive health and wellbeing benefits from parks and reserves.

DEWNR became a Public Health Partner Authority in June 2015. The partnership is supported by a signed Memorandum of Understanding (MOU) between the Chief Executives of DEWNR and the Department for Health and Ageing. The MOU sets out the parameters for collaboration between the agencies and provides the basis to build public value of parks and improve the health and wellbeing of populations, through a combination of broad policies, programmes and targeted initiatives.

National parks – State-wide

A McGregor Tan Research survey of 1069 participants drawn from 204 postcodes across South Australia (in June 2015) found that 72 percent of those surveyed had visited a State-managed park since June 2014, with an average number of seven visitations over the 12 month period per respondent.

On a regional basis, the breakdown of residing respondents who had visited a State-managed park in the 12 month period was:

- South Australian Murray-Darling Basin (81 percent)
- Eyre Peninsula (79 percent)
- Adelaide and Mount Lofty Ranges (73 percent)
- South Australian Arid Lands (72 percent)
- South East (69 percent)
- Kangaroo Island (67 percent)
- Northern and Yorke (45 percent)
- Alinytjara Wilurara (36 percent).

Creating a vibrant city

Safe communities, healthy neighbourhoods

SA - a growing destination for international and domestic travellers

Promoting SA's international connections and engagement

SASP Target 1 – Urban spaces

SASP Target 4 – Tourism industry

SASP Target 6 – Aboriginal wellbeing

SASP Target 23 – Volunteering

SASP Target 69 – Lose no species

SASP Target 70 – Sustainable land management

SASP Target 71 – Marine biodiversity

SASP Target 72 – Nature conservation

The survey also noted that the participants' perceptions of national parks were closely aligned to the following statements:

- parks provide community spaces for recreation, enjoyment and health (51 percent)
- parks provide protection for native plants and animals or cultural heritage (46 percent)
- parks are not important to me (3 percent).

Achievements for 2014-15 include:

- a pilot online booking system for accommodation, camping and entry to the Innes and Mount Remarkable National Parks was commissioned in August 2014, and has since been expanded to parks in the South East and Deep Creek Conservation Park in the Adelaide Mount Lofty Ranges region
- consultation and work on the Adelaide International Bird Sanctuary commenced. Located north-west of Adelaide, the sanctuary will cover a 60 kilometre stretch of coast from the Barker Inlet to Port Parham, forming one of the longest continuous coastal reserves in the State. The sanctuary's focus on protecting significant migratory shorebirds will elevate South Australia's status nationally and internationally as an important contributor to worldwide shorebird conservation and support the Australian Government in achieving its international obligations
- in January 2015, DEWNR and the South Australian Tourism Commission were commissioned to develop a Nature-based Tourism Plan. The aim of the plan is to create jobs by increasing consumer demand and investment in nature-based tourism in South Australia's national parks, marine parks and reserves.

Marine park establishment and management

Complementing the State's terrestrial parks, in November 2012 the management plans and supporting zoning regulations for South Australia's marine parks were finalised, a milestone that consolidated one of the most significant conservation projects ever undertaken in this State. As a consequence the State now has a network of 19 marine parks, each with a management plan covering the following priorities:

- protection (policy, planning, permitting and governance)
- stewardship (education and community engagement)
- compliance
- performance (monitoring, evaluation and reporting).

Achievements for 2014-15 include:

- finalising a marine park management implementation plan and running a marine park education campaign, including the distribution of over 300 000 recreational fishing guides and installing over 90 marine park signs at boat ramps and beach access points
- training over 100 wardens around the State in marine park compliance
- establishing a marine park monitoring, evaluation and reporting program
- developing a partnership with the Goyder Institute and the South Australian Centre of Economic Studies to commence preparing Regional Impact Assessment Statements for Kangaroo Island, Ceduna and Port Wakefield.

Iconic tourism sites

Operating as part of the national parks and reserve system, there are a number of iconic tourism sites. These sites include the Cleland Wildlife Park and Mt Lofty Summit in the Adelaide Hills, Naracoorte and Tantoola Caves in the South East region, and Seal Bay and Kelly Hill Caves on Kangaroo Island. In

addition to the on-park tourism sites, the Adelaide Gaol provides unique visitor experiences and hosts events within metropolitan Adelaide.

Achievements for 2014-15 include:

Cleland Wildlife Park and Mt Lofty Summit in the Adelaide Hills

- A master plan, business case and stakeholder engagement plan for the establishment of an International Koala Centre of Excellence and the redevelopment of Cleland into a contemporary wildlife park experience has been undertaken
- Cleland Wildlife Park won the Bronze award at the South Australian Tourism Awards held in November 2014 for the 'major attraction' category
- Works commenced to revitalise the Mt Lofty Summit lookout area and obelisk, which will be completed in early 2015-16
- Cleland successfully completed the first major milestone of the South Australian Government's gift of koalas to Hong Kong, with the delivery of three koalas, three red-necked wallabies and two kookaburras to Ocean Park. The Adventures in Australia Exhibit, featuring these animals, was opened in March 2015, and was attended by DEWNR's Chief Executive, the Premier, and the Governor of South Australia
- During the 2014-15 year 123 741 people visited Cleland Wildlife Park, comparable to 125 245 visitors in 2013-14. \$2.92 million was raised in revenue at Cleland Wildlife Park and \$0.596 million at the Mt Lofty Summit Visitor Centre and Gift Shop, representing a growth of 9 percent and 8 percent respectively over last year.

Naracoorte and Tantanoola Caves in the South East region

- A local community event celebrating the 20th Anniversary of the World Heritage Listing of the Naracoorte Caves attracted specialists from government departments including tourism and environment sectors as well as senior academic staff from South Australian universities
- The 21st Australasian Conference on Cave and Karst Management held at Naracoorte Caves in May 2015 provided an opportunity to work collaboratively with the South East regional team to showcase this World Heritage site and its natural assets to delegates from across Australia and New Zealand
- During the 2014-15 year, 47 362 people visited Naracoorte Caves, an increase on 46 907 visitors in 2013-14. In addition, 15 702 people visited Tantanoola Caves, an increase on 12 377 visitors in 2013-14. \$1.303 million was raised in revenue at Naracoorte Caves and \$.148 million at the Tantanoola Caves representing a growth of 5 percent and 28 percent respectively over the previous year.

Seal Bay and Kelly Hill Caves

- The completion of a \$3 million upgrade project transformed the Seal Bay Conservation Park into a world-class tourist attraction
- A visitor experience improvement programme was undertaken at Seal Bay, which included new foreign audio interpretation in eight languages on self-guided tours and new twilight beach tours with Australian sea lions
- During the 2014-15 year 101 595 people visited Seal Bay, comparable to 100 411 visitors in 2013-14. In addition, 19 050 people visited Kelly Hill Caves, comparable to 21 262 in 2013-14. \$2.329 million was raised in revenue at Seal Bay and \$0.271 million at the Kelly Hill Caves representing a growth of 6 percent and a decrease of 10 percent respectively over the previous year.

Adelaide Gaol

- The Adelaide Gaol continues to provide valuable cultural and historical visitor experiences and remains a popular venue for special events
- During the 2014-15 year, 16 520 people visited Adelaide Gaol for self-guided tours, compared to 13 124 visitors in 2013-14.

Park maintenance and visitor facilities

DEWNR manages over \$500 million in assets that support tourism in South Australia's parks network. The department supports the delivery of major infrastructure projects and minor works projects within the parks and gardens.

Achievements for 2014-15 include:

- the design and production of over 90 trailheads, 1000 trail markers and 300 park signs
- delivering the \$912 000 Belair National Park Willows Precinct visitor facility upgrade
- completing the final two stages of the Innes National Park unsealed road repair project
- delivering remote area power system upgrades at a number of sites
- commencing a review of a departmental asset information management system.

Election commitment: Ensure South Australia's 19 marine parks are effectively managed

In the lead up to the last election, the government committed an additional \$1 million per year over the four financial years, starting 2014-15, to enhance the implementation of marine park management plans.

The additional funding enabled DEWNR to:

- double the funding for marine park monitoring to \$750 000 per year
- double the funding for habitat surveys and mapping in sanctuary zones
- increase funding for engaging volunteers from \$50 000 to \$120 000
- increase funding for socio-economic monitoring, establishing research partnerships, and for collecting and processing data
- increase funding for education materials to promote monitoring results
- increase funding for targeted compliance activities at key monitoring sites.

This is in line with target 71 of South Australia's Strategic Plan: maintain the health and diversity of South Australia's unique marine environments, which is measured by:

- effectiveness of management of South Australia's marine parks network
- selected indicators from the marine parks network's monitoring, evaluation and reporting program.

Goal 3.2 Help mitigate the impacts of bushfires

Objective

Improve South Australia's capability to prevent, prepare for, respond to and recover from bushfire on public lands in order to contribute to a safer and more resilient community and environment.

**Safe communities,
healthy neighbourhoods**

**SASP Target 70 – Sustainable land
management**

Fire management program

During 2014-15 DEWNR successfully completed 40 prescribed burns, treating approximately 4452 hectares of DEWNR-managed land across the State, including 20 burns over 360 hectares in the high risk Mount Lofty Ranges.

DEWNR continued to lead the cooperative approach to managing fire on public land covered in the Heads of Agency Agreement between DEWNR, the CFS, ForestrySA, and SA Water. DEWNR assisted with the delivery of ForestrySA and SA Water prescribed burning programmes through the Mount Lofty Ranges, Southern Flinders, and South East Fire Cooperatives. DEWNR also conducted two prescribed burns on behalf of private landholders, taking the total combined number of burns conducted in 2014-15 to 51 treating 7171 hectares of private and public land across the State.

The department has now implemented 620 prescribed burns since 2004, treating more than 70 700 hectares of department-managed land across the State. Of these, 264 have been conducted in the high-risk Mount Lofty Ranges, reducing fire fuel loads across more than 4000 hectares.

During the 2014-15 Fire Danger Season, DEWNR continued to work closely with and supported the CFS at 44 bushfire incidents across the State where more than 46 458 hectares of public and private land was burnt, including approximately 28 800 hectares of DEWNR-managed public land. Support provided by DEWNR to the CFS included fire-fighters, incident management personnel and equipment, including staff with specialist skills in roles such as enhanced mapping, air operations, Portable Automatic Weather Station operators, ground observation, fire behaviour analysts, and bushfire spread prediction modelling. More than 200 DEWNR staff and 48 appliances were involved in suppression activities at the Sampson Flat bushfire of January 2015, with in excess of 11 000 hours contributed by DEWNR personnel.

Comprehensive risk-based fire management plans continue to be developed, with a total of 15 plans and one strategy adopted since 2004, covering approximately 52 percent of DEWNR-managed reserves across the State (186 parks and reserves). The Alinytjara Wilurara Fire Management Strategy, which includes the Nullabor and Yellabinna Wilderness Protection Areas, and the Central Eyre Peninsula Fire Management Plan were both adopted and released. The Northern Flinders Fire Management Plan was released for public consultation in November 2014, and the Dudley Peninsula Fire Management Plan continues to be developed.

The South Para Fire Management Plan, developed in partnership between DEWNR, ForestrySA, SA Water, and the CFS as part of the Adelaide and Mount Lofty Ranges Fire Cooperative, was scheduled for release in February 2015; however, this will be reviewed as a result of the Sampson Flat bushfire.

A strategic assessment of DEWNR's environmental Fire Management Policy and Procedures under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) was completed and endorsed by the Hon. Ian Hunter MLC and the Commonwealth Environment Minister, the Hon. Greg Hunt. The strategic assessment is the result of five years of work which confirmed the internal processes used by DEWNR to assess and manage environmental matters met the requirements of the EPBC Act which now enables DEWNR to self-manage matters of National Environmental Significance. This is the first endorsement of this type nationally.

DEWNR plays a lead role in delivering fire management activities across other public lands. An inter-agency arrangement has been in place with SA Water since 2005 for DEWNR to deliver fire management activities on SA Water-managed lands. A pilot project this year saw a similar arrangement developed between DEWNR and ForestrySA for DEWNR to support and deliver fire management activities on ForestrySA lands in the Mount Lofty Ranges and Mid-North. This clearly demonstrates the

collaborative and cooperative spirit that exists between the agencies, including the CFS, to meet the challenges of an increasing bushfire threat through more effective and efficient use of resources. These arrangements have been formalised through a Heads of Agencies Agreement.

The department aims to increase the participation of DEWNR staff involvement in fire management activities, as well as promote the volunteer response to bushfires on public lands. DEWNR also aims to influence the adoption of a true tenure blind 'landscape' risk management approach to reduce the impact of bushfires on communities.

Goal 3.3 Improve management of public and listed assets

Objective

Management of the State's Crown lands and heritage places, as well as the preservation of the State Herbarium of South Australia and South Australia's botanical collections as key centres for knowledge and information.

Crown land

Crown land transactions with an alignment to South Australia's Economic Priorities have been prioritised, with a focus on working collaboratively across all levels of government to ensure balanced triple bottom line outcomes are achieved.

Crown lands disposals achieved \$2.888 million in revenue, exceeding the original target set. Partway through 2014-15, an amount of \$0.744 million was transferred into an increased Crown land disposal target and this was only partially achieved. The remainder is scheduled to be achieved in 2015-16.

An unsolicited proposal to government in regard to an aquaculture lease and provision of tourism experiences is currently being case-managed with an outcome to phase two of this proposal being completed in the first quarter of 2015-16.

The department placed a high priority on reform to improve customer service and the effectiveness and efficiency of the program.

Achievements for 2014-15 included:

- the completion of a system integration project between the department's Tenement and Billing System (TABS) and the new South Australian Integrated Land Information System (SAILIS). SAILIS was commissioned by DPTI in April 2015
- a full review of TABS business processes, which led to the development of a TABS Governance Plan and the implementation of additional TABS Business Reports. These will improve internal controls and accuracy
- the reform of business processes has continued in 2014-15 with the documentation of transactional processes being captured. A number of staff training sessions were conducted as part of the implementation phase of this project. The improved processes are set to streamline Crown land transactions, which will reduce the time taken to process customer applications. This project will continue into 2015-16

Unlocking the full potential of SA's resources, energy and renewable assets

SASP Target 1 – Urban spaces

SASP Target 4 – Tourism industry

SASP Target 32 – Customer and client satisfaction with government services

SASP Target 33 – Government planning decisions

SASP Target 70 – Sustainable land management

- input was provided to Renewal SA to assist with the refinement of Premier and Cabinet Circular PC114 – Government Real Property Management. Improved shack management business processes have been implemented for new shack rent notifications to shack lessees. The revised business processes have resulted in lessees being notified at least six months prior to their change in rent and the number of appeals from lessees has significantly reduced.

In 2014-15, the department carried targeted compliance activities in the communities of Bow Hill, Marks Landing and Walker Flat. Site inspections were carried out to identify unlicensed River Murray structures, such as jetties and moorings. In 2015-16, the department will work with the community to ensure areas of non-compliance are resolved.

State heritage protection

Nineteen developments affecting State heritage places worth over \$500 million were negotiated through the Development Assessment Commission pre-lodgement process, reducing red-tape and creating potential cost savings to the developer. 598 heritage related Development Applications were undertaken (89 percent within the eight week statutory timeframe).

In terms of maritime heritage, over 600 relics were recorded and photographed ready for distribution to museums (including 300 owned by DEWNR). Large-sale items donated to museums or local communities have included the four metre *Clan Ranald* anchor (now returned to Edithburgh) and the stove from the *Zanoni*. In addition, three new shipwrecks have been surveyed and recorded in the South East.

Over 300 permits have been processed ranging from recreational divers wanting to visit the Hobart wreck, to archaeological permits for digging/development at places of heritage significance.

Over 40 000 slides of heritage places and over 2000 plans have been digitised and saved onto the department's intranet site so that the images can be accessed by all staff. Images and map locations for heritage places and shipwrecks have also been added to the Location SA website (location.sa.gov.au) and made publicly available through the Unleashed Open Data Competition.

The department provided assessment reports and supporting papers to enable the SA Heritage Council to confirm 17 places of State significance to the South Australian Heritage Register.

State Herbarium

Significant achievements were completed towards modernisation of the State Herbarium's collection, resulting in more than 3400 new specimens from both South Australia and the Northern Territory being made available digitally through the Global Plants database via the JSTOR website (<http://www.jstor.org/>). This included:

- digitising the fungal images from the historic JB Cleland and CG Hansford collections that include 700 watercolours, line drawings, and specimens of high scientific and historical value. The open access of these digital collections through the Global Plants database, Atlas of Living Australia and Enviro Data SA, will provide significant data to researchers, students and the community
- completion of photographic records of all State Herbarium vascular plant type specimens – those specimens upon which species names are based – as part of a project that aims to get all the world's major herbaria type specimens digitised. Digitisation of key specimens is the future direction of herbaria across the world.

In 2014-15 at least 17 new weed species were discovered and documented. In regard to weed control, the State Herbarium published and launched the book *Feral opuntoid cacti in Australia* in June 2015.

The book is about identification and control methods for feral cacti, enabling land managers throughout Australia to tackle increasingly problematic and invasive cacti weeds.

Scientific and technical

The Enviro Data SA website was launched in September 2014 and since then there has been more than 88 000 page views. The website is a public portal that provides one-stop access to environmental and natural resources information. Development was led by DEWNR as part of the Premier's Open Data policy agenda. New data sets, technical reports as well as natural resource State and condition reports will be continually added to the site, providing a wealth of information to the public for use by students, primary producers, environmental decision makers and scientists. Of particular note is the launch of the SA Climate Ready section on Enviro Data SA in February 2015, which provides access to more than 900 000 data points for use in climate modelling specific to South Australia.

The department recently developed the Guide to Managing Environmental Knowledge. The guide includes standards and recommendations for the application of State government classifications and open data initiatives and is intended to drive a consistent approach to knowledge management across DEWNR.

Defendable, context appropriate and quality assured science and research is central to supporting an evidence-based approach in NRM decision making. This is best achieved through adhering to a standard peer review and approval process. Guidelines for peer review and approval of scientific and technical documents are in the final stages of completion.

A new more rigorous and transparent method has been developed to determine how vegetation is assessed and the way Native Vegetation Council offset requirements are calculated in the arid regions of South Australia under the Significant Environmental Benefits scheme. Previous methods of assessment in arid regions have relied heavily on expert assessments. The new process – currently being referred to as MingkiriRAT – uses satellite imagery and information available from the Biological Databases of South Australia to determine the level of on-ground sampling required for a representative assessment. The on-ground component of the process then focuses on persistent perennial species to minimise the large influence of climatic condition on vegetation in the arid regions. Field trials of the MingkiriRAT process will be undertaken in the spring of 2015.

Election commitment: implement amendments to the *Pastoral Land Management and Conservation Act 1989* to allow renewable energy developers to access Crown owned land used for pastoral purposes

During 2014-15 the *Pastoral Land Management and Conservation Act 1989* was amended to provide a much clearer and simpler process for the development of renewable energy investments on pastoral leases in South Australia.

The *Pastoral Land Management and Conservation (Renewable Energy) Amendment Bill 2014* was passed by Parliament on 14 October 2014 and assented to by the Governor on 23 October 2014.

The amended Act benefits developers, pastoral lessees and native title holders, as well as ensuring that the interests of mineral and resource companies are preserved through strong consultation and negotiation with all groups at an early stage in the licence application or land acquisition process.

An industry communication package has been developed by DEWNR and will commence once the amended Act is officially proclaimed by the Governor in September 2015.

Goal 3.4 Curate high quality Botanic Gardens

Objective

Management of the Botanic Gardens of South Australia as a collections-based cultural and scientific institution, linking plants, people and culture and encouraging their use for conservation, education, tourism, recreation and cultural events.

High quality gardens

The Botanic Gardens of South Australia comprises three beautiful public gardens: Adelaide Botanic Garden in the city, Mount Lofty Botanic Garden in the Adelaide Hills and Wittunga Botanic Garden in suburban Blackwood. These gardens provide visitors with a range of cultural, recreational, educational and scientific facilities.

With almost 1.8 million visitors annually, the Botanic Gardens are one of South Australia's most loved cultural and tourist destinations and are consistently ranked within the top two destinations on TripAdvisor's 'things to do in Adelaide' lists. In 2014-15, Adelaide Botanic Garden was awarded a Certificate of Excellence by the renowned tourism website.

In keeping with the goal to curate high quality Botanic Gardens, 2014-15 saw:

- 89 trees added to its collections, exceeding the minimum target set
- almost 40 000 plants propagated in the Mount Lofty Botanic Garden nursery, including over 3000 corn plants for the City Crop project and plants for the Little Sprouts Kitchen Garden
- Focus Collection policies written for the International Rose Garden and the Bicentennial Conservatory
- construction of the Little Sprouts Kitchen Garden in Adelaide Botanic Garden
- approximately 35 ML of water injected into the First Creek Wetland in Adelaide Botanic Garden
- commencement of repair work to the historic Goodman Building at Adelaide Botanic Garden
- repair work and maintenance of garden gazebos and furniture throughout Wittunga Botanic Garden, significantly improving the visitor experience
- commencement of construction of the Chris Steele Scott OAM Visitor Pavilion at Mount Lofty Botanic Garden with support from and funds raised by the Mount Lofty Botanic Garden Support Group
- continued effort at reducing the carbon footprint of the Gardens with LED lighting now being utilised for floodlighting and public conveniences across all sites
- continued review of water management systems through real-time irrigation testing via iPad technology
- upgrades to Mount Lofty Botanic Garden Nursery operations with the installation of 50 000 litre rainwater tanks and the addition of irrigation controllers.

Botanic Gardens community and industry programs

As keepers of collections and knowledge, the Botanic Gardens are champions and storytellers of how plants shape our future. It is the vision of the Gardens that it will be unsurpassed in sharing its knowledge of plants through the delivery of a range of community and industry programs.

Creating a vibrant city

SA - a growing destination choice for international and domestic travellers

Promoting SA's international connections and engagement

SASP Target 1 – Urban spaces

SASP Target 4 – Tourism industry

SASP Target 72 – Nature conservation

In 2014-15, the Botanic Gardens of South Australia:

- reached the milestone of conserving 67 percent of the State's threatened plant species through the South Australian Seed Conservation program (up from 64 percent in 2013-14)
- introduced significant developments to the Seeds of South Australia website (saseedbank.com.au), an online database for identification and seed propagation of native flora in South Australia
 - Over 1000 new images were uploaded bringing the total number of images to 5000
 - Detailed information for over 1700 species was uploaded
 - An average 4600 page views per month from approximately 1000 visitors.
- delivered two nationally accredited horticultural training courses through the Australian Centre of Horticultural Excellence, in collaboration with TAFE SA with 22 students graduating in December 2014
- delivered seven master classes to 130 fee-paying community participants through the Australian Centre of Horticultural Excellence
- delivered the sold out two-day Economic Botany Today Master Class with world-renowned botanist David Mabberley, teaching a deeper understanding that our daily lives are full of close encounters with the plant kingdom, including food, textiles, medicines, drugs, dyes, pesticides and perfumes
- officially launched the Little Sprouts Kitchen Garden program in Adelaide Botanic Garden with the Hon. Ian Hunter MLC and the Hon. Susan Close MP
- received over 1700 registrations for the Little Sprouts program
- partnered with Coopers, Lobethal Bierhaus, Joe White Maltings and SARDI to brew a limited edition Botanic Ale from barley grown in Adelaide Botanic Garden's City Crop
- reached over 15 000 people at the Royal Adelaide Show and subsequent events through the City Corn Crop project, teaching them of the benefits of growing healthy food at home
- through the events program, organised and/or coordinated 35 events
- hosted the 'Postcards from the Edge of the City' and 'Urpflanze Street Plants' Exhibitions in the Santos Museum of Economic Botany attracting more than 60 000 visitors to the Museum in 2014-15
- won the national 2015 Museums Australia Publication Design Award for 'best book' for *Out of the past: views of Adelaide Botanic Garden* (the catalogue to the Postcards exhibition)
- continued engagement with 15 schools across metropolitan and regional South Australia in the Stewardship of Endemic and Endangered Species project. The project involves students protecting endangered plant species through active science
- was awarded in the Planning Institute of Australia Awards for Planning Excellence 2014 in the category of Cutting Edge Teaching and Research for the Evidence Base for Green Infrastructure project
- was an official advocate for 2020 Vision, a national project aiming for 20 percent more and better green space by 2020, and host for the 2020 Vision Growing the Seeds National Tour through the Green Infrastructure programme
- continued development of the Living Adelaide initiative outlining ways to address key issues such as climate change, health and wellbeing, biodiversity and community cohesion for a State that is economically, environmentally, socially and culturally sustainable – a major contribution to the State Government's Strategic and Economic priorities
- hosted World Environment Day activities attracting over 3000 students to Adelaide Botanic Garden through the Education at Adelaide Botanic Garden program
- provided professional learning for 324 South Australian school teachers
- attracted over 1000 students for National Water Week, educating them in responsible water use
- delivered educational Green Infrastructure lectures and seminars to design, planning, engineering, education, environment and geospatial science faculties within the University of Adelaide, the University of South Australia and TAFE SA

- saw significant growth in social media reach and interaction on Facebook, Twitter and Instagram and monthly e-Newsletter subscribers up to 7000
- hosted a unique symposium, 'Out of Time' focusing on landscape history in the Santos Museum of Economic Botany. Speakers from around the world included John Dixon Hunt (University of Pennsylvania) Annette Giesecke (University of Delaware), Stephen Forbes (Botanic Gardens of South Australia), Luke Morgan (Monash University), Stanislaus Fung (the Chinese University of Hong Kong), Stephen Bending (University of Southampton), Jennifer Milam (University of Sydney), John Macarthur (University of Queensland), Kelly D. Cook (University of Maryland).

Election commitment: provide a further \$1.6 million to the Botanic Gardens to extend their current Kitchen Garden initiative to include a pre-school visiting program.

The South Australian Government has committed \$1.6 million over four years to extend the Botanic Gardens of South Australia's existing Kitchen Garden Initiative to include a pre-school visiting program. In December 2014 construction began on an exciting project in Adelaide Botanic Garden, the Little Sprouts Kitchen Garden.

This program has been designed to align with the National Early Years Learning Framework. It provides children aged three to six years with hands-on experiences in an engaging outdoor learning environment. Children undertake activities that utilise play and exploration, exciting their natural sense of wonder and engaging all the senses. The Kitchen Garden showcases the benefits of growing fresh, healthy produce to the whole community instilling healthy habits from a young age.

A Program Coordinator and Horticultural Curator were recruited to curate the garden, deliver a crop planting plan, develop teaching materials and resources and a volunteer program.

Little Sprouts visiting sessions are free to attend for pre-school and school groups. The sessions are 90 minutes in duration and led by a qualified Kitchen Garden Educator.

The Little Sprouts Kitchen Garden was officially launched by the Hon. Ian Hunter MLC and the Hon. Susan Close MP in April 2015. By 30 June 2015, over 1700 children had been booked into classes for terms two and three.

Goal 4 Achieve a modern and effective organisation

Objective

To reform the delivery of corporate services to remove duplication and streamline services, and build on our foundations to continually improve organisational performance and leadership capability.

SASP Target 32 – Customer and client satisfaction with government services

Governance process improvement

A Business Continuity Management Framework was implemented to ensure that DEWNR can continue to deliver the critical business operations that our customers and stakeholders need after an emergency or critical event. The result is the development of Business Continuity Plans for our most critical business operations that identify strategies to maintain or restore those operations in a timely manner and with minimal impact to the department and its stakeholders should they be disrupted.

A Financial Management Compliance Program was implemented to ensure that the department has a range of measures in place for good financial management and that these are being regularly reviewed.

DEWNR established a Legislative Compliance Register that includes Acts and Regulations administered by the department, Acts and Regulations not directly administered by the department but for which compliance is mandatory, outputs required from the legislation (e.g. annual reports, management plans, revision of expiring Regulations, etc.) and relevant due dates. The effective management of legislative compliance contributes to the achievement of the department's strategic objectives, improves the way we do business and ensures the right people make the right decisions.

The department has implemented a Positions of Trust policy and procedure to ensure DEWNR's employees have the required security clearances and child safe employment screening to undertake their roles.

A Work Health and Safety (WHS) internal audit program saw 26 staff trained and 11 audits undertaken. The results of the audits provide valuable information to continually improve DEWNR's WHS system.

Organisational performance improvement

Planning and reporting across the agency is modelled on DEWNR's organisation performance framework. The framework navigates business activities from unit plans through to State priorities and plans. Responsibility and accountability inherent in the organisational performance framework drives performance delivery and improvement.

DEWNR undertakes regular self-assessments against the High Performance Framework to identify areas of improvement. DEWNR assesses its performance through the Organisational Performance Framework (OPF), which measures the delivery of its business through a series of milestones that are linked to DEWNR's defined services. The OPF combines business delivery reporting with key performance indicators to produce performance reporting to each of DEWNR's branches and the Executive team on a quarterly basis. Employee performance and development is assessed both informally and formally through regular formal six monthly reviews as a standard practice.

Digital information systems and improvements

DEWNR supports the Digital by Default Declaration and Declaration of Open Data and has embraced significant moves toward implementing these as core activities to a modern and effective organisation.

Connectivity and staff mobility

DEWNR's Willunga office was connected to the National Broadband Network, the first use of NBN for an SA Government department and an effective improvement in internet capacity for the regional office.

The DEWNR Wi-Fi network was extended to Keswick and Eastwood sites with more key sites to have wireless capability in 2015-16. The extension of Wi-Fi networks within DEWNR will underpin transformation to greater workforce mobility as staff using mobile devices will be able to access the network from any point within a defined site and not be locked in to requiring a computer at a desk with a network cable attached.

Video conferencing capability was extended to Port Lincoln which will enable staff to engage in video conferences internally with other DEWNR sites or externally to many other organisations such as councils, universities, and other Australian or overseas government jurisdictions. Video conferencing use has increased by approximately 23 percent within DEWNR in the first six months of 2015 enabling DEWNR business units to collaborate more widely within and outside of the department while saving on time and travel costs.

Performance and productivity

A number of human resources online forms have been implemented on the SharePoint platform to replace paper-based forms and processes. A number of efficiencies and greater reporting capacity has been achieved for DEWNR as well as at the user level.

A new computer modelling environment was established to enable running specific water modelling programs by DEWNR's science staff. Tests run on some modelling has resulted in a reduction in processing time from 120 hours to nine hours.

Improvements to data processing from a range of sources (e.g. CHRIS, Masterpiece, Point of Sale) into the DEWNR Data Warehouse, which is made available for DEWNR and EPA corporate reporting systems, have seen processing times drop from nine hours to two hours, thereby improving both performance and productivity related to transactions and queries on these core systems.

A new electronic hard copy records management system resulted in 10 different legacy records management systems being rolled into a single, compliant departmental system. Over 800 000 records were migrated with no loss of information and more than 200 staff have been trained in its use.

In addition, DEWNR established a single Spatial Delivery database integrating and rationalising GIS data layers from previous disparate databases, which has improved data access and sharing for DEWNR and SA Government.

Based on the new GIS platform, and by effectively utilising Location SA, the department significantly upgraded Nature Maps and Fire Management publicly accessible online mapping sites, thereby providing additional data, creating an improved user experience and providing support for usage on smart phones and tablets.

Open Data

DEWNR has been a long standing co-founder of the cross-agency collaborative shared spatial infrastructure initiative, called Location SA. Location SA provides a platform of authoritative location data and services that all State government agencies can use.

Location SA has been instrumental in providing services to many public-facing systems across government, including DEWNR's own significant open data portals, WaterConnect and Enviro Data SA.

Location SA published a comprehensive viewer of public data, including DEWNR data layers, in May 2015.

Building on the success of our industry award winning open data portal, WaterConnect, DEWNR launched Enviro Data SA to provide wider access to DEWNR and cross government environmental information and data and published an extensive suite of local climate models under SA Climate Ready.

The *Journal of the Adelaide Botanic Gardens* was made available online by the State Herbarium of South Australia using Enviro Data SA (<http://data.environment.sa.gov.au>) on behalf of the Board of the Botanic Gardens and State Herbarium.

As part of our continuing commitment to open data and the Unleashed competition, Data.SA, the South Australian Government data directory, was extended to include climate data, heritage and shipwrecks and parks information, as well as walking trail information to encourage the use of this data for nature based tourism services and products.

As Flood Hazard Leader, DEWNR takes a leadership and coordination role for the planning of activities relating to flood in South Australia. The Flood Awareness Map assists the public with learning about their flood risk. This project has been developed with funding support from the Natural Disaster Resilience Program, an initiative of the National Strategy for Disaster Resilience.

Culture, workforce development and organisational reform

The ongoing success of the Emerging Leaders Program saw the launch of the sixth program redesigned to target ASO5 to ASO7 (or equivalent) employees that have leadership and management potential, and a new Accelerate - L.E.A.D Program tailored for ASO2 to ASO4 (or equivalent) employees who have been identified as talented people who are demonstrating personal leadership capability.

The organisational reform program supports culture change and continuous improvement, helping all staff to make the department a great place to work.

A multipronged approach has been implemented to organisational change, ranging from organisational-wide programs (such as Think One Team and Values workshops) through to targeted leadership and management programs (such as Managers and Leaders Forums and Leadership Information Packages) and team and individual behavioural change programs (such as the Culture Network and internal 90 Day Change Projects).

Leveraging benefits from cross-government initiatives, such as working closely with the Change@SA program in the Office for the Public Sector and with change agents in other agencies, the department is an active participant in cross agency initiatives that ensures DEWNR can be an effective and efficient partner. Through projects such as leading the Simplify Project on Crowdfunding, the agency has been recognised for taking an innovative and impactful approach to both incremental and radical reform initiatives and organisational values.

The DEWNR Culture Network, a self-nominated community of over 300 staff who are passionate about making the department and our work the best it can be, has empowered and enabled team-based changes that have had an impact on how DEWNR works effectively and efficiently every day.

The department regularly organises a Staff Perspectives Survey, with the latest held in July 2015. This survey is being used to assess DEWNR's progress in high priority areas for improvement from the previous survey conducted in 2013. This information will feed into the Office of the Public Sector's survey that benchmarks agency performance across government.

Corporate service improvements (financial, asset management and business services)

Corporate services successfully led the department through carefully and strategically managed budget reductions to ensure core businesses continued to be delivered effectively.

A strong and positive relationship was maintained with the government's key corporate agencies including the Department of Treasury and Finance and the Auditor-General's Department, through open communication channels and a demonstration of our strong focus on financial management compliance.

As part of its response to the significant savings imposed on the department, a new approach to corporate service delivery is being developed and implemented. The vision for the new approach is to enable the department and the agencies that the department supports to achieve their goals through the delivery of a contemporary, fit-for-purpose and customer focussed corporate service.

Better asset management and investment decisions have been achieved through the establishment of strategic assessment criteria, and increased agency participation to assess and prioritise alternative project proposals.

Increased facilitation of cross-agency opportunities has occurred for investment in infrastructure to deliver on the Premier's economic priorities, in particular tourism and regional employment.

Internal corporate processes were rejuvenated, achieving efficiencies as a result of budget impacts.

Community Engagement

Parks visitor information

A new range of park brochures with engaging and up-to-date information was produced for fourteen priority national parks. Park maps were updated and restyled, and can be downloaded for free on mobile devices. Used within the Avenza PDF Maps application, the maps allow you to calculate distances and locate yourself within the park.

Royal Show display

Engaging interactive elements and interpretive signage for the department's display at the Royal Adelaide Show resulted in a survey of people who visited the display rating the display as either very good or excellent.

Social media

The @SADEWNR Twitter account was launched to amplify DEWNR news with more than 1100 people now gaining timely information via the corporate Twitter account.

The National Parks SA Facebook page continues to encourage people to visit parks with 9200 Facebook fans. The profile steadily reaches an average of 100 000 people each month.

Mobile friendly websites

A new responsive marine parks website was launched, including an interactive map showing all zoning and coordinate information. Enhancements were also made to the PIRSA SA Recreational Fishing application.

The Cleland Wildlife Park and Naracoorte Caves websites were rebuilt to be viewed optimally on both tablet and mobile devices. Visitors using these devices will have a better experience navigating the sites and finding the information they are looking for.

South Australians connected to the important environmental issues

The Good Living blog was launched in May 2015 with the first monthly e-digest and the announcement of an incentive prize of a family trip to Kangaroo Island. With approximately 15 000 unique page views, and nearly 600 competition entries, the blog had an impressive start as people engaged with content aiming to raise awareness about the importance of the environment.

DEWNR regarded as an authority on environmental issues

More than 300 proactive media releases were issued and a similar number of media enquiries and interview requests were managed to ensure the public received consistent, accurate and timely information on major environmental issues. There was strong public and media interest in alternative sites for shark cage diving, dog and cat management reforms, the Cleland redevelopment, koalas in

Hong Kong, the Kangaroo Island Wilderness Trail, and dredging the Murray Mouth. One news story which sparked significant media attention was the Minecraft competition to engage school children in designing parks; this story was published nationally and internationally, most notably by the *Washington Post*, *BBC*, and the *Guardian*.

UPCOMING CHALLENGES

As the agency delivers its services over the 2015-16 financial year, common challenges are anticipated. Many of the challenges will occur from increased community participation in developing shared outcomes and sound policy. Allowances will need to be given to garner public support by running community campaigns, citizen juries and receiving feedback on specific changes such as proposed legislative amendments.

As the State economic priorities are considered, the nature based tourism and extended utilisation of our parks and reserves initiatives will require intensified engagement strategies and new partnerships to evolve, where traditionally these skills were not practiced to the same extent. Specific attention will need to be given in areas of community engagement and co-management opportunities with community groups to drive economic investment through tourism. A singular collaborative approach from government agencies will be an imperative to support whole of government ventures.

Developing the carbon neutral 'Adelaide Green Zone' to make Adelaide the world's first carbon neutral city will present numerous challenges, such as developing agreements, establishing realistic targets, and balancing economic growth with environmental outcomes. Considering the numerous players and community expectations, this will need to be cautiously managed.

The Patawalonga Lake System will continue to demand substantial investment in the medium term to ensure public safety and lake water quality. The Patawalonga Lake System is limited in its capacity to manage flood situations caused by heavy stormwater flows that cannot be discharged to the sea due to high tides. Precautions are in place to mitigate the impacts of such a situation.

The water resource conditions in the Murray-Darling Basin are drier than average at the end of 2014-15. Due to El Niño conditions, there is a strong possibility that South Australia will need to consider the competing needs of water users in 2015-16 and possibly 2016-17. South Australia will need to be successful in negotiating with the Commonwealth Environmental Water Holder and the Living Murray for large volumes of environmental water to be delivered to South Australia.

In 2014-15, funding for ecological monitoring at the Chowilla Floodplain and Lower Lakes, Coorong and Murray Mouth icon sites via the Living Murray program was reduced to approximately 25 percent of previous years' budgets. These monitoring programs provide critical data to inform management of new floodplain infrastructure and support proposals and negotiation for environmental water allocations for South Australia. Reduced ecological monitoring effort increases the risk that South Australia cannot adequately quantify the benefits of environmental water delivery, and jeopardises South Australia's ability to secure future environmental water.

Policy development for the humane treatment of animals, especially in relation to dog and cat management, will present highly sensitive and emotional debate in the community. DEWNR will fully utilise consultation channels and well understood engagement strategies to ensure the timely delivery and success in these policy improvements. Similarly, the management of over abundant species presents challenges with numerous forums and public debate anticipated in forming policy positions e.g. kangaroo, Corella, seal and koala management.

Challenges in the business information and technology environment of the agency will demand significant efforts in changing agency accommodation and the timelines expected in terms of ICT connectivity, mobility and improvement opportunities. Security, in particular cyber security and awareness, will need a continued focus. Additionally, the recognition of the changing skills and business

transformations related to applying the Digital by Default strategy will challenge the department's service delivery.

FUTURE PRIORITIES

To address the challenges facing the agency and to ensure South Australia is the place where people and business thrive, DEWNR will focus on the following priorities:

- Priority one: unlocking the full potential of South Australia's resources, energy and renewable assets
- Priority two: premium food and wine produced in our clean environment and exported to the world
- Priority five: South Australia - a growing destination choice for international and domestic travellers
- Priority eight: Adelaide, the heart of the vibrant State
- Priority nine: promoting South Australia's international connections and engagement.

DEWNR will actively support the priorities by increasing and garnering community cooperation to grow investment in the State's tourism industry, taking all opportunities that exist in parks and reserves administered by DEWNR.

Climate change and sustainability initiatives (including water management) will play a vital part in supporting the economic growth of the agricultural industry in which DEWNR has a lead role. Being an internationally recognised State attracting new industry because of our clean environmental record, support for renewable energy and alternate or innovative environmentally sustainable solutions will formulate key programs developed within DEWNR.

Policy implementation initiatives being led by DEWNR and supporting these priorities include:

- establishing a carbon neutral 'Adelaide Green Zone' to make Adelaide the world's first carbon neutral city
- Development of a new Climate Change Strategy for South Australia
- commissioning a business case for a publicly accessible database to capture pet micro-chipping data
- establishing a new code of practice to make sure family pets come from healthy and humane conditions. This code will target 'puppy farms' and individuals
- funding new recreational fishing opportunities (\$3.25 million) in consultation with relevant portfolios
- investing \$1.5 million over four years on a series of projects aimed at drawing mountain bike enthusiasts from around Australia and the world to the Mount Lofty region
- constructing a new five day Kangaroo Island Wilderness Walking Trail
- providing an extra \$4 million over four years to ensure South Australia's 19 marine parks are effectively managed.

Furthermore, DEWNR plans to implement a substantial capital works program. There are currently seven River Vessel Waste Disposal Stations that have been upgraded along the Murray, with a further five to be upgraded.

The department will continue to advocate for and deliver large volumes of environmental water to South Australia. DEWNR will provide clear and scientifically-supported data to show the positive ecological outcomes of environmental water delivery to South Australian sites, particularly in light of an emerging Senate inquiry into the Murray-Darling Basin Plan.

Reconciliation with Indigenous communities, along with a focus on women in leadership, will continue to be agency priorities. Additionally, DEWNR will strive to achieve White Ribbon Workplace Accreditation (stopping violence against women).

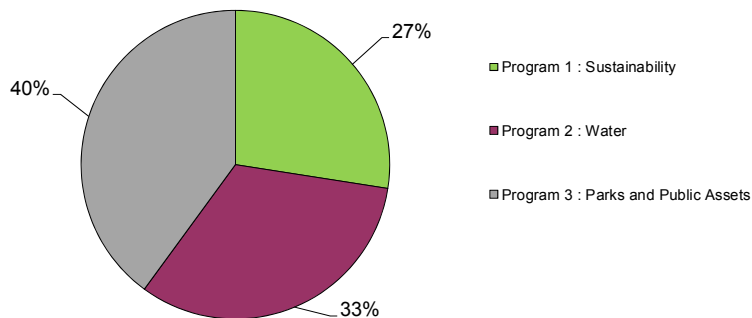
FINANCIAL COMMENTARY

Financial Overview

The Department of Environment, Water and Natural Resources (DEWNR) leads the management of South Australia's natural resources, to ensure the protection of our environment and that healthy and productive natural resources sustain our wellbeing and economy.

The audited DEWNR financial statements are published on the department's website www.environment.sa.gov.au. The following report makes comparison between the revised budget for 2014-15 as tabled in Parliament in June 2015 as part of the 2015-16 Agency Statements, and an abridged version of the actual financial statements as at 30 June 2015. The abridged report is formatted to include the Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity.

Program Expenditure



The three programs' actual expenditure as a percentage of total expenditure are Parks and Public Assets (40 percent), Water (33 percent), and Sustainability (27 percent).

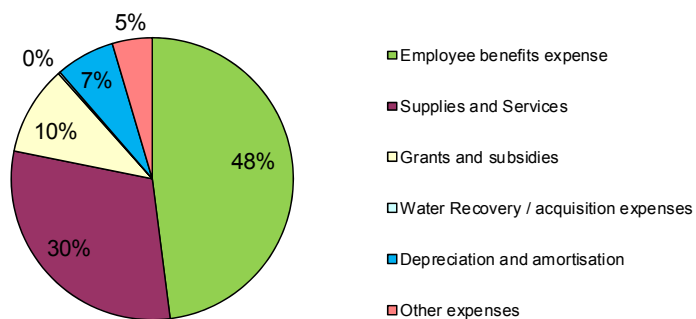
Income Statement

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2015

	Budget 2014-15 (\$'000)	Actual 2014-15 (\$'000)
Operating expenses	311 829	307 867
Operating revenues	198 535	166 238
Net cost of providing services	113 294	141 629
Revenues from SA Government	141 671	141 670
Payments to SA Government	-	(1200)
Net Result	28 377	(1159)
Other Comprehensive Income	-	11 914
Total Comprehensive result	28 377	10 755

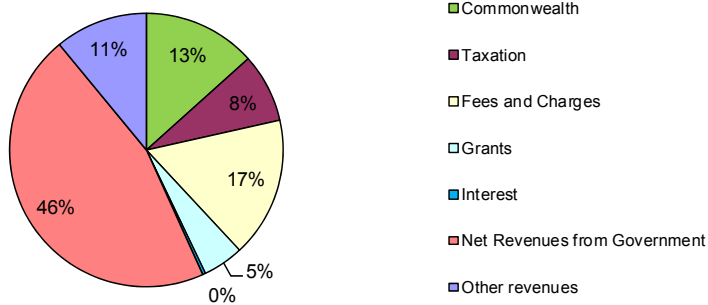
The actual comprehensive result was a net surplus of \$10.8 million.

Operating Expenditure



Operating expenses were approximately \$4.0 million lower than budgeted.

Operating Revenues



Operating revenue was approximately \$32.3 million lower than expected, largely as a result of:

- under-achieved Commonwealth grant revenues for the Coorong, Lower Lakes and Murray Mouth Program (\$15 million), Riverine Recovery Program (\$3.8 million), and the SA Riverland Floodplains Integrated Infrastructure Program (\$2.8 million); and
- the non-achievement of planned water sales (\$8.4 million) and a reduction in other grant revenue (\$2.3 million).

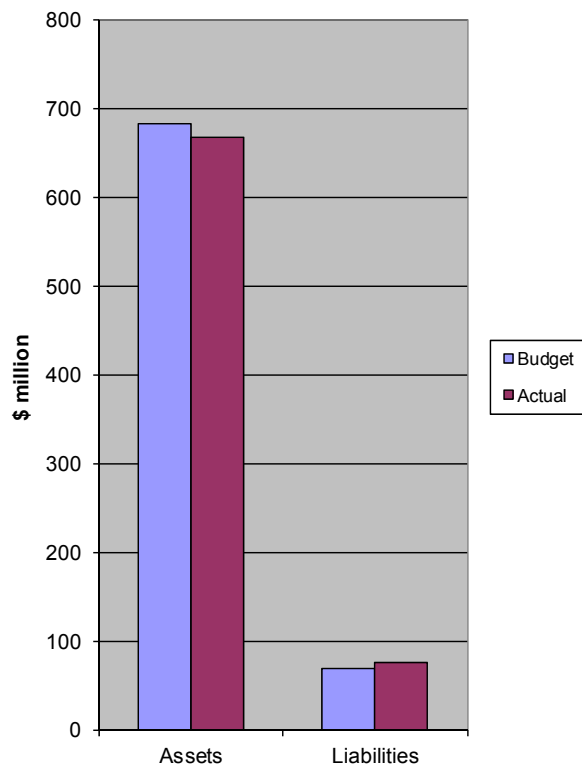
Balance Sheet

SUMMARY STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2015

	Budget 2014-15 (\$'000)	Actual 2014-15 (\$'000)
Current assets	161 232	150 723
Non-current assets	521 478	516 803
Total assets	682 710	667 526
Current liabilities	41 184	38 760
Non-current liabilities	27 420	36 559
Total liabilities	68 604	75 319
Net assets	614 106	592 207
Equity	311 703	592 207
Equity at 30 June 2014	585 729	581 452
Surplus/(deficit) for the year	28 377	(1159)
Net Increment for Asset Valuation adjustments	-	11 914
Equity	614 106	592 207

Net Assets and Equity is approximately \$ 21.9 million lower than budget.

Assets and Liabilities



Current Assets for the department are \$10.5 million lower than budget, primarily due to decreased receivables (\$18.8 million), offset by an increase in cash and cash equivalents (\$7.6 million). Non Current Assets are \$4.7 million lower than budget due to asset valuation adjustments resulting from the revaluation of property, plant and equipment performed during the year.

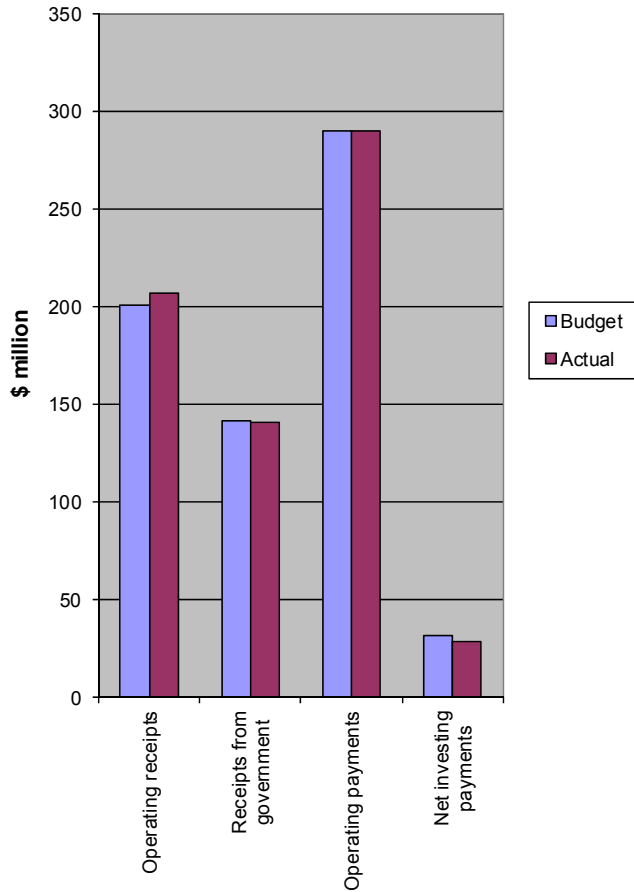
Current Liabilities are \$2.4 million lower than budget primarily due to lower than expected payables (\$1.7 million). Non Current Liabilities are \$9.1 million higher than budget largely due to an increase in the long service leave liability which has been revalued as a result of a change in the discount rate (\$6.7 million).

Cash Flows

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Budget 2014-15 (\$'000)	Actual 2014-15 (\$'000)
Cash flows from operating activities:		
Payments	(289 644)	(289 825)
Receipts	200 962	207 089
Cash flows from Government	141 671	140 470
Net cash provided by operating activities	52 989	57 734
Cash flows from investing activities:		
Payments	(31 803)	(28 983)
Receipts	240	250
Net cash used in investing activities	(31 563)	(28 733)
Cash flows from financing activities		
Payments	-	-
Receipts	-	-
Net cash provided by financing activities	-	-
Net increase (decrease) in cash held	21 426	29 001
Cash at 1 July 2014	105 449	105 449
Cash at 30 June 2015	126 875	134 450

Receipts and Payment



The department's budget provided for a net increase in cash of \$21.4 million. The actual result was an increase of \$29.0 million.

This \$7.6 million variation is comprised of:

- an operating cash increase of \$4.7 million as a result of a net increase in fees and charges and other receipts (\$23 million), GST receipts (\$12.6 million) and interest received (\$0.9 million), offset by a reduction in grant receipts (\$30.3 million) and a payment to SA Government of \$1.2 million; and
- an investing cash increase of \$2.8 million due to the reduction in expected payments for the purchase of property, plant and equipment.

APPENDICES

Public Lands and Coastal Conservation

SPECIAL CIRCUMSTANCE SALES UNDER THE CROWN LAND MANAGEMENT ACT 2009

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

Perpetual leases

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

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

Single perpetual lease	\$6000 or twenty times the annual rent, whichever is the greater, except where a lower purchase price is fixed PLUS documentary fees.
Multiple perpetual leases	\$6000 for up to four leases; \$1200 for each additional lease in the application up to 10; \$900 for each between 10-20; and \$600 for any lease above 20; or Twenty times the rent, whichever is the greater PLUS documentary fees.
War service	The purchase price nominated in the lease (or portion commensurate with the area for a partial surrender) PLUS documentary fees.
Waterfront land	Purchase is conditional on the lessee handing back waterfront land held under the lease and arranging survey of an adequate waterfront reserve. Due to the loss of land and survey costs, the purchase price is reduced to \$1.

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

LAND DESCRIPTION	MARKET VALUE*	CONSIDERATION
Allotment 2 DP 27873 & Allotment 6 DP 44284 Hundred of Gordon	\$155 000	\$4 425
Allotment 61 DP 93539 Hundred of Newland	\$520 000	\$5 826
Section 158 Hundred of Cadell	\$10 000	\$6 000
Section 178 Hundred of Wirrega	\$34 500	\$6 000
Section 779 Hundred of Bookpurnong	\$70 000	\$2 440
Section 1127 Hundred of Brinkley	\$70 000	\$6 000
Section 73 Chaffey Irrigation Area	\$57 000	\$6 000
Section 544 Berri Irrigation Area	\$54 000	\$6 000
Section 9 Hundred of Seddon	\$196 000	\$7 572

LAND DESCRIPTION	MARKET VALUE*	CONSIDERATION
Section 508 Hundred of Gordon	\$154 000	\$3 475
Sections 768 & 548 Hundred of Bookpurnong and Gordon	\$155 000	\$4 400
Sections 275-284 Hundred of Black Rock Plain	\$28 500	\$6 000
Allotment 744 Town of Berri	\$52 000	\$ 6 000
Allotment 18 DP 80051 Hundred of Gordon	\$155 000	\$1 584
Allotment 72 DP 94015 Hundred of Newland	\$370 000	\$11 090
Section 50 Hundred of Caralue	\$315 000	\$6 000
Section 167 Waikerie Irrigation Area	\$52 000	\$6 000
Allotment 5 DP 32309 Loxton Irrigation Area (Hundred of Gordon)	\$140 000	\$2 075
Portion of Section 18 Hundred of Seddon	\$720 000	\$17 365
Allotment 2 DP 23436 Loxton Irrigation Area (Hundred of Gordon)	\$140 000	\$6 000
Allotment 120 Town of Berri	\$57 000	\$6 000
Allotment 100 DP 94341 Hundred of MacGillivray	\$105 000	\$5 752
Section 538 and 539 Hundred of Loveday	\$69 000	\$3 950
Allotment comprising pieces 50 & 51 DP 40452 Hundred of Moorook	\$85 000	\$6 000
Section 855 Berri Irrigation Area	\$105 000	\$6 000
Allotment 51 DP 94257 Hundred of Gosse	\$562 500	\$12 036
Allotment 1 DP 51769 Hundred of Gordon	\$154 000	\$2 296
Section 123 Hundred of Holder	\$80 000	\$6 000
Section 789 Waikerie Irrigation Area	\$41 000	\$6 000
Allotments 12, 13, 14 and 15 DP 92085 Hundred of Ward	\$78 000	\$1
Allotment 17 DP 92085 Hundred of Way	\$83 000	\$1
Section 160 Hundred of Dudley	\$98 000	\$6 000
Section 2 Hundred of Bandon	\$177 000	\$6 000
Section 14, 30 & 32 Hundred of Pordia	\$305 000	\$6 000
Section 386 Hundred of Gordon	\$141 000	\$4 293
Section 388 Hundred of Gordon	\$155 000	\$2 950
Section 427 Hundred of Gordon	\$160 000	\$4 200
Section 36 Hundred of Geegeela	\$330 000	\$6 000
Allotment 3 DP 26616 Berri Irrigation Area	\$85 000	\$6 000

There has been another class of properties that have been sold without a market process or for less than market value due to special circumstances to honour previous agreements or for community reasons. These have been sold as follows:

LAND DESCRIPTION	MARKET VALUE*	CONSIDERATION
Allotment 14 DP57049 Hundred of Nangkita	\$100	\$0
Allotment 100 DP93760 Hundred of Randell	\$127 000	\$65 000
Allotments 61 and 62 DP 95131 Hundred of Berri	\$1 800 000	\$1 860 000
Section 812 Hundred of Strathalbyn	\$169 000	\$80 000

*Note: the nominated Market Value was taken from the Valuer-General's site value as at July 2015.

Reporting Under the *National Parks and Wildlife Act 1972*

Park Revenue

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

Aggregated totals of park revenue for 2014-15 are categorised below:

PARK REVENUE	\$
Admissions and guided tours	8 135 596
Levies, licences and other	72 551
Property rental and related income	1 313 383
Sale of goods	2 296 762
Camping accommodation and hire fees	1 376 653
Total: Park Revenue	13 194 944

Assessment of conservation status under the Act

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

The department has completed a region-by-region assessment of the conservation status of the State's vascular plants and vertebrate animals using internationally and nationally applied assessment criteria. A State-wide review of species identified as threatened is now being undertaken to inform revision and amendment of the Threatened Species schedules (schedules 7, 8 and 9) of the *National Parks and Wildlife Act 1972*. These reviews will also help inform decisions about the need to amend schedule 10 (Unprotected Species) of the Act. It is anticipated that the legislative process to amend the schedules will commence in 2016-17. However, national regulatory reform relating to threatened species under the *Environmental Protection and Biodiversity Conservation Act 1999* may have implications for this timeline.

Reporting Under the River Murray Act 2003

RIVER MURRAY – COMPLIANCE OPERATIONS 2014-15

DEWNR continued routine compliance patrols of the River Murray and catchment throughout the year and responded to a number of reports from councils and concerned residents regarding alleged unauthorised works and clearance of native vegetation on Crown land adjoining the river. Of seven reported infringements.

The main focus of this year's compliance activity was a major audit of licensees drawing water directly from the River Murray. This operation was conducted across the June quarter.

A joint leadership team identified four distinct user groups for the audit:

- Lower Murray Reclaimed Irrigation area – flood irrigators drawing directly from the river. Focus on meter integrity and self-reporting
- Shack owners in Walker Flat, Marks landing and Bowhill drawing water directly from the river. Focus on assisting with licence applications and meter installation
- Non-compliant structures/development along the river banks in Walker Flat, Marks landing and Bowhill. Focus on identifying and documenting for subsequent follow-up action
- River Murray licensees who have failed to submit self-reads for two consecutive quarters. Focus on assisting licensees to read their meters and use convenient, on-line applications to submit readings.

A total of 502 individual sites were visited by departmental compliance officers. Of these, 210 sites were found to have compliance issues, ranging from minor matters such as failing to submit meter reads on time, to more serious infringements such as failing to repair broken meters. Detailed reports of non-compliant sites were written to allow DEWNR staff to follow up matters. Those who fail to comply voluntarily within a certain timeframe may be referred back to the departmental compliance officers for further action.

RIVER MURRAY – DEVELOPMENT CONTROL 2014-15

Ensuring development in the River Murray Protection District complied with the objects of the *River Murray Act 2003* was undertaken by providing advice and direction on 480 development applications under delegation from the Minister for Water and the River Murray. Input to two development plan amendments was also provided under delegation from the Minister.

Referral of matters under the related operational Acts

In 2014-15 there were 536 statutory referrals made to the Minister for Water and the River Murray with the majority of referrals made through the *Development Act 1993* (the Development Act) (refer to the table on the following page).

Referrals were received for statutory authorisations including applications proposing the construction of buildings, land division, dredging, mining exploration and leases, aquatic activity licences and exemptions to provisions of the *Fisheries Management Act 2007*. A smaller number of statutory instruments were also referred, including Development Plan Amendments (DPAs) under the Development Act.

Referral of matters under related operational Acts:

Act	Statutory authorisations	Statutory instruments
Development Act 1993	483	2
Mining Act 1971	16	0
Harbors and Navigation Act 1993	19	0
Fisheries Management Act 2007	16	0
Total	534	2

Referrals under the *Development Act 1993*Statutory authorisations

A range of applications for statutory authorisations were referred to the Minister for Water and the River Murray 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. Buildings comprised around 60 percent of the referrals, while river structures comprised of around 20 percent, and land divisions eight percent. The remaining 12 percent of referrals consisted of proposals relating to State heritage, use of prescribed water resources and other miscellaneous works and activities. All referrals were assessed against the *River Murray Act 2003* Objectives(s) for a healthy River Murray (ORMs) and Objects.

All development referrals in 2014-15 were mandatory referrals under schedule 8 of the *Development Regulations 2008*. All were addressed within the statutory time frame of eight weeks.

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

Of the mandatory referral responses issued, 44 applications had been formally placed 'on hold' prior to completion. This 'on hold' mechanism was utilised to seek further information (where, for instance, plans were lacking in detail) or as a result of a request to modify the proposal. As per section 37(2) of the *Development Act 1993*, the processing of these applications was halted until all requested information was received.

Requests for further information or minor modifications to proposals were sought for a further 15 to 20 percent of applications, without the need for formal holds.

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 DEWNR and other agencies as part of the one-stop-shop service (refer to the table on the following page). This advice resulted in referrals being examined in relation to their impact on a range of natural resource assets, for example water resources, environmental flows, vegetation and cultural heritage.

Referrals under the Development Act 1993:

Group/Agency	Percentage of applications referred (approx.)
Aboriginal Heritage (DSD)	70
Crown Lands (DEWNR)	23
Marine Transport Safety (DPTI)	12
Water Licensing (DEWNR)	7
Native Vegetation Management (DEWNR)	5
State Heritage (DEWNR)	4
Natural Resources (DEWNR)	3
Groundwater & Surface Water (DEWNR)	1
Coast Protection (DEWNR)	1
Maritime Heritage (DEWNR)	1
No internal referrals required	17

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

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

The majority (over 93 percent) of mandatory referrals during 2014-15 related to activities occurring within the River Murray Floodplain Area. Six percent of mandatory referrals related to activities within the River Murray Tributaries Area, while the remaining one percent related to activities outside of those areas but within the Murray-Darling Basin.

Statutory instruments

A number of statutory instruments relating to the *Development Act 1993* were referred in 2014-15 to the Minister for Water and the River Murray as required under section 24(3) of the *Development Act 1993*. This included two DPAs relating to land within the Murray-Darling Basin region. Such instruments are important in determining future land use, with proposals scrutinised to ensure that any changes of land use were appropriate in the context of the *River Murray Act 2003* River Health Objectives. DEWNR

provided responses (including recommendations and comments) for the Minister for Planning's approval.

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

Referrals under the *Mining Act 1971*

A total of 16 mining applications were referred in 2014-15 including exploration licences and mining leases in accordance with the *Mining Act 1971*. 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 19 Aquatic Activity Licence applications were referred in 2014-15 in accordance with the regulations of the *Harbors and Navigation Act 1993*. Activity licences typically included closing off part of the river for special activities such as regattas, and wakeboarding and water skiing competitions. The role of the referral process in this respect is to provide education regarding relevant responsibilities to the organisers and the public for protecting the river.

Referrals under the *Fisheries Management Act 2007*

The Minister for Agriculture, Food and Fisheries must consult with the Minister for Water and the River Murray 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 2014-15, 16 such matters were referred, almost all relating to exemptions from the requirement of needing a permit for projects conducted by research, scientific, or conservation agencies that were found to further the Objectives for a healthy River Murray and Objects of the *River Murray Act 2003*.

Referral reductions

Effective from 25 June 2015, amendments to the *Development Regulations 2008* will result in a reduction of development applications requiring referral to the Minister for Water and the River Murray. The amendments include the addition of more prescribed zones (within specific townships) that are exempt from referral, as well as the addition of small enclosed outbuildings (meeting certain criteria) to the list of exceptions of proposals that involve the construction of a building or earthworks within the River Murray Floodplain Area. These amendments were initially proposed as part of the former DWLBC's contribution of the whole-of-government referral reduction program.

Basin Plan implementation strategy status report

No.	Action	2014-15 Progress Update
1	Develop and implement water planning and management frameworks that comply with the sustainable diversion limit (SDL) requirements of the Basin Plan.	Water management arrangements were reviewed and work commenced to support Basin Plan compliance for the River Murray, Eastern Mount Lofty Ranges, and SA Murray Region water resource plan areas. DEWNR officers worked with the Murray-Darling Basin Authority (MDBA) through the inter-jurisdictional Water Resources Planning Working group and associated technical working groups to identify and progress transitional issues and ensure State interests were considered.
2	Participate in, and influence, the development and implementation of the SDL adjustment mechanism and assessment of projects.	<p>A trial of the SDL adjustment method was completed by the Murray-Darling Basin Authority with input from State government officials and scientists.</p> <p>Fifteen upstream SDL adjustment supply project proposals were assessed for technical feasibility and approved for business case development prior to the operation of the SDL adjustment mechanism in 2016. SDL adjustment projects are assessed to ensure there are no adverse impacts on South Australia's water security, water quality and environmental flows.</p>
3	Identify and develop potential South Australian SDL adjustment project proposals and implement approved projects.	<p>Business cases for South Australia's three sustainable diversion limit 'supply' projects were submitted for multi-jurisdictional assessment. The projects are the Chowilla Regulator (the Living Murray) floodplain project, Riverine Recovery Project and the South East Flows Restoration Project.</p> <p>These projects present an opportunity to offset some of the State's water recovery target by achieving equivalent environmental outcomes with less water.</p>
4	Identify and support implementation of strategic water recovery projects, with advice from the Water Recovery Advisory Committee.	Three-quarters of South Australia's water recovery target of 183.8 GL (long term average annual yield) has either already been recovered or is under contract. The Water Recovery Advisory Forum comprising industry representatives continued to provide advice on the development of South Australian water recovery projects during 2014-15.
5	Work with the Commonwealth Environmental Water Holder and the MDBA to ensure appropriate arrangements for environmental water	South Australia was successful in securing the delivery of 809 GL of held environmental water to improve the health of the riverine environment, floodplain wetlands and the Coorong, Lower Lakes and Murray Mouth. Other watering actions included the first

No.	Action	2014-15 Progress Update
	delivery to South Australia.	testing of the Chowilla Environmental Regulator with an extra 2300 hectares of floodplain inundated and a significant vegetation and frog response, and the raising of water levels in three weir pools with inundation of 646 hectares of floodplain.
6	Influence the management of environmental water under the environmental watering plan, in particular through the development of the Basin-wide environmental watering strategy and annual priorities.	DEWNR officers actively participated in environmental water planning and delivery, developing the Basin annual environmental watering priorities and providing input to the Basin-wide environmental watering strategy. South Australia's 2014-15 annual environmental watering priorities for the River Murray influenced the Basin annual environmental watering priorities and informed the Commonwealth Environmental Water Holder's watering actions for the year. The 2015-16 environmental watering priorities were submitted to the MDBA in May 2015.
7	Develop and implement South Australia's long-term environmental watering plans and annual watering priorities.	Work continued on a long-term environmental watering plan for the River Murray. State annual environmental watering priorities were provided in May 2015 to inform the MDBA's Basin-wide annual environmental watering priorities.
8	Identify and advocate for projects and reforms aimed at removing the barriers limiting the effective delivery of environmental flows through the River Murray system.	DEWNR officers, along with other jurisdictions and the MDBA, commenced development of business cases to address environmental watering constraints along the River Murray main channel. This included developing a business case for the River Murray in South Australia. Final business cases are due in 2015-16.
9	Facilitate the implementation of the Pike and Katarapko environmental works and measures project.	The \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) is being implemented with the construction proposals endorsed for early works at Margaret Dowling (Pike Floodplain) and Bank J (Katarapko Floodplain).
10	Develop and implement water quality management plans for South Australia's Murray-Darling Basin water resource plan areas.	A draft Water Quality Management plan was developed for the SA Murray water resource plan area. DEWNR officials represented the State's interests in a review of Basin salinity management (which highlighted that salinity remains an issue requiring active management) and commenced work, with the MDBA and the other Basin States, on a new Basin Salinity Management Strategy for 2016-2030.
11	Develop water trading policies, protocols, and processes that comply with the Basin Plan.	The Basin Plan water trading rules came into effect on 1 July 2014 and action has been taken to ensure consistency between the water trading rules and relevant South Australian plans and policies. DEWNR officers developed policies for managing sensitive water market information and worked with the MDBA to develop water trading rules guidelines.

No.	Action	2014-15 Progress Update
12	Develop and implement water resource plans that are consistent with the Basin Plan.	A development plan for the delivery of a Water Resource Plan for the South Australian Murray Region was finalised, including a comprehensive risk assessment, a detailed gap analysis and a draft water quality management plan. Work commenced on the Eastern Mount Lofty Ranges Water Resource Plan with progress made on a gap analysis and risk assessment. Significant progress has been made in Aboriginal engagement on the water resource plan development and implementation.
13	Continue to work with other Basin States and the MDBA to ensure critical human water needs can be provided in times of low flow or impaired water quality.	<p>To date, 29.5 GL of South Australian entitlement flow has been deferred and stored in upstream storages for critical human water needs.</p> <p>Joint arrangements with New South Wales and Victoria are in place to reserve 225 GL each year to ensure sufficient water is available to deliver critical human water needs during dry periods.</p>
14	Support community and industry access to funding for economic diversification and regional development projects.	Upon signing the Inter-Governmental Agreement for implementing water reform in the Murray-Darling Basin, South Australia was allocated \$25 million from the \$100 million Murray-Darling Basin Regional Economic Diversification program. During 2014-15 negotiations continued with the Commonwealth on how the program will be delivered in South Australia.
15	Support implementation of the South Australian River Murray Sustainability Program (SARMS) - formerly known as the Water Industry Alliance River Murray Improvements Program.	PIRSA continued to deliver the \$265 million South Australian River Murray Sustainability Program (SARMS) to support regional development and industry redevelopment projects and recover up to 40 GL of water entitlements for the environment. To date, the \$240 million SARMS Irrigation Industry Improvement (3IP) has provided opportunities to 168 applicants to improve the efficiency and effectiveness of their water use and businesses. This has resulted in 19.8 GL of water so far being offered for return to the River.
16	Engage the community throughout the Basin Plan implementation process.	DEWNR implemented its River Murray Community Engagement Strategy to inform and engage River Murray communities about river management and DEWNR projects in the region. During 2014-15, highlights included social media engagement via participation in the Good Living blog and Twitter, coordinated participation at relevant events including River Murray Water Allocation Plan roadshow and Riverland Field Days and engagement on environmental water planning and management.

No.	Action	2014-15 Progress Update
17	Ensure South Australia's Basin Plan monitoring, evaluation and reporting arrangements are effective and efficient.	DEWNR officers actively contributed to the implementation of MDBA's monitoring, evaluation and reporting program and progressed work to develop a multi-jurisdictional integrated environmental monitoring and evaluation program. SA delivered its annual reporting against requirements in schedule 12 of the Basin Plan, which was used by the MDBA to prepare the Basin Plan Annual Report 2013-14.
18	Ensure best available science supports South Australia's implementation of the Basin Plan.	<p>A number of science projects were completed by the Goyder Institute for Water Research in 2014-15, including Indigenous Engagement in Environmental Water Planning, Research and Management, Innovations in the SA MDB Region, Modelling Salt Dynamics (Floodplains) in the RM in SA and Assessment of Research Requirements to support Effective Provision of Environment Water Allocation in the SA MDB. These projects provide valuable information to support water planning and management.</p> <p>The Goyder Institute also hosted a science forum on the hydro-ecological science and modelling supporting the Basin Plan SDL adjustment mechanism.</p>
19	Negotiate and implement a Basin Plan Implementation Agreement with the MDBA and other Basin States that has regard to South Australian circumstances and any relevant Commonwealth-State agreements.	A review of progress against the Basin Plan Implementation Agreement agreed by Basin jurisdictions showed that most tasks are on track or have been completed in accordance with the relevant timeframes.
20	Implement the Inter-governmental Agreement on Implementing Water Reform in the Murray-Darling Basin.	South Australia achieved its 2014-15 milestones for Basin Plan implementation under the National Partnership Agreement (NPA) on Implementing Water Reform in the Murray-Darling Basin. This is an important step in progressing implementation of the Basin Plan and in securing Commonwealth funding to partially offset implementation costs.
21	Ensure South Australia's interests are considered in any reviews or amendment of the Murray-Darling Basin Agreement.	South Australian government representatives represented the State's interest in discussions relating to the Agreement.

Human Resource Management

Details of human resources management within the Department of Environment, Water and Natural Resources for 2014-15 are outlined in the following tables. Further information is available from the Commissioner for Public Employment's annual report <http://www.dpc.sa.gov.au/commissioner-public-sector-employment>.

EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

Classification	Ongoing		Term Tenured		Term Untenured		Other (Casual)		Total				
	Male	Female	Male	Female	Male	Female	Male	Female	Male	%	Female	%	Total
EXEC0E					1	1			1	4%	1	4%	2
SAES1					16	6			16	59%	6	22%	22
SAES2					3	-			3	11%	-	-	3
Total					20	7			20	74%	7	26%	27

AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type	2010-11	2011-12	2012-13	2013-14	2014-15*
Sick Leave	7.6	7.68	6.78	7.52	6.97
Family Carer's Leave	1.34	1.23	1.11	1.28	1.28
Miscellaneous Special Leave	.64	.75	.82	.87	.87

*Average FTE used for 2014-15 calculations = 1526.99.

WORKFORCE DIVERSITY – Age and Gender Profile

Age Bracket	Male	Female	Total	% of Total	2014 Workforce Benchmark*(%)
15-19	3	4	7	0.41	5.5
20-24	15	28	43	2.51	9.7
25-29	58	87	145	8.45	11.2
30-34	106	141	247	14.39	10.7
35-39	113	155	268	15.62	9.6
40-44	123	129	252	14.69	11.4
45-49	134	113	247	14.39	11.1
50-54	115	96	211	12.3	11.4
55-59	111	75	186	10.84	9.1
60-64	71	18	89	5.19	6.7
65+	11	10	21	1.22	3.6
TOTAL	860	856	1716	100	100

*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, State, marital status – employed – total from Feb78 Supertable, South Australia at November 2014.

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

Male	Female	Total	% of Agency
14	14	28	1.6

TYPES OF DISABILITY (WHERE SPECIFIED)

Disability	Male	Female	Total	% of Agency
Disability Requiring Workplace Adaptation	9	9	18	1
Physical	8	5	13	0.8
Intellectual	0	0	0	0
Sensory	3	1	4	0.2
Psychological/Psychiatric	1	2	3	0.2

DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Employees with ...	% Total Workforce
A review within the past 12 months	79
A review older than 12 months	10
No Review	11

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

Leadership and Management Development expenditure includes the total value of all training and development activities relating to leadership and management undertaken by employees in the financial year to date, and includes all related costs.

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	1 244 262	1%
Total leadership and management development expenditure	287 347	0.2%

Equal Employment Opportunity Programs**Traineeships, cadetships and apprenticeships**

As at June 2015 there are 15 trainees in the three year horticultural discipline and four Administrative Trainees as part of the Jobs for Youth Scheme, with a further two trainees to be recruited. It is anticipated that as existing horticultural trainees graduate from TAFE that new trainees will be recruited.

Aboriginal recruitment programs

As at 30 June 2015, 2.39 percent of DEWNR's workforce were identified as of Aboriginal (and/or Torres Strait Islander decent). This figure exceeds South Australia's Strategic Plan Target 53 of 2 percent.

DEWNR provides substantial opportunities for Aboriginal education, vocational and business development and is constantly developing approaches to better meet the requirements for successfully engaging and employing Aboriginal Peoples. This requires a long term view of connecting environmental and NRM education opportunities to business development opportunities and is demonstrated through various scholarships and sponsorship arrangement with high schools, tertiary colleges and universities across the State. Examples include:

- A partnership with Northern Adelaide Senior College (Para West Adult Campus) that sponsors Aboriginal students, enables them to undertake a Certificate II in Conservation and Land Management and provides these students with work experience at Para Wirra Recreation Park. This successful program is in its fourth year
- The Port Lincoln High School Indigenous Ranger Cadetship program is into its third year, which has seen seven students reach the Certificate I in Conservation and Land Management and five students reach Certificate II
- In Ceduna, there is a school-based and a full-time trainee supported by DEWNR and the Alinytjara Wilurara and Eyre Peninsula NRM Boards, in partnership with training providers and local schools
- Through the Jobs 4 Youth (J4Y) program, DEWNR has appointed an Aboriginal trainee to undertake a Certificate III in Government. The previous J4Y Aboriginal trainee has successfully completing their studies, with their efforts acknowledged with an Aboriginal Trainee of the Year Award. This participant has successfully gained employment within the department.

DEWNR has also used available State government networks to recruit Aboriginal staff such as seeking referrals from the Aboriginal Employment Register for potential placement into vacancies which is coordinated by the Department of State Development (DSD).

Identified positions have also been utilised by business units to specifically attract Aboriginal staff into project work across the State.

Efforts are also currently being undertaken to implement consistent recruitment and retention processes, develop a Cultural Competency and Inclusion Framework and identify and determine demand for public sector jobs, through the Public Sector Aboriginal Employment Cluster, coordinated by DSD.

The Aboriginal Groundwater Scholarship was established in 2011 in partnership with Flinders University. Two participants have recently successfully completed their degrees and one continues to work for DEWNR while completing their Honours.

DEWNR continues to build and sustain its Aboriginal workforce through its Aboriginal Workforce Strategy. An updated version of the Aboriginal Workforce Strategy is currently being drafted and it is anticipated this document will further enhance the department's ability to deliver more Aboriginal employment within DEWNR.

Disability Employment Register

DEWNR uses demographic data from employment forms to monitor the employment rate of people with disabilities. As at 30 June 2015, a total of 28 people were identified as having a disability.

Work Health and Safety and Injury Management

The key focus of the 2014-15 financial year has been the implementation of the Department of Environment, Water and Natural Resources (DEWNR) Work Health and Safety and Injury Management system and associated activities.

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

Commitment to the management of safety and wellbeing

The sub-committee of Executive (the Health and Safety Executive Sub-Committee) has met quarterly to manage the development and implementation of WHS and IM systems. The terms of reference of this Committee reflect its role in:

- assisting the development, review and dissemination of policies, procedures and programs
- formulating plans for the continuous improvement of the safety system including the implementation of Safety and Wellbeing in the Public Sector (SWIPS) strategies
- reviewing and evaluating the performance of the department's injury prevention and management programs and making recommendations for improvement
- regularly reviewing accident and injury statistics and making recommendations regarding appropriate policy and strategies to identify and address trends
- advising on outcomes of internal audits and WorkCover evaluations.

The Health and Safety Executive Sub-Committee is supported by the department's framework of consultative committees. Mechanisms exist for information sharing between these committees to assist in the resolution of WHS issues. Safety is also a standing item on the agenda of work team meetings across the department.

In relation to wellbeing, DEWNR has a corporate Employee Assistance Program which includes employee counselling, manager assistance, critical incident debriefing and team counselling where required. A training program in Psychological Wellbeing is provided to managers to assist those managing staff with mental health issues.

Accountability for safety and wellbeing performance

The Chief Executive has safety and wellbeing as part of her Performance Agreement with the Minister and in turn, Group Executive Directors have safety and wellbeing as part of their Performance Agreements with the Chief Executive. All staff with supervisory responsibilities have WHS and injury management as part of their role descriptions and are held accountable by their immediate manager.

Officers under the *Work Health and Safety Act 2012* have been identified and have attended training to assist them in fulfilling their duties under the Act. Additionally, managers and supervisors across the department have received training in the legislative requirements of the Act. Worksite managers, including Group Executive Directors, are required to undertake worksite inspections and reviews in accordance with the department's inspection schedule.

The Health and Safety Executive Sub-Committee undertake planning and management review in relation to the department's safety and injury management programs. This includes the development of a departmental plan for WHS and Injury Management from which group improvement plans are developed. WHS and Injury Management planning is also part of business planning at branch and regional levels.

Integrated risk management

Consideration of safety risks is incorporated into the Corporate Risk Management Procedure and where relevant, safety risks are recognised in the DEWNR Risk Register.

Comprehensive safety risk registers are maintained at various levels in the department and are used in the development of improvement plans.

Safety risk management is integrated into project and contractor management, particularly for major projects, to meet the legislated requirement to 'consult, cooperate and coordinate' where there are shared duties under the WHS Act.

The Volunteer Safety Framework, the department's response to safety management for volunteers has been implemented across the department, supported by appropriate training of volunteer coordinators. This framework has been reviewed and updated to better address DEWNR's shared duties when working with other organisations or landholders. This is particularly relevant to projects that may be undertaken on DEWNR managed lands, other community or privately owned parts of the landscape.

The department continues to invest in safety and wellbeing initiatives to reduce risk. This includes the development of a comprehensive approach to managing the risks of working with quad bikes and other light utility vehicles—machines which are considered valuable tools in the conduct of many land management activities, though without appropriate management, pose a high risk in their operation. StepBack (a training tool to increase risk assessment skills and recognise personal responsibility in safety management) and manual handling training are mandatory for all employees. Online refresher training programs for StepBack, Injury Management and Manager WHS and Injury Management have been developed. Assessment of WHS and Injury Management training needs is an integral part of the department's performance review processes.

Effective measurement and evaluation

The Health and Safety Executive Sub-Committee provides the department's forum for evaluation of performance and determination of continuous improvement activities. Statistical reports, including performance against key performance indicators and SWIPS targets, are provided to inform management review. In addition, performance is regularly reported to Group Executive Directors.

DEWNR operates an annual schedule of internal audits for safety and injury management. Summaries of key findings are presented to the Health and Safety Executive Sub-Committee and reports detailing findings and recommendations are sent to the appropriate Director and manager for actioning.

Measurement of the department's safety culture is undertaken through inclusion of questions related to safety and injury management in the staff perspectives survey, which forms part of the department's assessment against the High Performance Framework.

External evaluation

In September 2013, SA Government adopted a pilot reform of public sector workers compensation performance. The reform integrates audit, analysis, reporting and policy to facilitate further improvement in public sector safety, injury management and workers compensation performance. As part of the reform, the public sector will no longer participate in the WorkCover evaluation process and will instead be subject to an independent external audit and verification process. While public sector

agencies retain WorkCover registration, audit and verification of performance will be undertaken by an external contractor engaged by the Department for the Premier and Cabinet (DPC).

DEWNR is scheduled to be audited in the first half of the 2015-16 year. The DEWNR Internal Audit program will continue to monitor and evaluate performance against internal and legislative requirements to inform the Audit and Verification System process.

Consultative Arrangements

Consultation with employees occurs through three legislatively compliant committees at the higher (Group) level within the department, supported by seven regional committees and a number of consultative forums. Committees comprise senior managers, Health and Safety Representatives (HSRs) and employee representatives. A mechanism exists to allow for escalation of WHS issues to higher level committees (including the Executive WHS Sub-Committee) where these are either complex or have relevance across the department. In addition, work health and safety is a standard agenda item for work team meetings.

DEWNR has a network of approximately 37 Health and Safety Representatives from all regions of the State. Consultation occurs with HSRs as part of hazard management processes including incident investigation, risk assessment and worksite inspection.

The following tables report the department's WHS and IM performance for 2014-15.

Table 1: WHS Notices and Corrective Action taken

Number of notifiable incidents to WHS Act Part 3	2
Number of notices served pursuant to WHS Act section 90, section 191 and section 195 (Provisional improvement, improvement and prohibition notices)	1

Note: The Prohibition notice placed on shooting operations undertaken by volunteers, has been lifted following a comprehensive review of firearm related procedure and practices across the department.

Table 2: Agency gross workers compensation expenditure² for 2014-15 compared with 2013-14³

EXPENDITURE	2014-15 (\$)	2013-14 (\$)	Variation (\$) + (-)	% Change + (-)
Income Maintenance	353 480	351 706	1 774	0.50%
Lump Sum Settlements Redemptions – Sect.42 [^]	195 500	41 250	154 250	373.94%
Lump Sum Settlements Permanent Disability – Sect. 43	71 576	56 599	14 977	26.46%
Medical/Hospital Costs combined	143 879	171 254	-27 375	-15.99%
Other	97 510	126 297	-28 787	-22.79%
Total Claims Expenditure	861 945	747 107	114 838	15.37%

[^] A number of Lump Sum Settlements (Redemptions under s42) were made to facilitate separations under through the work force reductions made by DEWNR in the past year. Additionally, s42 payments were made by agreement with workers to resolve ongoing claims.

² Before 3rd party recovery

³ Information available from The Self Insurance Management System (SIMS)

Table 3: Meeting Safety Performance Targets⁴

	Base:	Performance: 12 months to end of June			Final
	2009-10	2015*			Target
	Numbers or %	Actual	Notional Quarterly Target**	Variation	Numbers or %
1. Workplace Fatalities	0	0	0	0	0
2. New Workplace Injury Claims	52	29	39	-10	39
3. New Workplace Injury Claims Frequency Rate	18.57	10.62	13.93	-3.31	13.93
4. Lost Time Injury Frequency Rate ***	8.21	6.22	6.16	0.06	6.16
5. New Psychological Injury Frequency Rate	0.72	1.08	0.54	0.54	0.54
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	80.77%	72.41%	80.00%	-7.59%	80.00%
6b. Early Intervention within 5 days	100.00%	100.00%	90.00%	10.00%	90.00%
6c. LTI have 10 business days or less lost time	75.00%	75.00%	60.00%	15.00%	60.00%
7. Claim Determination:					
7a. New claims not yet determined, assessed for provisional liability in 7 days	9.52%	66.67%	100.00%	-33.33%	100.00%
7b. Claims determined in 10 business days	69.23%	70.00%	75.00%	-5.00%	75.00%
7c. Claims still to be determined after 3 months	7.69%	13.33%	3.00%	10.33%	3.00%
8. Income Maintenance Payments for Recent Injuries:					
2013-14 Injuries (at 24 months development)		\$22 523.76	\$165 387.26	-\$142 863.50	
2014-15 Injuries (at 12 months development)		\$73 402.13	\$73 478.15	-\$76.02	

* Except for Target 8, which is YTD.

For Targets 5, 6c, 7b and 7c, performance is measured up to the previous quarter to allow reporting lag.

** Based on cumulative reduction from base at a constant quarterly figure.

***Lost Time Injury Frequency Rate is the injury frequency rate for new lost-time injury/disease for each one million hours worked.

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

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

Disability Action Plan

Work during the year has been focused on implementing the Disability Action Plan for the 2013-2018 period. The Plan includes key outcomes and accountabilities for the following areas:

- inclusive and accessible communities
- economic security and employment
- rights protection, justice and legislation
- personal and community support
- learning and skills
- health and wellbeing.

⁴ Information available from Self Insurance Management System (SIMS) (SWIPS Target report)

Inclusive and accessible communities

An ongoing schedule of capital works is in place to improve visitor access, taking into consideration the needs of people with disabilities. The following upgrades have been undertaken during the year:

- Wheelchair access and disabled toilet at new office at Mount Barker
- New access ramp and observation deck at Seal Bay (Kangaroo Island)
- Disabled car park at Seal Bay Visitor Centre moved directly adjacent to ramp at entrance
- New LED cave lighting installed at Tantanoola Caves which significantly improved the visitor experience at the only wheelchair accessible cave in South Australia
- Paths at Cleland Wildlife Park providing wheelchair access to the koalas and the lake
- High contrast accessible visitor map showing wheelchair access installed at entrance of Adelaide Botanic Garden
- Wheelchair access to education area and viewing platform in First Creek Wetland (Adelaide Botanic Garden)
- Accessible paths around the Little Sprouts Kitchen Garden (Adelaide Botanic Garden) allowing access to key features
- Newly constructed sections of the universal access trail at Mount Lofty Botanic Garden are Class 1 disability compliant
- Construction of disabled access compliant toilet facilities at Casuarina Campground in Innes National Park
- Construction of disabled access compliant toilet facilities at Willows Precinct in Belair National Park.

Economic security and employment

DEWNR promotes workforce diversity and supports all employees with opportunities for career progression.

DEWNR provides a range of flexible work arrangements, adjustable work stations and workplace facilities to support the employment of all employees. Employees have access to trained and qualified consultants who can assess individual work stations, providing an individualised report to their manager.

Rights, protection, justice and legislation

DEWNR recognises the rights of people with disabilities and provides as far as is practicable, the same opportunities as other community members to access and participate in all facets of community life. The department ensures that it meets the obligations under the *Disability Discrimination Act 1992* and *Equal Opportunity Act 1984* which is supported by a DEWNR Disability Action Plan.

Personal and community support

DEWNR has upgraded sites to assist independent living including:

- Cleland Wildlife Park: A collection of wheelchairs are available to both staff and the community to access the park. As this is a large visitor site there is also a lowered reception desk for those in wheelchairs
- Mount Lofty Botanic Garden: Audio trail at the Heritage Rose Garden.

Inclusive volunteering programs at the Botanic Gardens of South Australia (Adelaide, Mount Lofty and Wittunga) provide an opportunity for people with disabilities to engage in community activities. Cleland Wildlife Park has a specific program in place to support volunteers with disabilities.

Learning and skills

Kinaesthetic and sensory activities are delivered throughout the Botanic Garden's Education Program to accommodate children with a range of abilities.

The DEWNR Induction Program, both paper-based and online, includes modules on disability awareness, Code of Ethics and fair treatment in the workplace.

Disability Awareness training has been conducted for metropolitan staff. The majority of staff at Port Augusta participated in Fair and Equitable Treatment training which included recognition and awareness of people with disabilities. Managers at the Botanic Gardens participated in the Mental Health and the Workplace: Staying Well at Work training program.

A whole-of-government online disability training program is being developed and will be rolled out across DEWNR.

Health and wellbeing

The Kitchen Garden Outreach Program at the Adelaide Botanic Gardens promotes the benefits of fresh food production, healthy activity and community involvement.

The Green Infrastructure Project at the Botanic Gardens provides an essential contribution to human health and wellbeing by recognising that 'green spaces are the connections that are critical to our wellbeing and quality of life'. One of the aims of the project is to promote the design and management of landscapes to accommodate diverse needs and services, which includes people with disabilities.

The Garden of Health (Adelaide Botanic Gardens) also focuses on wellbeing and encourages contemplation and reflection. It aims to improve the quality of life for everyone during their time of healing, providing a refuge and retreat for all the community to enjoy.

The department currently has 28 employees with disabilities (up 4 percent from last year) and through strategies identified in the Disability Action Plan, is aiming to achieve the SASP Target 50: People with Disabilities: increasing by 10% the number of people with a disability employed in South Australia by 2020.

Asbestos Management in Government Buildings

DEWNR has modified and verified as correct the standard report provided by Department of Transport, Energy and Infrastructure from the Strategic Asset Management Information System (SAMIS). This is detailed in the following table as at 30 June 2015.

Category	Number of Sites		Category Description	Interpretation One or more items at these sites
	At start of year	At end of year		
1	3	3	Remove	Should be removed promptly.
2	12	14	Remove as soon as practicable	Should be scheduled for removal at a practicable time.
3	15	14	Use care during maintenance	May need removal during maintenance works.
4	12	13	Monitor condition	Has asbestos present. Inspect according to legislation and policy.
5	5	5	No asbestos identified / identified asbestos has been removed	All asbestos identified as per WH&S Regulations 2012 (Chapter 8 – Asbestos) has been removed.
6	51	49	Further information required	These sites not yet categorised or some asbestos items do not have recommended actions.

Urban Design Charter

In 2014-15, DEWNR considered the principles of urban design contained in the South Australian Urban Design Charter for the following projects:

Establishing the Mount Lofty ranges as an international mountain bike tourism destination

This project is aimed at drawing mountain bike enthusiasts from around Australia and the world to the Mount Lofty region through opening new trails and cycling networks, enhancing existing cycling networks and developing interactive maps and other information for cyclists. DEWNR formed a multi-agency Strategic Reference Group made up of councils in the Adelaide and Mount Lofty Ranges region and relevant State government agencies to inform and support the project across local and State government. DEWNR also concurrently undertook a process of community engagement via a 'Have Your Say' survey, seeking the views of the community and stakeholders on what they thought was needed to make the Mount Lofty Ranges an international mountain bike destination. Over 400 submissions were received.

DEWNR engaged TRC Tourism (in conjunction with EC3 Global and World Trails) to prepare a report that considered the Ministerial round table discussions, the community and stakeholder survey, feedback from industry, the requirements of the multi-agency Strategic Reference Group, and recommended actions required to achieve the government's goal. A final draft of this report, which has gained in-principle support of the multi-agency Strategic Reference Group, is complete and with key stakeholders for final comment.

Connecting residents of the north and south with nature

This project is focused on attracting local residents to and engaging them in DEWNR managed metropolitan parks. The Hon. Ian Hunter MLC placed a strong emphasis on community engagement and a thorough co-design process for this project, giving the northern and southern communities a strong voice in the developments that are selected for investment. The community engagement component reached over 11 000 people and included the following:

- 449 submissions to the 'Have Your Say' survey
- seven free park open days where thousands of attendees contributed ideas
- 369 responses to a DCSI quick poll on parks
- 90 submissions to a southern community survey by Chris Picton MP
- Minecraft 'Design a Park' competition aimed at grades four to seven, from which DEWNR received nearly 40 entries.

Further, two co-design teams represented by people with interests in conservation, recreation, local government and tourism, assisted in final project selection from initiatives generated by the consultation above. The community engagement and co-design process is now complete. DEWNR considered the recommendations of the co-design teams along with the results of the community based survey and selected a series of projects and initiatives to fund in the next three years.

The Minecraft story

A group of students in grade three and four from Linden Park Primary School won the 'craft your perfect park' competition.

Run by Natural Resources Adelaide Mount Lofty Ranges, the competition asked grades four, five, six and seven classes to work together to create a national park using popular computer game Minecraft. The designs had to be practical, sustainable and able to be made in the real world. The competition went viral, generating news stories around the world and more than 5000 Twitter referrals to the information page.

Nearly 40 classes took up the challenge, and the standard of entries was extremely high. All the parks featured practical features like toilets and barbecue areas, with fun elements like tree houses, lookouts, mazes, climbing walls and flying foxes also proving popular. The winning park featured a three-storey, climbable sculpture of a leafy sea dragon, a campground, barbecue and picnic areas, walking and cycling trails, an adventure playground, a maze, a plant nursery, education centre and two cafes. The ideas from the virtual parks will be used to inform the design process for new natural play spaces in parks and reserves.

First prize was a full day's excursion to Belair National Park, with a bus to take the class there and back, activities with a ranger, free sports courts and a barbecue lunch. The two runners up – a year four/five class from East Marden Primary School and a home-schooled student – each received a copy of the Birds of Australia bird field guide.

To view the winner, runners up and some of the highly commended entries, visit https://www.youtube.com/playlist?list=PL6clHG9-myz3xnCZQ1AGxE_0cX-63eJfE.

Water Sensitive Urban Design

DEWNR developed the State-wide water sensitive urban design (WSUD) policy, *Water Sensitive Urban Design – Creating more liveable and water sensitive cities in South Australia*, which the State Government released in 2013-14.

The policy contains targets and commitments aimed at increasing uptake of WSUD in new urban development and renewals. Targets address runoff quantity and quality, and integration of WSUD with other State, regional and local objectives. The policy's implementation will ensure that urban landscapes are planned, designed and managed to be water sensitive and thereby contribute to our health and wellbeing, the environment, green space, reduced urban heat, and towards great urban form.

During 2014-15, DEWNR focused on implementation of key WSUD policy commitments, including those to establish a framework to adopt WSUD principles in future State-managed projects, and to embed WSUD in the State's planning and development system. DEWNR also contributed to other significant initiatives during 2014-15, including by:

- supporting the establishment of an ongoing WSUD capacity building program that aims to raise current awareness of the benefits and opportunities to implement WSUD to support better environmental and urban design outcomes
- contributing, through involvement on the Tonsley Sustainability Reference Group, to that development being accredited by the Green Building Council of Australia as a six star Green Star Community. Tonsley is Australia's only urban renewal development to achieve this level of certification and is a testament to world-class design principles that have guided the redevelopment
- actively contributing to the Environment Protection Authority's Rain Garden 500 initiative, which forms part of the Catchment to Coast project funded through the Australian Government National Landcare Program. Rain Garden 500 is a three-year grant program where local councils,

community groups, schools, sports clubs, or a group of motivated individuals can apply for funding to build a rain garden in the Adelaide region to help improve our environment improving the quality of stormwater runoff.

Freedom of Information

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

Whistleblowers Statement

DEWNR has appointed a number of responsible officers for the purposes of the *Whistleblowers Protection Act 1993* pursuant to section 7 of the *Public Sector Act 2009*. While there has been no disclosure of public interest information made to one of those Responsible Officers, the department received a complaint about the conduct of a DEWNR officer in 2013-14 which is now being treated as a disclosure under the *Whistleblowers Protection Act 1993*. This complaint is currently being reviewed.

Regional Impact Assessment Statement

The department did not undertake any Regional Impact Assessment Statements in 2014-15.

Public Complaints

Under the department's Customer Service and Complaints policy, complaints are handled at the point of contact where possible or otherwise addressed within the relevant area by an appropriate manager. In some instances, complaint or conduct matters are escalated to the Chief Executive or serious matters are formally raised with the Chief Executive by individuals or external bodies such as the Ombudsman or Independent Commissioner Against Corruption.

Of the matters addressed by the Chief Executive:

- nine had carried across from previous financial years, of which all but one were resolved within 2014-15
- eight new matters were raised in 2014-15, of which two were resolved by the end of the 2014-15 year and six are ongoing.

As a result of some of the matters raised, the department has undertaken a number of measures in response, namely:

- reviewed financial authorisations and related training to staff
- reviewed and updated various policies, procedures and advice to staff on specific matters
- promoted refresher training on purchase cards and the purchase ordering/invoice system
- promoted staff training on board governance, ICAC and the code of conduct
- counselled staff.

Sustainability Reporting

Business technology improvements

Video conferencing has been extended to natural resources management centres across the State, with the most recent service being placed in Port Lincoln. In the second half of 2014-15 a 20 percent increase in video conferencing calls was registered, with a significant amount between the CBD and Mount Gambier offices. This implies a reduction of the amount of travel required to collaborate with

regions and therefore reducing DEWNR's greenhouse gas emissions. A reduction in the potential for Work Health and Safety incidents to occur from travelling and the ability to include more regional staff in organisational meetings are additional benefits.

DEWNR has conducted extensive work on its server fleet, reaching a very high percentage of virtualisation (80% for Windows servers, 85% for UNIX servers). Virtualisation of infrastructure results in a significant reduction in power consumption and reduces greenhouse gas footprints.

Additionally, the department added 131 new tablets to our technology pool in 2014-15, providing an alternative to printing meeting papers and developing a mobile workforce.

Energy efficiency performance

DEWNR's energy efficiency performance is reported as part of the Annual Energy Efficiency Report (AAER) available at the following link: <http://www.sa.gov.au/topics/water-energy-and-environment/energy/government-energy-efficiency-initiatives>.

CBD accommodation relocation

In 2015-16, DEWNR will be consolidating Adelaide city-based staff into one location in the Adelaide CBD. This move will bring together staff from at least five sites into one central hub, allowing for greater workplace collaboration and efficiencies. The building owners will undertake extensive interior works to ensure that it meets the highest standards of energy and water efficiencies, achieving and maintaining at least a 5-star rating under the National Australian Built Environment Rating System (NABERS). There will also be purpose built 'end of trip' facilities, which include ample bike storage and showers, and will allow DEWNR staff to take full advantage of the opportunities provided by a CBD office location.

Specific DEWNR sustainable energy achievements

In 2014-15, DEWNR made the following progress towards sustainable energy use:

- Seal Bay: off-grid 20kW solar power system replacement
- Flinders Chase: solar power system battery replacement in the workshop
- Balcanoona: off-grid solar power system total replacement
- Canopus (Dangalli CP): off-grid solar power system total replacement
- Naracoorte Caves: installation of LED cave lighting
- Adelaide Botanic Gardens: replacement of the air conditioning in the Goodman Building.

FINANCIAL PERFORMANCE

Contractual Arrangements

The Department of Environment, Water and Natural Resources entered into two contractual arrangements in the 2014-15 financial year, where the total value of the contract exceeded \$4 million and the contract extended beyond one year.

Professional Services Panel - Science, Monitoring and Knowledge

An \$11 million contract was awarded to a panel of one hundred vendors for the Professional Services Panel - Science, Monitoring and Knowledge. The contracts are expected to end in February 2018.

Variation 1- Contract for Dredging at Glenelg and West Beach Harbours

An \$8.1 million contract was awarded to MC Dredging and Port Development (formerly Maritime Constructions) for the dredging at Glenelg and West Beach Harbours. The contract is expected to end in June 2017.

Fraud

There was no fraud detected in the 2014-15 financial year.

DEWNR has in place defined business procedures and internal controls to lower the risk of fraud occurring in the agency. Any anomalies identified are reviewed and, if reasonably suspected to be fraud, are forwarded to the Office for Public Integrity as required under the *Independent Commissioner Against Corruption Act 2012*.

Consultants

The following table summarises the consultancies undertaken by DEWNR in 2014-15.

Consultant	Purpose of Consultancy	Number	Total \$
Value below \$10 000			
Various	Various	7	\$25 000
Value \$10 000 - \$50 000			
Interface Consultants SA	Review of the Regional Coordination Branch	1	\$32 000
Monash University	Advice on Clovelly Park/Mitchell Park soil contamination	1	\$19 000
Hender Consulting	Recruitment of Regional Manager, Eyre Peninsula	1	\$16 000
O'Connor NRM	Independent review of NRM reporting framework	1	\$16 000
Value above \$50 000			
Pitt & Sherry (Operations) P/L	Carbon Neutral Adelaide initiative	1	\$57 000
Total for 2014-15		12	\$165 000

Overseas Travel

Public disclosure of overseas travel can be accessed on the department's internet site: http://www.environment.sa.gov.au/about-us/Freedom_of_information/proactive-disclosure.

FINANCIAL STATEMENTS

Department of Environment, Water and Natural Resources

Annual Financial Statements

For the Year Ended 30 June 2015



Our ref: A15/110

21 September 2015

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Dear Ms Pitcher

**The audit of the Department of Environment, Water and
Natural Resources for the year ended 30 June 2015**

The audit of the accounts of Department of Environment, Water and Natural Resources (DEWNR) for the year ended 30 June 2015 has been completed.

The audit scope addressed the principal areas of the financial operations of DEWNR and included the review of systems, processes, internal controls and financial transactions.

The notable areas of audit coverage included;

- payroll
- accounts payable
- revenue
- fixed assets
- receipting and banking
- purchase cards
- risk management
- legal compliance
- financial accounting – general ledger review.

The audit was directed to meeting statutory audit responsibilities under the *Public Finance and Audit Act 1987* and also the requirements of Australian Auditing Standards.

Two important outcomes result from the annual audit process:

- the issue of the Independent Auditor's Report (IAR) on the integrity of the DEWNR financial report.
- the issue during the year or at the time of financial statement preparation and audit or close thereto, of audit management letters advising of deficiencies/weaknesses in areas of governance, financial system and process and control and financial reporting, together with recommendations for improvement in controls.

For Official Use Only

In this regard, returned herewith is the financial report of DEWNR together with the IAR, which is modified.

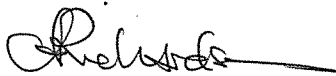
My Annual Report to Parliament indicates that a modified IAR has been issued for the DEWNR's financial report.

In addition, during the year audit management letters were forwarded to DEWNR detailing findings and recommendations from the audit. The findings and recommendations relate to deficiencies/weaknesses noted by us and improvements needed in the areas reviewed. Our recommendations provided in the letters are directed to achieving a sufficient standard of governance, financial management, financial reporting and control. Responses to the matters raised were received and will be followed up in the 2015-16 annual audit.

My Annual Report to Parliament includes a controls opinion and summary commentary for DEWNR with reference to the matters raised and responses received. The Report indicates those matters that were assessed as not meeting a sufficient standard of governance and financial control.

Finally, I would like to express my appreciation to the management and staff of DEWNR for providing assistance during the year to my officers in the conduct of the annual audit.

Yours sincerely



Andrew Richardson
Auditor-General

enc



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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Environment, Water and Natural Resources for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- Schedule of Administered Expenses and Income attributable to administered activities for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer

The Chief Executive's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

Property, plant and equipment reported in the Statement of Administered Financial Position excludes unallotted Crown land, as the Department of Environment, Water and Natural Resources has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings.

In addition, limitations exist on the reliability of the base information used to determine the valuation of Crown land included in property, plant and equipment recognised in the Statement of Administered Financial Position.

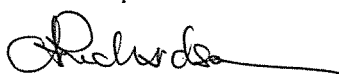
Disclosure of property, plant and equipment is contained in note A3 to the administered financial statements.

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

As the integrity of Crown land holdings and values administered by the Department of Environment, Water and Natural Resources has not been established, I am unable to form an opinion on the reasonableness of the values of property, plant and equipment relating to Crown lands, brought to account in the Statement of Administered Financial Position.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraphs, the financial report gives a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
21 September 2015


Department of Environment, Water and Natural Resources

Certification of the Financial Statements

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

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2015 and the results of its operations and cash flows for the financial year.

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



Tim Goodes
A/Chief Executive
Department of Environment,
Water and Natural Resources

18 September 2015



Michelle Griffiths
Chief Financial Officer
Department of Environment,
Water and Natural Resources

18 September 2015

Department of Environment, Water and Natural Resources

Statement of Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Employee benefits expenses	5	147 694	171 323
Supplies and services	6	92 931	90 110
Grants and subsidies	7	31 561	46 703
Water recovery / acquisition expenses	8	738	13 134
Depreciation and amortisation expense	9	20 861	21 959
Net loss from disposal of non-current assets	10	12 826	78
Other expenses	11	1 256	490
Total expenses		307 867	343 797
Income			
Revenues from fees and charges	13	75 834	73 282
Grant revenues	14	55 707	75 044
Interest revenues	15	1 061	648
Other income	16	33 636	31 073
Total income		166 238	180 047
Net cost of providing services		141 629	163 750
Revenues from / payments to SA Government			
Revenues from SA Government	17	141 670	181 779
Payments to SA Government	17	(1 200)	-
Total net revenues from SA Government		140 470	181 779
Net result		(1 159)	18 029
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	23	11 914	3 803
Total other comprehensive income		11 914	3 803
Total comprehensive result		10 755	21 832

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

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

Department of Environment, Water and Natural Resources
Statement of Financial Position
As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	18	134 450	105 449
Receivables	19	12 651	33 076
Inventories	20	2 365	1 947
Other assets	21	1 257	999
Total current assets		150 723	141 471
Non-current assets			
Receivables	19	64	73
Other financial assets	22	3	3
Property, plant and equipment	23	511 923	505 966
Intangible assets	24	4 813	5 443
Total non-current assets		516 803	511 485
Total assets		667 526	652 956
Current liabilities			
Payables	26	25 544	24 497
Employee benefits	27	12 419	12 031
Provisions	28	584	626
Other current liabilities	29	213	698
Total current liabilities		38 760	37 852
Non-current liabilities			
Payables	26	2 894	2 618
Employee benefits	27	31 724	28 704
Provisions	28	1 846	2 277
Other non-current liabilities	29	95	53
Total non-current liabilities		36 559	33 652
Total liabilities		75 319	71 504
Net assets		592 207	581 452
Equity			
Contributed capital	30	22 612	22 612
Retained earnings	30	278 938	280 097
Asset revaluation surplus	30	290 657	278 743
Total equity		592 207	581 452

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	34
Contingent assets and liabilities	35

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

Department of Environment, Water and Natural Resources

Statement of Changes in Equity

For the Year Ended 30 June 2015

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013	30	22 612	275 988	265 297	563 897
Error correction - property, plant and equipment		-	-	1 426	1 426
Error correction - intangible assets		-	-	180	180
Error correction - payables		-	-	283	283
Error correction - receivables		-	-	(444)	(444)
Restated balance at 30 June 2013		22 612	275 988	266 742	565 342
Net result for 2013-14		-	-	18 029	18 029
Gain on revaluation of property, plant and equipment		-	3 803	-	3 803
Total comprehensive result for 2013-14		-	3 803	18 029	21 832
Balance at 30 June 2014	30	22 612	279 791	284 771	587 174
Error correction - property, plant and equipment		-	(1 048)	-	(1 048)
Error correction - other liabilities		-	-	(59)	(59)
Error correction - receivables		-	-	(245)	(245)
Error correction - employee benefits		-	-	(4 370)	(4 370)
Restated balance at 30 June 2014		22 612	278 743	280 097	581 452
Net result for 2014-15		-	-	(1 159)	(1 159)
Gain on revaluation of property, plant and equipment		-	11 914	-	11 914
Total comprehensive result for 2014-15		-	11 914	(1 159)	10 755
Balance at 30 June 2015	30	22 612	290 657	278 938	592 207

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

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

Department of Environment, Water and Natural Resources

Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(144 557)	(178 129)
Payments for supplies and services		(109 328)	(110 775)
Payments of grants and subsidies		(34 950)	(52 537)
Water recovery / acquisition expenses		(738)	(19 291)
Other payments		(252)	(276)
Cash used in operations		<u>(289 825)</u>	<u>(361 008)</u>
Cash inflows			
Fees and charges		99 189	66 486
Receipts from grants		57 280	76 480
Interest received		1 024	680
GST recovered from the Australian Taxation Office		12 596	12 248
Other receipts		37 000	34 176
Cash generated from operations		<u>207 089</u>	<u>190 070</u>
Cash flows from SA Government			
Receipts from SA Government		141 670	181 779
Payments to SA Government		(1 200)	(6 694)
Cash generated from SA Government		<u>140 470</u>	<u>175 085</u>
Net cash provided by operating activities	31	<u>57 734</u>	<u>4 147</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(28 983)	(20 460)
Cash used in investing activities		<u>(28 983)</u>	<u>(20 460)</u>
Cash inflows			
Proceeds from the sale of property, plant and equipment		250	37
Cash generated from investing activities		<u>250</u>	<u>37</u>
Net cash used in investing activities		<u>(28 733)</u>	<u>(20 423)</u>
Net increase/(decrease) in cash and cash equivalents		<u>29 001</u>	<u>(16 276)</u>
Cash and cash equivalents at the beginning of the period		105 449	121 725
Cash and cash equivalents at the end of the period	18	<u>134 450</u>	<u>105 449</u>

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

Department of Environment, Water and Natural Resources

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For the Year Ended 30 June 2015

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Department of Environment, Water and Natural Resources

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For the Year Ended 30 June 2015

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Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

1 Objectives of the Department of Environment, Water and Natural Resources

The Department of Environment, Water and Natural Resources' (DEWNR) purpose is to help South Australians conserve, sustain and prosper. DEWNR achieves this by being:

- a facilitator of community involvement in, and shared responsibility for, the environment
- a steward of the state's natural resources to enable sustainable development
- the custodian of public places (parks, gardens, heritage places and Crown lands) for public benefit and enjoyment, and their intrinsic value
- an authority on the state's environment and natural resources to help governments, businesses and individuals make good long-term decisions.

2 Summary of significant accounting policies

(a) Statement of compliance

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

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

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

Except for AASB 2015-7 which the department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by DEWNR for the reporting period ending 30 June 2015 (refer to note 3).

(b) Basis of preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying DEWNR's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- The selection and application of accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in these financial statements:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items may be utilised. DEWNR has elected to utilise this threshold in relation to transactions applicable to revenue and expense items. The threshold has not been applied to financial assets and financial liabilities, i.e. all financial assets and financial liabilities relating to SA Government have been separately disclosed
 - (b) expenses incurred as a result of engaging consultants
 - (c) employee targeted voluntary separation package information
 - (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
 - (e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

DEWNR's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

(c) Reporting entity

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

The Minister administers the State's interest in the Murray-Darling Basin Authority (MDBA). Joint ventures are contractual arrangements between the department or a subsidiary entity and one or more other party to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers). Further information is disclosed in note A12 in the administered financial statements.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (c) Reporting entity (continued)

The financial statements and accompanying notes include all the controlled activities of DEWNR (refer to the disaggregated schedule for details of the department'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 DEWNR's overall financial performance and position, they are disclosed in the administered financial statements (schedule of administered items) at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

(d) Comparative information

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

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

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

(e) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

(f) Rounding

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

(g) Taxation

DEWNR is not subject to income tax. DEWNR is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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

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

DEWNR 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, DEWNR is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in DEWNR's Statement of Financial Position and the GST cash flows recorded in DEWNR's Statement of Cash Flows.

(h) Events after the reporting period

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

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

(i) Income

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

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

The following are specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Contributions received

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (i) Income (continued)

Generally, DEWNR has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains/Losses on disposal of assets 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.

Revenues from SA Government

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

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

Other income

Other income consists of salaries and wages recoveries, sponsorships and donations, recoveries of insurance claims and other sundry income.

(j) Expenses

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

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

The following are specific recognition criteria:

Employee benefits expenses

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

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by DEWNR to the superannuation plan in respect of current services of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements. Refer to note 2(m).

Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as computer software, while depreciation is applied to tangible assets such as property, plant and equipment.

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land is not depreciated.

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

Class of asset	Useful Life (years)
Property, plant and equipment	
Buildings and improvements	5-60
Groundwater monitoring wells	10-50
Lower Murray embankments	200
Park infrastructure	3-60
Patawalonga seawater circulation and Barcoo Outlet	6-99
Plant and equipment	2-50
Roads, tracks and trails	2-35
Salinity disposal schemes	15-99
Surface water monitoring network	5-80
Waste disposal stations	50
Sand Pumping Infrastructure	10-50
Other	3-60

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (j) Expenses (continued)

Class of asset	Useful Life (years)
Intangible assets	
Externally acquired	2-5
Internally generated	3-12
War services leases	44

Grants and subsidies

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

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy, taxation revenues and expiation fees received on behalf of the government and paid directly to the Consolidated Account.

(k) Current and non-current classification

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

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

(l) Assets

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of 3 months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash is measured at nominal value.

Receivables

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

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

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

Error correction

An error correction of \$0.444 million has been disclosed in the Statement of Changes in Equity in respect of the 2012-13 financial year. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to receivables. The error correction related to a balance incorrectly carried over from the 2009-10 and 2010-11 administrative restructures.

An error correction of \$0.245 million has also been disclosed in the Statement of Changes in Equity in respect of the 2013-14 financial year in relation to a de-recognition of a receivable.

Inventories

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

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

Bases used in assessing loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost for all inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction in the Statement of Comprehensive Income.

Other financial assets

DEWNR measures financial assets at historical cost.

Non-current assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2015

2 (l) Assets (continued)

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

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

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

Revaluation of non-current assets

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

DEWNR 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 6 years.

If at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

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

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

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement costs. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective asset revaluation surplus.

Error correction

An error correction of \$1.426 million (property, plant and equipment) and \$0.180 million (intangible assets) has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to the carrying values of property, plant and equipment assets and intangible assets. The error correction relates to first time recognition of assets, data dictionary asset revisions and asset de-recognised.

An error correction of \$1.048 million has also been disclosed in the Statement of Changes in Equity in respect of the 2013-14 financial year, and comprises a decrease to the asset revaluation surplus as a result of a revaluation adjustment for Waste disposal station assets.

Heritage assets

In accordance with APF III Asset Accounting Framework, heritage assets are recognised in the Statement of Financial Position as part of the aggregate value of classes of assets to which they belong. Certain heritage assets and works of art that are unique due to their historical or cultural interest are not depreciated due to their long and indeterminate useful lives. Heritage assets that provide a functional service are recorded at depreciable fair value.

Land

Land comprising National, Conservation and Recreation Parks and Wilderness Protection Areas and Reserves, generally has restrictions on use imposed by statute or regulation. These restrictions have been taken into account by the independent valuers.

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

DEWNR is also custodian of unallotted Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Unallotted Crown Land is not included in the Statement of Administered Financial Position as DEWNR has not been able to formulate a suitable methodology for determining a reliable measure of the value of these holdings.

Intangible assets

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

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

Department of Environment, Water and Natural Resources
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2 (l) Assets (continued)

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.

Fair value measurement

AASB 13 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.

The department 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.

Non-financial assets

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

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

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

Refer notes 23 and 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets

DEWNR does not recognise any financial assets at fair value.

(m) Liabilities

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

Payables

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

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

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

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

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

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

DEWNR 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. Refer to note 2(j).

Error correction

An error correction of \$0.283 million has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to payables. The error correction related to a balance incorrectly carried over from the 2010-11 administrative restructure.

Leases

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

DEWNR has entered into operating leases.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Department of Environment, Water and Natural Resources
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2 (m) Liabilities (continued)

Lease incentives

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

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

Error correction

An error correction of \$0.059 million has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to other liabilities. The error correction related to a lease incentive relating to the Tasman Terrace site.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

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 is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

Long service leave

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

The estimated liability for long service leave is based on actuarial assumptions over 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. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The unconditional portion of the long service leave provision is classified as current as DEWNR 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.

Error correction

The Statement of Changes in Equity contains an error correction to long service leave liabilities and associated employment on-costs of \$4.370 million. This error relates to changes in employment conditions (full-time to part-time) and incorrect calculation of liabilities in the prior year. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The effect in the prior period is an increase to liabilities and a decrease to the Net Result and Retained Earnings of \$4.370 million.

Provisions

Provisions are recognised when the department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When DEWNR expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of the ongoing payments to employees as required under current legislation.

DEWNR is responsible for the payment of workers compensation claims.

(n) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

(o) Interest in Joint Operation

Murray Darling Basin Authority

The Minister administers the State's interest in the Murray-Darling Basin Authority (MDBA). These transactions are reflected in the Administered Statements. Note A12 of the Administered Statements refers to changes in accounting for the MDBA, which came into being on 15 December 2008.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
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3 New and revised accounting standards and policies

Accounting Policy Framework

In accordance with amendments to Accounting Policy Framework II *General Purpose Financial Statements Framework*, effective for the year ended 30 June 2015, the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; and the Native Vegetation Fund are no longer considered administered items of DEWNR. Accordingly, DEWNR will no longer aggregate these entities in its administered financial statements, schedules or explanatory notes.

Previously, DEWNR included the the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; and the Native Vegetation Fund within its aggregated administered financial statements. This change is reflected in note A4 in the administered financial statements at the back of the controlled financial statements.

Accounting Standards

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, the department has:

- Included a comprehensive new note 'Budgetary reporting and explanations of major variances' (notes 33 and A5). These notes disclose, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:
 - the department's original budget as published in Budget Paper 4 volume 2
 - a comparison of the original budget information to actual results
 - explanations of major variances.

In accordance with the new AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, which became effective for the first time in 2014-15, the department has reviewed its control assessments (i.e. the department's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc.) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that in terms of AASB 10, DEWNR does not currently control another entity and therefore no consolidation is required. However, the Minister is a party to a joint arrangement involving the Murray-Darling Basin Authority falling within the scope of AASB 11. This joint arrangement is reported in DEWNR's administered financial statements. Refer to note A12.

DEWNR will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and AASB 11 for future years.

Except for AASB 2015-7 which the department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by DEWNR for the period ending 30 June 2015. DEWNR has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on accounting policies or the financial statements of the department.

4 Activities of the department

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

Activity 1: Sustainability

Ensure the effective management of the state's natural resources through strategic planning, state-wide policy and frontline service delivery for the benefit of the community, our economy and ecosystems.

Activity 2: Water

Ensure good quality, sustainable water supplies and management of the River Murray and state water resources for the benefit of our economy, community and environment.

Activity 3: Parks and Public Assets

Conserve, sustain and build the state's reserve system to enhance visitor experiences, improve management practices and help mitigate against the impacts of bushfire.

The disaggregated disclosures schedules presents expenses and income information attributable to each of the activities for the years ended 30 June 2015 and 30 June 2014.

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

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

5 Employee benefits expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	111 057	115 466
Annual leave	9 863	10 440
LSL	4 179	3 538
SERL	555	398
Employment on-costs - superannuation	12 695	13 025
Employment on-costs - other	7 561	8 072
TVSPs (refer below)	1 117	19 478
Board and committees fees	242	340
Other employee related expenses	425	566
Total Employee benefits expenses	147 694	171 323

TVSPs

	2015	2014
	\$'000	\$'000
Amount paid during the reporting period to separated employees:		
TVSPs	1 117	19 478
Annual leave, LSL and SERL paid to those employees	354	7 003
	1 471	26 481
Recovery from the Department of Treasury and Finance	(8 465)	(13 036)
Net cost to the department	(6 994)	13 445

Number of employees who received a TVSP during the reporting period 11 172

Remuneration of employees

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

	2015	2014
\$141 500 – 151 499	-	3
\$151 500 – 161 499	6	5
\$161 500 – 171 499	4	6
\$171 500 – 181 499	5	6
\$181 500 – 191 499	2	2
\$191 500 – 201 499 *	1	4
\$201 500 – 211 499	1	1
\$211 500 – 221 499	1	1
\$221 500 – 231 499	1	-
\$231 500 – 241 499	1	-
\$241 500 – 251 499 *	1	3
\$251 500 – 261 499 *	-	1
\$261 500 – 271 499 *	-	2
\$271 500 – 281 499	-	1
\$281 500 – 291 499 *	1	2
\$291 500 – 301 499 *	-	1
\$301 500 – 311 499 *	-	2
\$311 500 – 321 499 *	1	2
\$321 500 – 331 499 *	-	1
\$331 500 – 341 499	1	1
\$341 500 – 351 499 *	-	1
\$351 500 – 361 499 *	-	1
\$371 500 – 381 499 *	-	1
\$381 500 – 391 499	-	1
\$391 500 – 401 499 *	-	5
\$401 500 – 411 499 *	1	3
\$411 500 – 421 499 *	-	2
\$421 500 – 431 499 *	-	1
\$441 500 – 451 499 *	-	1
\$451 500 – 461 499 *	-	1
\$461 500 – 471 499 *	-	2
Total	27	63

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

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in executive remuneration since 1 July 2013).

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$5.554 million (2014: \$17.186 million).

The table includes TVSPs paid where the employee's normal remuneration exceeds the executive base level threshold. In 2014-15, nil employees (2013-14: 30 employees) in the table received a TVSP.

6 Supplies and services

	2015	2014
	\$'000	\$'000
Accommodation and property management	15 313	13 684
Consultants	165	196
Contractors	4 776	5 075
Cost of goods sold	1 674	1 807
Fee for service	26 208	30 038
General administration	12 125	9 618
Information technology & communication expenses	8 967	8 365
Minor works, maintenance & equipment	7 163	4 408
Monitoring fees	143	150
Sand replenishment	3 140	2 472
Scientific and technical services	130	313
Transportation	373	421
Travel and accommodation	1 819	1 869
Vehicle and aircraft	5 557	6 022
Staff development	1 696	1 768
Other	3 682	3 904
Total Supplies and services	92 931	90 110

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

6 Supplies and services (continued)

Consultants

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

	2015	2014	2015	2014
	Number	Number	\$'000	\$'000
Below \$10 000	7	11	25	51
Above \$10 000	5	3	140	145
Total paid/payable to consultants engaged	12	14	165	196

7 Grants and subsidies

	2015	2014
	\$'000	\$'000
Administration of the <i>Animal Welfare Act 1985</i>	1 025	-
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	4 961	6 525
Goyder Facilitating Long-term Outback Water Solutions (G-FLOWS)	1 000	-
Goyder Institute	5 000	5 000
Great Artesian Basin Sustainability Initiative	-	359
Murray Darling Basin Authority	13 031	26 445
Nature Play SA	-	875
NRM community grants	-	1 554
One Million Trees	-	143
River Murray Improvement Program	2 000	300
State Heritage Fund - grants program	-	150
Stormwater projects	-	113
Other	4 544	5 239
Total Grants and subsidies	31 561	46 703
Grants and subsidies paid/payable to entities within the SA Government		
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	290	209
River Murray Improvement Program	2 000	300
Other	264	592
Total Grants and subsidies - SA Government entities	2 554	1 101

8 Water recovery / acquisition expenses

	2015	2014
	\$'000	\$'000
Environmental water purchase	738	13 134
Total Water recovery / acquisition expenses	738	13 134

9 Depreciation and amortisation expense

	2015	2014
	\$'000	\$'000
Depreciation		
Buildings and improvements	3 206	3 284
Park infrastructure	4 137	3 556
Roads, tracks and trails	5 131	5 881
Groundwater monitoring wells	2 228	2 171
Salinity disposal schemes	456	549
Patawalonga seawater circulation and Barcoo outlet	711	495
Sand pumping infrastructure	1 006	1 006
Surface water monitoring network	157	121
Waste disposal stations	156	137
Lower Murray embankments	69	50
Plant and equipment	2 450	2 423
Other	19	18
Total Depreciation	19 726	19 691
Amortisation		
Application software - internally generated	1 113	2 238
Application software - externally purchased	-	8
Other - war services leases	22	22
Total Amortisation	1 135	2 268
Total Depreciation and amortisation	20 861	21 959

Revision of accounting estimates

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

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

	2015	2014
	\$'000	\$'000
Buildings and Improvements	-	(339)
Park Infrastructure	-	(163)
Roads, Tracks and Trails	-	(600)
	-	(1 102)

10 Net loss from disposal of non-current assets

	2015	2014
	\$'000	\$'000
Land		
Proceeds from disposal	61	-
Less net book value of assets disposed	(94)	-
Net (loss)/gain from disposal	(33)	-
Buildings		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(43)
Net (loss)/gain from disposal	-	(43)

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

10 Net loss from disposal of non-current assets (continued)

	2015 \$'000	2014 \$'000
Park infrastructure		
Proceeds from disposal	-	1
Less net book value of assets disposed *	(12 624)	(10)
Net (loss)/gain from disposal	(12 624)	(9)
Roads, tracks and trails		
Proceeds from disposal	-	-
Less net book value of assets disposed	(162)	(5)
Net (loss)/gain from disposal	(162)	(5)
Plant and equipment		
Proceeds from disposal	9	36
Less net book value of assets disposed	(16)	(57)
Net (loss)/gain from disposal	(7)	(21)
Externally acquired intangible assets		
Proceeds from disposal	180	-
Less Net book value of assets disposed	(180)	-
Net (loss)/gain from disposal	-	-
Total Assets		
Total proceeds from disposal	250	37
Less total net book value of assets disposed	(13 076)	(115)
Total Net (loss) from disposal of non-current assets	(12 826)	(78)

Assets transferred free of charge *

During the current year, assets to the value of \$10.270m (2014: \$0.020m) was transferred to the Board of the Botanic Gardens and State Herbarium free of charge. Assets transferred in the current year related to the Aquifer Storage and Redraw - First Creek Wetlands (\$10.094m); 90 Foot Road Upgrade (\$0.110m); and Summer House Path (\$0.052m), and (\$0.014m) other.

	2015 \$'000	2014 \$'000
Park infrastructure	10 094	-
Roads, tracks and trails	162	-
Plant and equipment	14	20
Total Assets transferred free of charge *	10 270	20

11 Other expenses

	2015 \$'000	2014 \$'000
Bad and doubtful debts	196	1
Capital project costs not capitalised	809	240
Audit fees	480	522
Movement in Inventory	(229)	(283)
Other	-	10
Total Other expenses	1 256	490

12 Auditors remuneration

	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	454	434
Total audit fees	454	434

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

13 Revenues from fees and charges

	2015 \$'000	2014 \$'000
Admissions and guided tours	8 353	7 961
Fees, levies and licences	2 467	2 169
Property rental and related income	6 085	5 826
Taxation revenue - River Murray rehabilitation levy	24 958	24 591
Service recoveries	17 128	16 710
Other property related income	212	150
Sale of goods	3 580	3 888
Sale of professional services	5 090	4 792
Sale of support services	6 865	6 150
Sale of spatial information	1 014	942
Sale of freehold titles	82	103
Total Revenues from fees and charges	75 834	73 282

14 Grant revenues

	2015 \$'000	2014 \$'000
(a) Grant revenues from the Commonwealth		
Common Registry System	-	635
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	18 719	25 905
Goolwa Channel Water Level Management	-	437
Great Artesian Basin Sustainability Initiative	273	2 297
Implementing the Murray Darling Basin reform	2 322	2 396
National Partnership Agreement - Bioregional Assessment Lake Eyre Basin	1 026	1 700
Murray Futures - Lower Lakes, Coorong Adaptive Management	-	712
Murray Futures - Riverine Recovery	6 394	16 174
National framework for compliance and enforcement systems	1 559	1 514
Nature Links	409	286
National Partnership Agreement - Bioregional Assessment Arckaringa/Pedirka	450	1 950
SA Riverland Floodplain Infrastructure Program	7 000	3 000
The Living Murray - Chowilla	827	1 151
The Living Murray - Lower Lakes, Coorong and Murray Mouth	538	1 118
Water and wastewater in remote communities	-	300
Other	1 429	1 204
Total grant revenues from the Commonwealth	40 946	60 779

Department of Environment, Water and Natural Resources

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14 Grant revenues (continued)	2015	2014
	\$'000	\$'000
(b) Grant revenues from SA Government		
Adelaide Living Beaches strategy	2 512	2 436
Biodiversity Assessments	-	100
Botanic Gardens - Aquifer Storage and Redraw	655	655
Bushfire Mitigation Program	-	282
Community Emergency Services Funding	2 700	2 634
Compliance and Monitoring	624	527
Highbury Aqueduct fire prevention	275	301
Nature Play	-	250
National Partnership Agreement - Coal Seam Gas and Coal mining project	-	500
One million trees	250	1 150
Priority habitat enhancement	-	266
Water Industry Act	79	155
Other	5 597	3 489
Total grant revenues from SA Government	12 692	12 745
(c) Grant revenues from private industry and local government		
Implementing the Limestone Coast and Coorong Coastal Action Plan	479	672
Other	1 590	848
Total grant revenues from private industry and local government	2 069	1 520
Total Grant revenues	55 707	75 044

Contributions with conditions of expenditure

The department received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2015 \$39.526m (2014: \$62.696m) of grants, which have been recognised as revenues in the Statement of Comprehensive Income, are yet to be spent in the manner specified by the contributors.

15 Interest revenues	2015	2014
	\$'000	\$'000
Interest	1 061	648
Total Interest revenues	1 061	648

16 Other income	2015	2014
	\$'000	\$'000
Insurance recoveries	38	201
Salaries and wages recoveries	33 295	30 463
Sponsorships, donations, commissions and bequests	19	45
Other sundry revenue	284	364
Total Other income	33 636	31 073

17 Revenues from / payments to SA Government	2015	2014
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	132 698	166 466
Appropriations from contingency funds	8 972	15 313
Total Revenues from SA Government	141 670	181 779
Payments to SA Government		
Return to consolidated account	(1 200)	-
Total Payments to SA Government	(1 200)	-

Total revenues from government consist of \$120.581m (2014: \$152.945m) for operational funding and \$12.117m (2014 \$13.521m) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

18 Cash and cash equivalents	2015	2014
	\$'000	\$'000
Deposits with the Treasurer	134 265	105 267
Imprest account / cash on hand	185	182
Total Cash and cash equivalents	134 450	105 449

Deposits with the Treasurer

This includes \$50.513m (2014: \$49.449m) held within the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use and can only be used in accordance with the Treasurer's or Under-Treasurer's approval.

Other short-term deposits

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

Interest rate risk

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. DEWNR invests surplus funds with the Treasurer. Interest is earned on the average monthly balances of the Wildlife Conservation Fund, General Reserves Trust account, SA Lower Lakes Bioremediation and Revegetation (CLLMM) account, Adelaide Stormwater Project Fund, Murray Futures Fund and the SA Riverland Floodplains Integrated Infrastructure Program. Interest is paid quarterly at the Department of Treasury and Finance's 90 day average overnight cash interest rate. All other deposits with the Treasurer do not earn interest.

19 Receivables	2015	2014
	\$'000	\$'000
Current		
Receivables	8 195	28 822
Less allowance for doubtful debts	(435)	(234)
	7 760	28 588
Accrued revenues	87	50
GST input tax recoverable	4 785	4 417
Workers compensation recoveries	19	21
Total Current receivables	12 651	33 076

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

19 Receivables (continued)

	2015 \$'000	2014 \$'000
Non-current		
Workers compensation recoveries	64	73
Total Non-current receivables	<u>64</u>	<u>73</u>

Movement in the allowance for doubtful debts

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

	2015 \$'000	2014 \$'000
Carrying amount at the beginning of the period	234	235
Amounts written off	-	(1)
Increase in the allowance	201	-
Carrying amount at the end of the period	<u>435</u>	<u>234</u>

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

(a) **Maturity analysis of receivables** - refer to table 38.3 in note 38.

(b) **Categorisation of financial instruments and risk exposure information** - refer to table 38.3 in note 38.

20 Inventories

	2015 \$'000	2014 \$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	538	476
Total Inventories held for distribution at no or nominal amount	<u>538</u>	<u>476</u>
Inventories held for resale - at cost		
Finished goods held for resale - at cost	1 827	1 471
Total Inventories held for resale - at cost	<u>1 827</u>	<u>1 471</u>
Total Inventories	<u>2 365</u>	<u>1 947</u>

21 Other assets

	2015 \$'000	2014 \$'000
Current		
Prepaid supplies and services	1 253	996
Other	4	3
Total Other current assets	<u>1 257</u>	<u>999</u>

22 Other financial assets

	2015 \$'000	2014 \$'000
Non-current		
Equity in listed entities	3	3
Total Non-current other financial assets	<u>3</u>	<u>3</u>

23 Property, plant and equipment

	2015 \$'000	2014 \$'000
Land		
Independent valuation ⁽ⁱ⁾	209 941	206 104
At cost ⁽ⁱⁱ⁾	7 951	11 686
Total Land	<u>217 892</u>	<u>217 790</u>
Buildings and improvements		
Independent valuation ⁽ⁱ⁾	145 491	144 344
At cost ⁽ⁱⁱ⁾	8 251	9 668
Less accumulated depreciation	(104 842)	(101 889)
Total Buildings and improvements	<u>48 900</u>	<u>52 123</u>
Park infrastructure		
Independent valuation ⁽ⁱ⁾	174 267	178 092
At cost ⁽ⁱⁱ⁾	18 613	9 536
Less accumulated depreciation	(163 483)	(160 650)
Total Park infrastructure	<u>29 397</u>	<u>26 978</u>
Roads, tracks and trails		
Independent valuation ⁽ⁱ⁾	194 721	194 272
At cost ⁽ⁱⁱ⁾	8 066	7 477
Less accumulated depreciation	(179 230)	(174 100)
Total Roads, tracks and trails	<u>23 557</u>	<u>27 649</u>
Groundwater monitoring wells		
Independent valuation	130 256	130 256
At cost ⁽ⁱⁱ⁾	2 064	984
Less accumulated depreciation	(88 288)	(86 060)
Total Groundwater monitoring wells	<u>44 032</u>	<u>45 180</u>

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

23 Property, plant and equipment (continued)

	2015 \$'000	2014 \$'000
Salinity disposal schemes		
Independent valuation	44 314	44 751
At cost ⁽ⁱⁱ⁾	568	-
Less accumulated depreciation	<u>(13 162)</u>	<u>(18 609)</u>
Total Salinity disposal schemes	31 720	26 142
Patawalonga seawater circulation and Barcoo outlet		
Independent valuation	45 451	30 774
At cost ⁽ⁱⁱ⁾	-	546
Less accumulated depreciation	<u>(13 994)</u>	<u>(8 662)</u>
Total Patawalonga seawater circulation and Barcoo outlet	31 457	22 658
Sand pumping infrastructure		
At cost ⁽ⁱⁱ⁾	20 544	20 544
Less accumulated depreciation	<u>(2 431)</u>	<u>(1 425)</u>
Total Sand pumping infrastructure	18 113	19 119
Surface water monitoring network		
Independent valuation	8 469	8 469
At cost ⁽ⁱⁱ⁾	1 033	183
Less accumulated depreciation	<u>(3 865)</u>	<u>(3 708)</u>
Total Surface water monitoring network	5 637	4 944
Waste disposal stations		
Independent valuation	7 752	7 752
At cost ⁽ⁱⁱ⁾	638	-
Less accumulated depreciation	<u>(2 661)</u>	<u>(2 505)</u>
Total Waste disposal stations	5 729	5 247
Lower Murray embankments		
Independent valuation	13 760	13 760
Less accumulated depreciation	<u>(6 811)</u>	<u>(6 742)</u>
Total Lower Murray embankments	6 949	7 018
Plant and equipment		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	35 547	33 422
Less accumulated depreciation	<u>(24 480)</u>	<u>(22 459)</u>
Total Plant and equipment	11 067	10 963
Other		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1 867	1 867
Less accumulated depreciation	<u>(650)</u>	<u>(631)</u>
Total Other	1 217	1 236
Capital works in progress		
Capital works in progress	<u>36 256</u>	<u>38 919</u>
Total Capital works in progress	36 256	38 919
Total Property, plant and equipment	511 923	505 966

Carrying amounts of property, plant and equipment

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

i Independent valuation:

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

ii At cost (acquisition cost):

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

iii At cost (deemed fair value):

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

Asset Revaluations

The valuation of the DEWNR's Salinity disposal schemes and the Patawalonga seawater circulation and Barcoo outlet assets were performed by a Certified Practising Valuer (Mr F. Taormina, BAppSc (Val), AAPV) from Valcorp Pty Ltd as at 1 July 2014. The revaluation of these assets resulted in changes in replacement values, as well as changes to some of the useful lives of componentry assets.

As there is no active market for the revalued assets, the valuer used the cost approach (i.e. depreciated replacement cost) having regard to the specialised nature of the assets by virtue of the type of improvement, location or scale. The valuer included the costs of various inputs in the assets' replacement costs, such as preliminaries, earthworks, site preparation, initial delivery and handling costs, installation costs and professional fees. In relation to the Salinity disposal schemes and the Patawalonga seawater circulation and Barcoo outlet, the valuation included available information and departmental internal records of current construction costs from recent refurbished sites. All revalued assets fall within level 3 inputs as the quoted prices are generally specialised and unobservable.

The impact of the completed asset revaluations have resulted in adjustments being recognised in the financial statements and are further disclosed in the Statement of Comprehensive Income and the Statement of Changes in Equity. Changes relating to the Salinity disposal schemes amounted to \$5.466 million, and changes relating to the Patawalonga seawater circulation and Barcoo outlet amounted to \$6.448 million.

DEWNR uses the Data Dictionary model to value generic building, infrastructure and road assets. The Data Dictionary model is contained within DEWNR's Asset Register and Management Information System (ARAMIS) and calculates a value for an asset based on description, grade / composition, condition and size / quantity. The model value is adjusted by a locality factor to take into account climatic conditions. The valuation model itself is reviewed every three years by a Certified Practising Valuer. The application of the Data Dictionary model results in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

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

Other specialised assets have been revalued per the schedule below.

The valuers used by DEWNR are as follows:

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

23 Property, plant and equipment (continued)

Class of Asset	Date of Last Independent Valuation	Name of Valuer
Buildings, infrastructure and roads	1 July 2011	Valcorp Pty Ltd
Land, building and park infrastructure	1 July 2011	Herron Todd White
Groundwater monitoring wells	30 June 2012	Sinclair Knight Merz
Surface water monitoring network	30 June 2012	Valcorp Pty Ltd
Waste disposal stations	30 June 2014	Valcorp Pty Ltd
Patawalonga seawater circulation and Barcoo outlet	1 July 2014	Valcorp Pty Ltd
Salinity disposal schemes	1 July 2014	Valcorp Pty Ltd
Lower Murray embankments	30 June 2014	Valcorp Pty Ltd
Plant and equipment*	-	-

* Plant and equipment have been brought to account at cost or at officers' valuation for initial recognition purposes.

Movement reconciliation of property, plant and equipment

	Land	Buildings	Park infra-structure	Roads, tracks & trails	Ground-water Monitoring Wells	Salinity Disposal Schemes	Patawalonga Seawater Circulation		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
2015									
Carrying amount at the start of period	217 790	52 123	26 978	27 649	45 180	26 142	22 658		
Acquisitions	196	-	-	-	-	-	-		
Transfers between classes	-	(17)	-	-	-	-	-		
Disposals - transfers for nil consideration	-	-	(10 094)	(162)	-	-	-		
Disposals	(94)	-	(2 530)	-	-	-	-		
Transfers to/(from) capital works in progress	-	-	19 180	1 201	1 080	568	3 062		
Capital WIP - expensed in current period	-	-	-	-	-	-	-		
Subtotal	102	(17)	6 556	1 039	1 080	568	3 062		
Gains/(losses) for the period recognised in net result:									
Depreciation expense	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)	(711)		
Subtotal	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)	(711)		
Gains/(losses) for the period recognised in other comprehensive income:									
Net revaluation (decrement)/increment	-	-	-	-	-	5 466	6 448		
Subtotal	-	-	-	-	-	5 466	6 448		
Carrying amount at the end of period	217 892	48 900	29 397	23 557	44 032	31 720	31 457		
	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embankments	Plant & equipment	Other	Subtotal	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	19 119	4 944	5 247	7 018	10 963	1 236	467 047	38 919	505 966
Acquisitions	-	-	-	-	31	-	227	27 932	28 159
Transfers between classes	-	-	-	-	17	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	(14)	-	(10 270)	-	(10 270)
Disposals	-	-	-	-	(2)	-	(2 626)	-	(2 626)
Transfers to/(from) capital works in progress	-	850	638	-	2 522	-	29 101	(29 786)	(685)
Capital WIP - expensed in current period	-	-	-	-	-	-	-	(809)	(809)
Subtotal	-	850	638	-	2 554	-	16 432	(2 663)	13 769
Gains/(losses) for the period recognised in net result:									
Depreciation expense	(1 006)	(157)	(156)	(69)	(2 450)	(19)	(19 726)	-	(19 726)
Subtotal	(1 006)	(157)	(156)	(69)	(2 450)	(19)	(19 726)	-	(19 726)
Gains/(losses) for the period recognised in other comprehensive income:									
Net revaluation (decrement)/increment	-	-	-	-	-	-	11 914	-	11 914
Subtotal	-	-	-	-	-	-	11 914	-	11 914
Carrying amount at the end of period	18 113	5 637	5 729	6 949	11 067	1 217	475 667	36 256	511 923

Movement reconciliation of property, plant and equipment

	Land	Buildings	Park infra-structure	Roads, tracks & trails	Ground-water Monitoring Wells	Salinity Disposal Schemes	Patawalonga Seawater Circulation		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
2014									
Carrying amount at the start of period	215 158	54 875	30 335	33 518	47 299	26 691	23 153		
Acquisitions	2 632	575	-	-	-	-	-		
Disposals	-	(43)	(10)	(5)	-	-	-		
Disposals - transfers for nil consideration	-	-	-	-	-	-	-		
Transfers to/(from) capital works in progress	-	-	209	17	52	-	-		
Capital WIP - expensed in current period	-	-	-	-	-	-	-		
Subtotal	2 632	532	199	12	52	-	-		
Gains/(losses) for the period recognised in net result:									
Depreciation expense	-	(3 284)	(3 556)	(5 881)	(2 171)	(549)	(495)		
Subtotal	-	(3 284)	(3 556)	(5 881)	(2 171)	(549)	(495)		
Gains/(losses) for the period recognised in other comprehensive income:									
Net revaluation increment	-	-	-	-	-	-	-		
Subtotal	-	-	-	-	-	-	-		
Carrying amount at the end of period	217 790	52 123	26 978	27 649	45 180	26 142	22 658		

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

23 Property, plant and equipment (continued)

	Sand pumping infra- structure \$'000	Surface Water Monitoring Network \$'000	Waste Disposal Stations \$'000	Lower Murray Embank- ments \$'000	Plant & equipment \$'000	Other \$'000	Subtotal \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at the start of period	20 125	4 954	3 466	5 183	12 310	1 254	478 321	21 861	500 182
Acquisitions	-	-	-	-	1 095	-	4 302	17 725	22 027
Disposals	-	-	-	-	(37)	-	(95)	-	(95)
Disposals - transfers for nil consideration	-	-	-	-	(20)	-	(20)	-	(20)
Transfers to/(from) capital works in progress	-	111	-	-	38	-	427	(427)	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-	(240)	(240)
Subtotal	-	111	-	-	1 076	-	4 614	17 058	21 672
Gains/(losses) for the period recognised in net result:									
Depreciation expense	(1 006)	(121)	(137)	(50)	(2 423)	(18)	(19 691)	-	(19 691)
Subtotal	(1 006)	(121)	(137)	(50)	(2 423)	(18)	(19 691)	-	(19 691)
Gains/(losses) for the period recognised in other comprehensive income:									
Net revaluation increment	-	-	1 918	1 885	-	-	3 803	-	3 803
Subtotal	-	-	1 918	1 885	-	-	3 803	-	3 803
Carrying amount at the end of period	19 119	4 944	5 247	7 018	10 963	1 236	467 047	38 919	505 966

24 Intangible assets

	2015 \$'000	2014 \$'000
Internally developed intangible assets		
Computer software - at cost (deemed fair value)	20 238	19 553
Less accumulated amortisation	(18 546)	(17 433)
Total Internally developed intangible assets	1 692	2 120
Externally acquired intangible assets		
Computer software and water licences	2 918	3 098
Less accumulated amortisation	(590)	(185)
Total Externally acquired intangible assets	2 328	2 508
Other		
Revenue stream (War services freehold leases) - At cost (deemed fair value)	1 000	1 000
Less accumulated amortisation	(207)	(185)
Total Other	793	815
Total Intangible assets	4 813	5 443

The department recognises the following intangible assets:

Computer software

The internal development of software is capitalised by the department when the expenditure meets the definition and recognition criteria of an intangible asset outlined in AASB 138 and when the amount of expenditure is greater than or equal to \$10 000, in accordance with APF III Asset Accounting Framework APS 2.15. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed. Subsequent expenditure on intangible assets has not been capitalised. The department has capitalised the internal development of software for the Crown Lands System, Water Information and Licensing and Management Application system (WILMA) and ARAMIS Solution Software. In addition, certain costs have been capitalised in respect of the Water Connect Portal (Natural Resources Management Information System) and other software specific to the department's core activities. Some intangibles are currently included in work in progress. Externally acquired computer software relates to ARCGIS software.

Water licenses – acquired at no cost

An intangible asset for water licences has been recognised. The asset was initially acquired for nil consideration prior to 1 July 2005. A reliable fair value at the time of acquisition was not available. The assets were recognised for the first time at fair value as at 30 June 2006. Fair value was determined by observing prices in the water trading market as at 30 June 2006.

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 DEWNR 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 \$'000	Externally acquired \$'000	Revenue stream \$'000	2015 Sub-total \$'000
2015				
Carrying amount at the start of the period	2 120	2 508	815	5 443
Transfers from capital works in progress	685	-	-	685
Disposals	-	(180)	-	(180)
Amortisation	(1 113)	-	(22)	(1 135)
Carrying amount at the end of the period	1 692	2 328	793	4 813
	Internally Developed \$'000	Externally Developed \$'000	Revenue stream \$'000	2014 Sub-total \$'000
2014				
Carrying amount at the start of the period	4 358	2 516	837	7 711
Amortisation	(2 238)	(8)	(22)	(2 268)
Carrying amount at the end of the period	2 120	2 508	815	5 443

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

24 Intangible assets (continued)

Assets Not Recognised

Acquisition of Water Licences for Environmental Flows

While the department recognises certain water licences controlled by the Minister for the River Murray as intangible assets at 30 June 2013, the acquisition and / or transfer of water licences for environmental purposes is generally expensed when such expenditure is incurred.

The decision not to capitalise these expenditures is linked to the provisions of two Intergovernmental Agreements to which the state of South Australia is a party as follows:

(i) The Intergovernmental Agreement on Addressing Water Over-allocation and Achieving Environmental Objectives in the Murray-Darling Basin (June 2004) gives effect to a decision by the southern Murray-Darling Basin jurisdictions to commit \$500 million over five years to address water over-allocation in the Murray-Darling Basin with an initial focus on achieving specific environmental outcomes for six significant ecological assets along the River Murray.

The Living Murray Business Plan provided for under Clause 13 of the above Agreement describes how the actions and milestones in the Agreement in relation to the acquisition and transfer of water licences are to be achieved.

(ii) The Agreement on Murray-Darling Basin Reform (July 2008) gives effect that a Commonwealth-State National Management Partnership will be in a form of a bilateral agreement between the Commonwealth and each Basin jurisdiction known as the National Partnership Agreement on Water for the Future (Partnership Agreement). The Implementation Plan for Augmentation of the Adelaide Desalination Plant is created subject to the provisions of the Partnership Agreement.

The Implementation Plan describes the actions and milestones in relation to the acquisition of water licences and the establishment of an Environmental Provision for environmental purposes.

The transactions pertaining to the acquisition of water licences and subsequent application of these licences have been expensed on the basis that the future economic benefits attached to these transactions are not expected to flow directly to the department.

25 Fair value measurement

Fair value hierarchy

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

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

DEWNR had no valuations categorised into level 1 or level 2.

Fair value measurements at 30 June 2015

Recurring fair value measurements

	Level 3 \$'000
Land	217 892
Buildings and improvements	48 900
Park infrastructure	29 397
Roads, tracks and trails	23 557
Groundwater monitoring wells	44 032
Salinity disposal schemes	31 720
Patawalonga seawater circulation and Barcoo outlet	31 457
Surface water monitoring network	5 637
Waste disposal stations	5 729
Lower Murray embankments	6 949
Sand pumping infrastructure	18 113
Plant and equipment	11 067
Other	1 217
Total recurring fair value measurements	<u>475 667</u>

Fair value measurements at 30 June 2014

Recurring fair value measurements

	Level 3 \$'000
Land	217 790
Buildings and improvements	52 123
Park infrastructure	26 978
Roads, tracks and trails	27 649
Groundwater monitoring wells	45 180
Salinity disposal schemes	26 142
Patawalonga seawater circulation and Barcoo outlet	22 658
Surface water monitoring network	4 944
Waste disposal stations	5 247
Lower Murray embankments	7 018
Sand pumping infrastructure	19 119
Plant and equipment	10 963
Other	1 236
Total recurring fair value measurements	<u>467 047</u>

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. DEWNR's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Valuation techniques used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements are detailed at Note 23. There were no changes in valuation techniques during 2015.

26 Payables

	2015 \$'000	2014 \$'000
Current		
Accrued expenses	1 148	1 126
Creditors	21 860	20 745
Employment on-costs	2 507	2 592
Paid Parental Leave Scheme payable	29	34
Total Current payables	<u>25 544</u>	<u>24 497</u>
Non-current		
Employment on-costs	2 894	2 618
Total Non-current payables	<u>2 894</u>	<u>2 618</u>

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

26 Payables (continued)

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has decreased from 2014 (40%) to 2015 (37%). This rate is used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$0.113m and employee benefits expense of \$0.113m.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

(a) **Maturity analysis of payables** - refer to table 38.3 in note 38.

(b) **Categorisation of financial instruments and risk exposure information** - refer to table 38.3 in note 38.

27 Employee benefits

	2015	2014
	\$'000	\$'000
Current		
Accrued salaries and wages	902	395
Annual leave	8 970	8 896
Long service leave	1 724	2 147
Skills and experience retention leave	823	593
Total Current employee benefits	<u>12 419</u>	<u>12 031</u>
Non-current		
Long service leave	31 724	28 704
Total Non-current employee benefits	<u>31 724</u>	<u>28 704</u>

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 requires the use of yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2014 (3.50%) to 2015 (3.00%).

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.

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$1.133m and employee benefit expense of \$1.133m. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability. The net financial effect of the changes in the current financial year is immaterial.

28 Provisions

	2015	2014
	\$'000	\$'000
Current		
Provision for workers compensation	584	626
Total Current provisions	<u>584</u>	<u>626</u>
Non-current		
Provision for workers compensation	1 846	2 277
Total Non-current provisions	<u>1 846</u>	<u>2 277</u>
Provision movement		
Carrying amount at the beginning of the period	2 903	2 979
Reductions resulting from re-measurement or settlement without cost	(473)	(76)
Carrying amount at the end of the period	<u>2 430</u>	<u>2 903</u>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector. These claims are expected to be settled within the next financial year.

29 Other liabilities

	2015	2014
	\$'000	\$'000
Current		
Lease incentive	20	251
Unearned revenue	136	81
Other	57	366
Total Current other liabilities	<u>213</u>	<u>698</u>
Non-current		
Lease incentive	95	53
Total Non-current other liabilities	<u>95</u>	<u>53</u>

30 Equity

	2015	2014
	\$'000	\$'000
Contributed capital	22 612	22 612
Retained earnings	278 938	280 097
Asset revaluation surplus	290 657	278 743
Total Equity	<u>592 207</u>	<u>581 452</u>

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

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

31 Cash flow reconciliation

	2015 \$'000	2014 \$'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	134 450	105 449
Balance as per the Statement of Cash Flows	134 450	105 449
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	57 734	4 147
Less revenues from SA Government	(141 670)	(181 779)
Add payments to SA Government	1 200	-
Add/less non-cash items		
Depreciation and amortisation expense of non-current assets	(20 861)	(21 959)
Capital work in progress expensed	(809)	(240)
(Loss) on disposal of non-current assets	(12 826)	(78)
Movement in assets and liabilities		
(Decrease)/increase in receivables	(20 434)	10 340
(Decrease)/increase in inventories	418	(2)
Increase in other assets	258	87
(Increase)/decrease in payables	(2 147)	19 397
(Increase)/decrease in employee benefits	(3 408)	6 247
Decrease in provisions	473	76
Decrease in other liabilities	443	14
Net cost of providing services	(141 629)	(163 750)

32 Transactions with SA Government

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

Note	SA Government		Non-SA Government		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses						
Employee benefits expenses	5	-	-	147 694	147 694	171 323
Supplies and services	6					
Accommodation and property management		11 456	11 071	3 857	2 613	15 313
Consultants		-	-	165	196	165
Contractors		-	-	4 776	5 075	4 776
Cost of goods sold		-	-	1 674	1 807	1 674
Fee for service		2 471	4 149	23 737	25 889	26 208
General administration		3 324	6 797	8 801	2 821	12 125
Information technology & communication expenses		2 456	2 557	6 511	5 808	8 967
Minor works, maintenance & equipment		363	410	6 800	3 998	7 163
Monitoring fees		-	-	143	150	143
Sand replenishment		-	-	3 140	2 472	3 140
Scientific and technical services		-	-	130	313	130
Transportation		-	-	373	421	373
Travel and accommodation		-	-	1 819	1 869	1 819
Vehicle and aircraft		3 300	4 445	2 257	1 577	5 557
Staff development		-	-	1 696	1 768	1 696
Other		347	395	3 335	3 509	3 682
Grants and subsidies	7	2 554	1 101	29 007	45 602	31 561
Water recovery / acquisition expenses	8	-	8 542	738	4 592	738
Depreciation and amortisation expense	9	-	-	20 861	21 959	20 861
Net loss from disposal of non-current assets	10	-	-	12 826	78	12 826
Other expenses (excluding Auditors remuneration)	11					
Bad and doubtful debts		-	-	196	1	196
Capital project costs not capitalised		-	-	809	240	809
Audit fees		-	-	26	88	26
Inventory revaluation decrement		-	-	(229)	(283)	(229)
Other		-	-	-	10	-
Auditors remuneration	12	454	434	-	-	454
Total expenses		26 725	39 901	281 142	303 896	307 867
Income						
Revenues from fees and charges	13					
Admissions and guided tours		-	-	8 353	7 961	8 353
Fees, levies and licences		-	-	2 467	2 169	2 467
Property rental and related income		-	-	6 085	5 826	6 085
Taxation revenue - River Murray rehabilitation levy		-	-	24 958	24 591	24 958
Service recoveries		17 128	16 710	-	-	17 128
Other property related income		-	-	212	150	212
Sale of goods		178	177	3 402	3 711	3 580
Sale of professional services		1 837	1 284	3 253	3 508	5 090
Sale of support services		4 456	4 194	2 409	1 956	6 865
Sale of spatial information		181	114	833	828	1 014
Sale of freehold titles		-	-	82	103	82
Grant revenues	14	12 692	12 745	43 015	62 299	55 707
Interest revenues	15	1 054	645	7	3	1 061
Other income	16					
Insurance recoveries		-	130	38	71	38
Salaries and wages recoveries		33 295	30 463	-	-	33 295
Sponsorships, donations, commissions and bequests		-	-	19	45	19
Other sundry revenue		-	-	284	364	284
Revenues from SA Government	17	140 470	181 779	-	-	140 470
Total income		211 291	248 241	95 417	113 585	306 708

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

32 Transactions with SA Government (continued)

Note	SA Government		Non-SA Government		Total		
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
Financial assets							
Receivables	19	5 033	11 365	2 727	17 223	7 760	28 588
Accrued revenues		-	-	87	50	87	50
GST input tax recoverable		-	-	4 785	4 417	4 785	4 417
Workers compensation recoveries		-	-	83	94	83	94
Other assets	21						
Prepaid supplies and services		-	-	1 253	996	1 253	996
Other		-	-	4	3	4	3
Other financial assets	22						
Equity in listed entities		-	-	3	3	3	3
Total financial assets		5 033	11 365	8 942	22 786	13 975	34 151
Financial liabilities							
Payables	26						
Accrued expenses		489	415	659	711	1 148	1 126
Creditors		4 615	3 273	17 245	17 472	21 860	20 745
Employment on-costs		2 787	1 360	2 614	3 564	5 401	4 924
Paid Parental Leave Scheme payable		-	-	29	34	29	34
Other liabilities	29						
Lease incentive		-	-	115	304	115	304
Unearned revenue		-	-	136	81	136	81
Other		-	-	57	366	57	366
Total financial liabilities		7 891	5 048	20 855	22 532	28 746	27 580

33 Budgetary reporting and explanations of major variances between budget and actual amounts

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

Statement of Comprehensive Income	Note	Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance \$'000
Expenses				
Employee benefits expenses		140 696	147 694	6 998
Supplies and services		89 518	92 931	3 413
Grants and subsidies		34 206	31 561	(2 645)
Water recovery / acquisition expenses		10 485	738	(9 747)
Depreciation and amortisation expense		23 939	20 861	(3 078)
Net loss from disposal of non-current assets		-	12 826	12 826
Other expenses		391	1 256	865
Total Expenses		299 235	307 867	8 632
Income				
Revenues from fees and charges	a	111 944	75 834	(36 110)
Grant revenues	b	41 246	55 707	14 461
Interest revenues		124	1 061	937
Other income	c	15 977	33 636	17 659
Total Income		169 291	166 238	(3 053)
Net cost of providing services		129 944	141 629	11 685
Revenues from / payments to SA Government				
Revenues from SA Government	d	117 130	141 670	24 540
Payments to SA Government		-	(1 200)	(1 200)
Total net revenues from SA Government		117 130	140 470	23 340
Net result		(12 814)	(1 159)	11 655
Other comprehensive income				
<i>Items that will not be reclassified to net result</i>				
Changes in property, plant and equipment asset revaluation surplus	e	-	11 914	11 914
Total other comprehensive income		-	11 914	11 914
Total comprehensive result		(12 814)	10 755	23 569

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- a Revenues from fees and charges were lower than original budget primarily due to reclassification treatments (budgeted salary recoups reflected in Other Income; and budgeted water planning and management cost recovery funded through State Appropriation and reflected in Revenues from SA Government)
- b Grant revenues were higher than original budget primarily due to the recognition of additional Commonwealth funding
- c Other income was higher than original budget primarily due to the reclassification of revenue from Fees and charges, and the non-achievement of planned water sales
- d Revenues from SA Government were higher than original budget primarily due to reclassification of income from fees and charges, and from the reimbursement of TVSP payments
- e This variance is due to the non budgeting of impacts from a revaluation of property, plant and equipment performed during the year

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

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

		Original Budget ¹ 2015	Actual 2015	Variance
	Note	\$'000	\$'000	\$'000
Investing expenditure summary				
Total new projects		2 750	1 779	(971)
Total existing projects	a	18 305	15 807	(2 498)
Total annual programs		9 589	10 509	920
Total investing expenditure		30 644	28 095	(2 549)

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes

a The variance in existing investment projects was primarily due to underspends in Commonwealth funded projects and from a project to have been funded from a planned land sale that did not proceed

34 Unrecognised contractual commitments

2015
\$'000

2014
\$'000

Operating lease commitments

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

Within one year	11 241	9 355
Later than one year but not longer than five years	12 294	9 441
Later than five years	17 232	7 845
Total Operating lease commitments	40 767	26 641

During the 2005-06 financial year, DEWNR received lease incentives for two leased properties amounting to \$3.28 million. These lease incentives were amortised at a rate of \$245 000 per annum and expired during 2014-15. Additional lease incentives were received for \$0.063m in 2013-14 and \$0.070m in 2014-15 for newly leased properties. These lease incentives are being amortised at a rate of \$0.020m per annum.

The operating leases held by DEWNR are related to property leases with penalty clauses equal to the amount of the residual payments remaining for the lease terms. The leases are payable one month in advance and DEWNR has the right of renewal. There are no existing or contingent rental provisions.

Capital commitments

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

Within one year	2 250	4 815
Total Capital commitments	2 250	4 815

DEWNR's capital commitments include amounts associated with the Kangaroo Island Multi-Day Walk (\$2.250m). In 2013-14, capital commitments also included Heysen Trail upgrade (\$1.100m), Belair National Park Facilities Upgrade (\$0.900m), and the Seal Bay Facilities Upgrade (\$0.565m).

Expenditure commitments - remuneration

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

Within one year	3 776	5 528
Later than one year but not longer than five years	5 563	6 234
Total Remuneration commitments	9 339	11 762

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

Expenditure commitments - Other

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

Within one year	19 054	15 500
Later than one year but not longer than five years	48 189	-
Total Other commitments	67 243	15 500

The department's other commitments are for contributions to the Murray Darling Basin Authority.

35 Contingent assets and liabilities

The department is not aware of the existence of any contingent assets.

At the time of this report the outcomes of any pending legal cases are not known and the effects are not quantifiable.

The Minister has a statutory obligation under the *Upper South East Dryland Salinity and Flood Management Act 2002* (USE Act) to consider landholders' requests for compensation and pay landholders, if it is deemed that they are entitled to compensation. As at reporting date, the outcomes of any compensation claims that have been lodged by eligible landholders are not known and the effects are not quantifiable.

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

36 Remuneration of board and committee members

Members of the board and committees during the 2014-15 financial year were:

South Australian National Parks & Wildlife Council

Abolished 30 June 2015 ^[2]

Carr P F (retired 07/03/15)
Humann D G
McIntosh W R (retired 07/03/15)
Munday B
Podoliak J
Schutz J E ***
Williams S L
Woodlands J F

South Australian Heritage Council

Carr J M *
Donaldson R T
Harry D B (deputy; retired 01/02/15)
Levdon G J
MacKinnon AG
McClurg J J (retired 09/11/14)
O'Connell M B (retired 01/02/15)
Polson L (retired 01/02/15)
Queale M (deputy)
Schulz J
Wigg C A
Beazley S L (appointed 02/04/15)
Ben Kahn A (deputy; appointed 02/04/15)
Hartnell C C (appointed 02/04/15)

South Australian Heritage Council Register Committee

Abolished 12 December 2014

Beazley S L
Ben Kahn A
Butland R
Carr J M *
Leadbeter P D
McDougall K
Prest W
Wigg C A

Witjira National Park Board of Management

Ah Chee A
Ah Chee M R
Maqor A B *
Fuschtei V T
Pelton G A *
Doolan D (appointed 31/01/14)
Walton J

Vulkathunha-Gammon Ranges National Park

Cooperative Management Committee

Coulthard C C
Coulthard J M
Coulthard R R
McKenzie P J
Mooney P A *
Naismith T L *
Paul S A M *
Toscano M *

Animal Welfare Advisory Committee

Bigwood S (retired 14/09/14)
Carmichael I H (retired 14/09/14) *
Evans D L
Hazel S J
Noonan D E
Ogilvie A D (retired 14/09/14)
Peters M D (observer) *
Starick W J (retired 14/09/14)
Basham D K B (appointed 19/03/15)
Moses K D (appointed 19/03/15)
Warren P S (appointed 19/03/15)
Mussell R I (appointed 19/03/15)
Tilbrook A J (appointed 19/03/15) *

Adelaide Dolphin Sanctuary Advisory Board

Abolished 30 June 2015 ^[2]

Andrews D J
Bossley M I
Cuqley J A
Ditter S S
Gassmanis K B
Gibbs S E
Gregory J
Hiqains-Desbiolles B F
Hughes J A
Kavina C B
Osborne M W *

Kangaroo Management Reference Group

Ackland T M
Ashby D
Borda R
Dunn E *
Evans D
Gerschwitz T *
Stringer J *
Dean P *
Moore M *
Wigg T *
Greenfields C (retired 03/07/14)
McBride M P
Neal J
Reddy X (retired 01/11/14) *
Milne T
Mould J
Smith C
Tansell G
Turner M
Vickery F J (retired 23/12/14)
Winen M
Wright L
Lewis A G
Linton V *

Wilderness Advisory Committee

Abolished 30 June 2015 ^[2]

Bills C E M
Cohen B L
Schutz J E ***
Whalen M A

Wildlife Ethics Committee

Davis K L (retired 11/07/14) *
Gillam S *
Griffith J
Hutchinson M N *
Johnson L M
Kemper C M (retired 20/05/15) *
Males K G
Manning B C *
McGrath K R
McLelland D J
O'Connor J *
Peters M D *
Richards A J
Smith I G
Taylor L U

Marine Parks Council of SA

Abolished 30 June 2015 ^[2]

Dittmann S R
Ellis D C
Grady M A (retired 20/07/15)
Grear B *
James G (retired 20/07/15)
Lewis R K (retired 20/07/15)
Miller S L (retired 20/07/15)
Riseley P R (retired 20/07/15)
Warhurst K J
Wright L (retired 20/07/15)
Burch L (retired 09/01/15) *

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

36 Remuneration of board and committee members (continued)

Ngaat Ngaat Conservation Park Co-management Board

(Committee abolished 22 April 2014 and transitioned to Board on 20/11/2014)

Campbell I L
Campbell I M
Dominelli S T *
Gillen P G *
Hutchinson C M
Tesoriero J (appointed 08/12/14)

Scientific Working Group

Abolished 30 June 2015 ^[2]

Beheregaray L B
Cheshire A C
Connell S D
Fairweather P G
Fernandes M B *
Gillanders B M
Huveneers C
Kirkman H
Moller L M
Shepherd S A *
Vandeleur H M

Natural Resources Management Council

Abolished 30 June 2015

Cooper C S
Crisp A
Gartrell G (deputy)
Ingilis A R
Keynes J L
Lamont H K
Lewis F A (retired 10/03/15)
Milne T I
Riseley P R
Walker D

Natural Resource Management Council - Aboriginal Statewide Advisory Committee

Abolished 5 December 2014

Agius P (retired 30/11/14)
Chester J (retired 30/11/14) ***
Hartman T J *
McKenzie P
Smith C L
Thomas K K (retired 30/11/14) *
Vickery F J
Walker D C
Telfer K A (retired 30/11/14)

Border Groundwater Review Committee

(South Australian and Victorian members) ^[1]

Grant J C *
Mensforth L J *
Nott R (Victorian Govt)
Spall A (Victorian Govt)

Yypa Committee Coongie Lakes National Park

Allen C
Bottrell T
Brown M *
Dodd L A *
Haynes J M
Linton V M *
Magor A B *
Singleton R *

Pastoral Board

Anderson B J (deputy)
Bellette K J
Johnson A W *
Lillecrapp D G
Linton V M *
Mills G D
Mould J A
Williams S L (deputy)

Premier's Climate Change Council

Bellette K J
Carter B J
Degaris R H
Foster B J
Halsey N M
Holmes A N (retired 22/04/15) *
O'Brien J K
Tucker M
Pitcher S J (appointed 25/05/15) *

Nullabor Parks Advisory Committee

Committee formed 1 January 2015

Miller D
Lawrie C L
Anderson M J *
Graham J K
Keen S F *
Kerdel K *
Reynolds B
Ward M J *

Yumbarra Conservation Park Co-management Board

Board formed 22 January 2015

Haseldine S R
Newchurch W (deputy)
Miller L G
Miller W
Ware W E (deputy)
Roberts E
Graham J K
Anderson M J *
Keen S F *
Ward M J *
Smart M J (deputy)

* Denotes government employees

** Denotes government Minister

*** Denotes statutory employee

^[1] The reference group is transferred every two years between DEWNR South Australia and the Department of Environment and Primary Industries (DEPI) Victoria. Therefore, from 2014 to 2016 the Border Groundwater Review committee falls under the responsibility of DEWNR and will return to DEPI in 2017 for a further two years.

^[2] The functions of this Board have transitioned to the Parks and Wilderness Council.

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

	2015 No. of members	2014 No. of members
\$nil	84	96
\$1 - \$9 999	95	91
\$10 000 - \$19 999	7	8
\$20 000 - \$29 999	1	2
Total number of members	187	197

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

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$204 000 (2014: \$225 800).

* In accordance with the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year.

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

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

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

37 Events after the reporting period

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

38 Financial risk management/financial instruments

38.1 Financial risk management

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

The department is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

38.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Refer note 38.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; receivables; and payables measured at cost.

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

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, 19 and 26).

38.3 Liquidity risk

Liquidity risk arises from the possibility that DEWNR is unable to meet its financial obligations as they fall due. DEWNR is funded principally from appropriations by the SA Government. DEWNR works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. DEWNR settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

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

The carrying amount recorded in note 38.3 represent DENWR's maximum exposure.

The following table discloses the carrying amount of each category of financial instrument held by DEWNR including the contractual maturity analysis for financial assets and liabilities (i.e. liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Table 38.3: Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2015 Carrying amount / Fair value \$'000	2015 Contractual maturities			
			Current	Within 1 year	1-5 years	More than 5 years
			\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	18	134 450	134 450	-	-	-
Receivables ^{(1) (2)}	19	7 847	7 847	-	-	-
Financial assets	22	3	-	3	-	-
Total financial assets		142 300	142 297	3	-	-
Financial liabilities						
Pavables ⁽¹⁾	26	22 543	22 543	-	-	-
Total financial liabilities		22 543	22 543	-	-	-
Category of financial asset and financial liability	Notes	2014 Carrying amount / Fair value \$'000	2014 Contractual maturities			
			Current	Within 1 year	1-5 years	More than 5 years
			\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	18	105 449	105 449	-	-	-
Receivables ^{(1) (2)}	19	28 638	28 638	-	-	-
Financial assets	22	3	-	-	3	-
Total financial assets		134 090	134 087	-	3	-
Financial liabilities						
Pavables ⁽¹⁾	26	21 423	21 423	-	-	-
Total financial liabilities		21 423	21 423	-	-	-

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 21 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

38.4 Credit risk

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

DEWNR has minimal concentration of credit risk. DEWNR has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

DEWNR does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the department.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer note 19 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in note 38.3 represents the department's maximum exposure to credit risk.

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Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2015

38 Financial risk management/financial instruments (continued)

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 38.4: Ageing analysis of financial assets

Financial assets item	Carrying amount	Not past due and not impaired	Past due but not impaired			Impaired financial assets
			Overdue for less than 30 days	Overdue for 30–60 days	Overdue for more than 60 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015						
Receivables ⁽¹⁾	7 847	5 925	478	179	1 265	(435)
Financial assets	3	3	-	-	-	-
2014						
Receivables ⁽¹⁾	28 638	15 181	8 201	3 715	1 541	(234)
Financial assets	3	3	-	-	-	-

⁽¹⁾ Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to government). They are carried at cost.

38.5 Market risk

Market risk for DEWNR is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities. DEWNR's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

Sensitivity disclosure analysis

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

39 South Australian Heritage Fund

The South Australian Heritage Fund (formerly the "State Heritage Fund") was established under the *Heritage Places Act 1993* to conserve places of heritage value. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within the department's Financial Statements. When incorporating these amounts into the department's Financial Statements all transactions between the Fund and the department have been eliminated.

Statement of Comprehensive Income for the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
Expenses		
Grants and subsidies	-	150
	-	150
Net cost of providing services	-	150
Revenues from SA Government	-	150
Net result	-	-

Statement of Financial Position as at 30 June 2015

	2015 \$'000	2014 \$'000
Current assets		
Cash	350	350
	350	350
Total assets	350	350
Net assets	350	350
Equity		
Retained earnings	350	350
Total Equity	350	350

Statement of Changes in Equity for the Year Ended 30 June 2015

	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2013	350	350
Net Result for 2013-14	-	-
Balance at 30 June 2014	350	350
Net result for 2014-15	-	-
Balance at 30 June 2015	350	350

Statement of Cash Flows for the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
Cash flows from operating activities		
Cash outflows		
Payments of grants and subsidies	-	(167)
Total Cash used in operations	-	(167)
Cash generated from SA Government	-	150
Net cash (used in)/provided by operating activities	-	(17)
Cash at the beginning of the period	350	367
Cash at the end of the period	350	350