
ANNUAL REPORT

2015-16

Department of Environment,
Water and Natural
Resources



Government of South Australia
Department of Environment,
Water and Natural Resources

Helping South Australians conserve, sustain and prosper

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Respect and recognition of Traditional Owners

We recognise Aboriginal people as the original custodians of our land, and acknowledge the importance of the customs and knowledge that have been passed down through generations of Aboriginal South Australians. DEWNR staff acknowledge and respect the role that Aboriginal people have in purposefully shaping and caring for the area that we now know as South Australia.

We respect Traditional Owners' rights, interests and obligations to speak for and care for Country in accordance with customary laws, beliefs and traditions. We appreciate the perspective of Aboriginal people that the land, water, air and all living things are connected and are thankful for the reminders.

We pay homage to their ancestors, who maintained the natural life nurturing processes of the land we are now on and whose spirits still dwell on Country. We give thanks to the Traditional Owners whose oral traditions have been passed on since ancient times and which forge a strong link to the dreaming or Tjukurpa.

We also recognise the deep and irreversible damage and dislocation that Aboriginal and Torres Strait Islander people have experienced and continue to experience, through colonisation, settlement and displacement.

As individual staff and the Department as a whole, we are committed to be more inclusive of Aboriginal people, building opportunities to work more closely with Aboriginal people to conserve and manage our natural resources.

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Chief Executive
Level 10, 81-95 Waymouth Street
Adelaide, SA, 5000

30th September 2016

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 2015 to 30 June 2016.

The 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

A word from our Chief Executive

Reflecting on 2015-16, I am heartened by the achievements and progress throughout the year in this vital area of government, both for protecting the State's unique natural values and enriching the health, wealth and livelihoods of all South Australians.

Our progress over the past financial year is testimony to the dynamic and capable team that I am privileged to lead. This is evident by their ability to respond to day-to-day challenges as well as global pressures while remaining steadfastly passionate and committed to achieve conservation outcomes for South Australia. This commitment is apparent in the challenging area of climate change preparedness, where our State shows outstanding progress and leadership, both nationally and internationally. Closer to home, we continue to contribute to the State's economic objectives through prudent cost measures and partnerships to work smarter and more efficiently, evident by our new premises in Waymouth Street.

We have an impressive system of parks and reserves and we are continuing to build this network and modernise their appeal by building and promoting nature – community connections including:

- **nature and tourism** through developing world-class visitor facilities like the Kangaroo Island Walking Trail and Adelaide International Bird Sanctuary at Dry Creek
- **nature and community health and wellbeing** through programs like *Healthy Parks, Healthy People*
- **nature and economic sustainability** through various programs including the State's new *Climate Change Strategy* and *Carbon Neutral Adelaide*.

These initiatives recognise that the wellbeing of all South Australians – physical and mental health, social interactions and economic activity – relies on a well-run system of parks and other natural places.

Other notable DEWNR programs during 2015-16 include: rigorous water security assessments across the regions as part of the *Water for Good* strategy; ongoing River Murray initiatives that are continuing to improve river health and ecosystem function with inspiring bird and fish monitoring results; and animal welfare reforms to improve dog and cat management.

We are very lucky in South Australia to have a depth of scientific history and capacity to support our conservation work including highly reputable institutions like the SA Herbarium and Goyder Institute for Water Research. These bodies are widely recognised for their scientific credibility and play an essential role in upholding the rigor and reputation of our policies and programs.

An important part of our progress also increasingly relies on genuine partnerships and collaboration with others – departments, businesses, community groups and individuals. Our strong partnerships with many Aboriginal communities across the State, through co-management agreements that now cover 64% of our reserve system is a prime example. We recognise the rich wealth of knowledge and skills that partnerships offer and the benefits that come with working locally, and appreciate the dedication and generosity of South Australians in helping to care for our State's natural assets.

In performing my role, I am indebted to the hard work and dedication of my colleagues, including the three Group Executive Directors and the goodwill, support and sound advice of the Minister, Hon Ian Hunter MLC. The Department would not be where it is today without the hard work and dedication of its employees and volunteers.



Sandy Pitcher
CHIEF EXECUTIVE

PART I: THE YEAR IN REVIEW

1. ABOUT DEWNR

OUR PORTFOLIO: FUNCTIONS AND OBJECTIVES

The Department of Environment, Water and Natural Resources (DEWNR) is the lead agency responsible for managing South Australia's natural resources. DEWNR is one of the agencies within the Sustainability, Environment and Conservation portfolio, along with the Environment Protection Authority and the Office of 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.

The Department's functions encompass a diverse range of issues including climate change, water security, River Murray health, nature conservation, sustainable land management, built and cultural heritage, and management of the State's parks, botanic gardens and public lands.

DEWNR addresses these issues in partnership with the State's eight natural resources management (NRM) boards (see Figure, below), providing advice, information and support to both community and government. This input facilitates sound decision-making and service delivery, ultimately helping to protect the State's environment and support healthy and productive natural resources, which in turn sustain our community wellbeing and economic activity.

To achieve this, DEWNR's roles include:

Facilitator

... of community involvement in and responsibility for the environment

Steward

... of the State's natural resources to enable sustainable development

Custodian

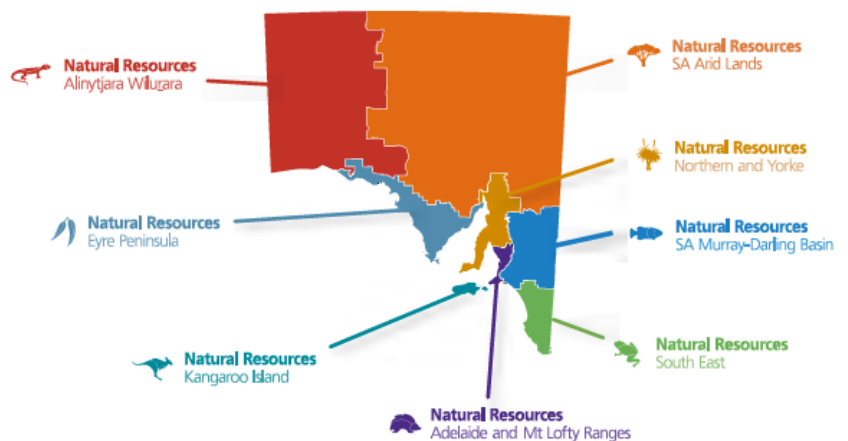
... of public places (parks, gardens, heritage places and Crown lands) for public benefit and enjoyment, and for their intrinsic value

Authority

... on the State's environment and natural resources to help governments, businesses and individuals make good long-term decisions.

OUR PURPOSE:

HELP SOUTH
AUSTRALIANS
CONSERVE,
SUSTAIN AND
PROSPER



DEWNR works in partnership with the State's eight NRM boards

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. These Acts deal with the:

- administration of Crown lands
- creation and management of conservation and pastoral areas

- protection of vegetation, 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.

Legislation administered by DEWNR during 2015-16 is listed in Appendix A.

PARTNERSHIPS AND COLLABORATION

Within the Minister's area of responsibility, DEWNR, in partnership with the State's eight NRM boards, coordinates and collaborates with the following State agencies:

- Environment Protection Authority
- Office of Green Industries SA (formerly Zero Waste SA)
- SA Water
- SAFECOM
- Department of the Premier and Cabinet
- Department of Treasury and Finance
- Primary Industries and Regions SA
- Department of State Development
- Country Fire Service
- Department of Planning, Transport and Infrastructure.

DEWNR also 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 priority projects across the State.

A coordinated and consistent approach is used to deliver our priorities. Our officers participate in many State and national committees and working groups, and work closely with conservation groups to coordinate and deliver community grants, volunteer programs and conservation activities. DEWNR maintains partnerships with local government, industry, landholders, NRM boards and community organisations including 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.

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

RECONCILIATION COMMITMENT

DEWNR continues to build relationships and maintain partnerships with Aboriginal communities across the State to support our programs, goals and services, and deliver outcomes for all South Australians. Specific actions that are working towards genuine reconciliation include:

- combined partnership arrangements with NRM boards, the Australian Government, Aboriginal Lands Trust and other State organisations to deliver 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, and
- establishing a Reconciliation Room, available to Aboriginal groups for meetings and gatherings, in the new DEWNR offices in Waymouth Street.

ABORIGINAL EMPLOYMENT

At 30 June 2016, DEWNR employed 42 Aboriginal people, representing 2.38% of the Department's workforce. DEWNR also contributes to the employment of Aboriginal people through other programs:

- Aboriginal Learning on Country (ALOC) Program 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
- Riverland Working on Country Project, which employs 5.8 FTE Aboriginal rangers
- another ALOC program based in the Adelaide and Mount Lofty Ranges region, which employs 4.5 FTE Aboriginal staff, and is developing into an independent and sustainable business model.

CO-MANAGEMENT OF PARKS

After over a decade of co-management in South Australia – a system of cooperative management of the State's parks between the Government and Aboriginal communities – we now have 12 co-management agreements covering 13 million hectares, or two-thirds of our parks system. Co-managed parks are:

- Arabana Parks
- Gawler Ranges National Park
- Ikara-Flinders Ranges National Park
- Kanku-Breakaways Conservation Park
- Lake Gairdner National Park
- Mamungari Conservation Park
- Ngaut Ngaut Conservation Park
- Nullarbor Parks
- Vulkathunha-Gammon Ranges National Park
- Witjira National Park
- Yandruwandha Yawarrawarrka Parks
- Yumbarra Conservation Park.

During 2015-16, Aboriginal names were added to two parks – Ikara-Flinders Ranges and Kanku-Breakaways, and Ngaut Ngaut Advisory Committee was upgraded to a Co-management Board. The second co-management conference was held in Adelaide in February 2016, for members of co-management advisory committees and boards, and a booklet *Strong People, Strong Country: Co-managing Parks in South Australia* was published celebrating South Australia's achievements in co-management so far.

To improve reconciliation outcomes in South Australia, a revised Reconciliation Action Plan has been released and an updated version of the Aboriginal Workforce Strategy is being drafted.

GOVERNANCE AND STRUCTURE

DEWNR's governance derives from its legislative framework, Corporate Plan, group and regional business and branch plans, boards and committees (see adjacent listing), and accountability and compliance systems.

The Department supports numerous advisory and decision-making boards and committees (see adjacent list) established under legislation committed to the Minister for Sustainability, Environment and Conservation, the Minister for Water and the River Murray, or the Minister for Climate Change.

DEWNR's organisational structure comprises three groups, each led by a Group Executive Director, underpinned by regions and branches, all working in partnership with the eight NRM boards. The three groups are:

STRATEGY AND ADVICE

... which leads development and implementation of government policies and strategies, providing advice to guide operations and inform government, business and community decision-making. 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; and providing information and advice about the quality, quantity, use and conservation of our natural resources and heritage.

PARTNERSHIPS AND STEWARDSHIP

... which 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. Roles include: coordinating regional natural resources management planning and priority-setting with communities; bushfire and flood hazard management; and managing River Murray operations, infrastructure and Living Murray Icon Sites.

CUSTOMER AND CORPORATE SERVICES

... which provides services and support that ensure the Department is a high performing and customer-focused organisation. Roles include: serving customers through the administration of leases, licences and permits; showcasing our Botanic Gardens; providing exceptional visitor experiences at our commercial and iconic tourism sites; managing crown land as a public asset; and corporate activities to support the organisation.

BOARDS AND COMMITTEES

In 2015-16, DEWNR provided administrative support to the following boards and committees:

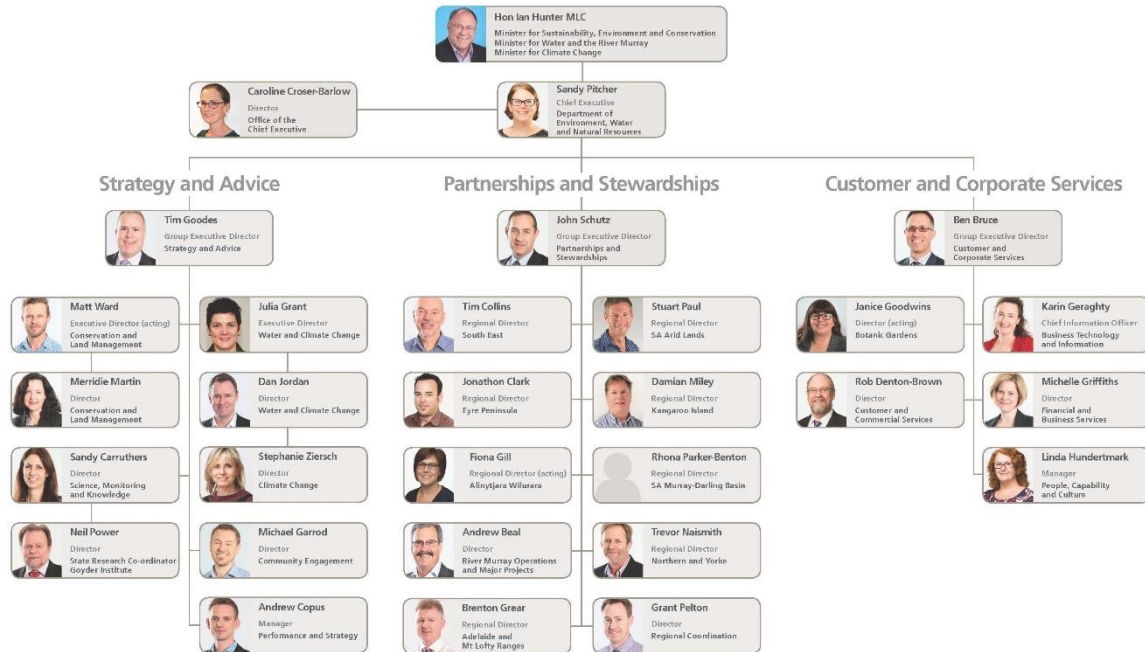
Adelaide and Mount Lofty Ranges NRM Board (and committees and groups)
Alinytjara Wilurara NRM Board
Animal Welfare Advisory Committee
Arabana Parks Advisory Committee
Board of the Botanic Gardens and State Herbarium
Border Groundwater Review Committee
Coast Protection Board
Dog and Cat Management Board
Dog Fence Board + Local Dog Fence Boards
Eight Mile Creek Water Conservation Drainage Board
Eyre Peninsula NRM Board (and committees)
Gawler Ranges National Park Advisory Committee
General Reserves Trust
Ikara–Flinders Ranges National Park Co-management Board
Kangaroo Island NRM Board (and committees)
Kanku–Breakaways Conservation Park Co-management Board
Lake Gairdner National Park Co-Management Board
Mamungari Conservation Park Co-management Board
Maralinga Lands Unnamed Conservation Park Board
Native Vegetation Council + Committees

Ngaut Ngaut Conservation Park Co-management Board
Northern and Yorke NRM Board (and groups)
Nullarbor Parks Advisory Committee
Parks and Wilderness Council
Pastoral Board
Premier's Climate Change Council
South Australian Arid Lands NRM Board (and committees and groups)
South Australian Heritage Council
South Australian Murray–Darling Basin NRM Board (and groups)
South East NRM Board (and 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
Witjira National Park Co-management Board
Yandruwandha Yawarrawarrka Parks Advisory Committee
Yumbarra Conservation Park Co-management Board

A more detailed description of each group's roles is provided in Appendix B.

ORGANISATIONAL STRUCTURE

DEWNR's organisational structure is divided into three key groups, as shown below:



2. PERFORMANCE MEASURES

Of the Government's seven **strategic priorities**, DEWNR specifically contributes to:

- 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.

Of the Government's ten **economic priorities**, DEWNR specifically 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 travelers
- *Priority eight:* Adelaide, the heart of the vibrant State
- *Priority nine:* promoting South Australia's international connections and engagement.

STATE STRATEGIC PLAN TARGETS (SASPs)

DEWNR was lead agency for the following South Australia's Strategic Plan (SASP) targets in 2015-16:

- **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 73 – Recycled stormwater:** South Australia has system capacity to harvest up to 35 GL of stormwater per annum by 2025.
- **Target 75 – Sustainable water use:** South Australia's water resources are managed within sustainable limits by 2018.
- **Target 74 – Recycled wastewater:** South Australia has system capacity to recycle up to 50 GL of wastewater per annum by 2025.
- **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.

DEWNR's delivery on these targets is presented in Section 3, Agency Programs and Progress.

ADDITIONAL 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 programs.
- 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.

A MODERN PUBLIC SERVICE:

BUILDING A STRONGER SOUTH AUSTRALIA

DEWNR has contributed to A Modern Public Service: Building a Stronger South Australia through engaging with the South Australian community through the YourSAy website, as well as input into the Simplify initiatives to reduce red tape.

ELECTION COMMITMENTS

DEWNR was the lead agency to deliver across numerous election commitments during 2015-16, as listed below. Each commitment is grouped within DEWNR's four program areas.

Details on DEWNR delivery on these commitments are provided in Section 3, Agency Programs and Progress.

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

SUSTAINABILITY

- ✓ Develop a new strategy for climate change action together with the community.
- ✓ Progress COAG initiatives across the environment portfolio.
- ✓ Increase South Australia's system of parks and reserves to protect more of the State's unique environment.
- ✓ 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.
- ✓ Implement Building Upgrade Finance in South Australia.

PARKS AND PUBLIC ASSETS

- ✓ Ensure South Australia's 19 marine parks are effectively managed.
- ✓ 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 (\$10.4m over four years).
- ✓ Invest \$1.5 million over four years to establish the Mount Lofty region as an international mountain bike destination.
- ✓ Establish new recreational fishing opportunities.
- ✓ Provide a further \$1.6 million to the Botanic Gardens to extend their current Kitchen Garden initiative to include a pre-school visiting program.
- ✓ Construct a new five-day Kangaroo Island Wilderness Walking Trail.
- ✓ Establish Nature Play SA, an independent not-for-profit organisation.

WATER

- ✓ Investigate reforms to third party access to State-owned water infrastructure.

AGENCY PRIORITIES

DEWNR's Corporate Plan 2014-16 set the Department's roles and priorities for delivery during the two-year period.

Guided by State targets and State and regional NRM plans, the Department identified the following priorities for 2014-16:

- Meet our obligations under the Murray-Darling Basin Plan and keep other jurisdictions honest and accountable in meeting their obligations.
- Ensure that the impacts of climate change are considered in the development of public policy across all of government.
- Bridge the gap between farmers, local government and the natural resources management system.
- Overhaul the water allocation planning process to make it simpler, quicker and more pragmatic.
- Increase public support for, and involvement in the new marine parks network.
- Build internal and external support for greater public awareness, access, enjoyment and benefit of our national parks, reserves and botanic gardens.
- Deliver the government's election commitments.
- Improve the prescribed burning program through productivity gains in technology, equipment and the deployment of staff.
- Achieve our budget savings.

DEWNR VISION:

AN EXCEPTIONAL
STATE BECAUSE WE
LOOK AFTER OUR
NATURAL CAPITAL

- Build on our foundations to achieve outstanding organisational performance, by living our values and concentrating on a few important actions.

These priorities were delivered via the Agency's four key programs – Sustainability, Water, Parks and Public Assets, and Corporate – which aim to achieve DEWNR's ten goals, as presented in Section 3: Agency Programs and Progress.

3. AGENCY PROGRAMS AND PROGRESS

Sustainability

GOAL 1.1: NATURAL RESOURCES

Ensure the management of natural resources is sustainable

State policy and planning

DEWNR implemented a range of projects during 2015-16 aimed at improving natural resources management in South Australia including:

- Agriculture and NRM Working Together Action Plan in partnership with Primary Producers SA, regional NRM boards and PIRSA
- Public Health Partnership with the Department of Health and Aging, specifically development of a Healthy Parks Healthy People SA Framework
- Economic facilitation and environmental regulation project, which clarifies and improves DEWNR's delivery as a facilitator of economic development and an environmental regulator.

DEWNR also plays a key role in coordinating and providing advice on matters of state significance under the *Development Act 1993*. During 2015-16, these matters included the Northern Connector, 30 Year Plan for Adelaide, SA Motorsport Park, Nora Creina Golf Course, Port Augusta Energy Park and the Iron Road EIS. Scoping for review of the State NRM Plan also commenced, and the agency provided specialist input to the Planning, Development and Infrastructure Bill 2016.

In 2015-16, DEWNR entered into a MOU with Zoos SA to provide the basis for collaborating on issues of common interest; in particular:

- biodiversity conservation and wildlife protection initiatives
- cross-site opportunities for mutual benefit
- strengthening organisational capacity
- engaging the community in nature conservation and wildlife protection.

The MOU is supported by an action plan that will be updated annually.

NRM program delivery

PARTNERSHIP SUPPORT

In 2015-16, DEWNR strengthened its partnership arrangements with the eight regional NRM boards through the joint development and signing of a Service Level Agreement. DEWNR provided the boards with technical advice and policy support for developing their regional NRM plans, and implementing resilience

DEWNR DELIVERY – MIGRATORY BIRD SANCTUARY

Election commitment: invest \$1.7 million to create the Adelaide International Bird Sanctuary over the former Dry Creek salt fields, extending 60km along Gulf St Vincent coast, from Barker Inlet to Parham

Consultation on protecting this 60 kilometre stretch of coastline, visited by 27,000 migratory birds each year, was conducted during 2015-16, with strong support for a national park. The park would connect with other conservation areas including the Adelaide Dolphin Sanctuary and Upper Gulf St Vincent Marine Park.

Work is underway on a management plan for the area, with the first section of the new park planned to be established in late 2016 and the full park by late 2017.

planning approaches to regional NRM. The Department also helped the boards produce their second round report cards as part of the NRM Reporting Framework.

Administrative support was provided to NRM boards during 2015-16 as part of the NRM levy adoption process, review of NRM Board business plans and collection of the Outside Council Areas levy. This support ensures that administration occurs within appropriate timeframes and consistently across the State.

LIVING FLINDERS

In 2015-16, the DEWNR-led Living Flinders project continued to operate at a landscape scale to improve habitat condition, connectivity and resilience. The project aims to increase participation in land management, to collaboratively deliver pest control programs on Aboriginal community lands, and implement strategic on-ground works to address threats posed by feral animals and weeds of national significance.

Approximately 4,100 goats were removed from 73,000 hectares of land in the Southern Flinders Ranges as part of the Living Flinders project. Goat control activities included aerial and ground based mustering, trapping and aerial and ground-based culling. A total of 16 landholders were involved in this work. Fox baiting is also an important part of the Living Flinders project. In 2015-16, 30 landholders were involved in fox baiting activities, covering an area of 70,000 hectares. These integrated pest control programs provide significant production benefits for landholders while also helping to protect native habitat for species like the Yellow Footed Rock Wallaby.

Condition of the State's natural resources

In 2015-16, DEWNR completed a full suite of State and Condition Report Cards for South Australia's natural assets, comprising 56 at a statewide scale and 242 regional snapshots. This provides natural resources management stakeholders with open access to the first comprehensive, consistent and easy to understand suite of reports on the condition and trend of our natural resources. The Report Cards cover five categories:

- terrestrial resources
- coastal and marine resources
- freshwater resources
- people and communities
- atmosphere.

Sustainable resource management is a responsibility shared between government agencies, NRM boards,

DEWNR DELIVERY – PROTECT MORE OF THE STATE'S ENVIRONMENT

Election commitment: Increase South Australia's system of parks and reserves to protect more of the State's unique environment (\$300,000 over two years).

At the 2014 election, the government committed funding to add land to:

- Black Hill Conservation Park
- The Coastlinks parks
- Flinders Chase National Park
- Port Gawler Conservation Park
- Parks in the Burra district (Caroona Creek; new Mimbara CP)
- Hallett Cove Conservation Park
- Sturt Gorge Recreation Park
- O'Halloran Hill Recreation Park
- Onkaparinga River Recreation Park.

DEWNR has completed proclamation of additions to Flinders Chase National Park, Caroona Creek and Hallett Cove conservation parks, and proclaimed the new Mimbara Conservation Park in the Burra district. Planning is underway to add land to: two Coastlinks parks (Sceale Bay and Searcy Bay conservation parks) on western Eyre Peninsula; Onkaparinga River Recreation Park; Sturt Gorge Recreation Park; Kaiserstuhl Conservation Park; O'Halloran Hill Recreation Park; and for two new parks in the Monarto area. Negotiations regarding the proposed addition to Black Hill Conservation Park continue.

Additions to Port Gawler Conservation Park are being included in the new national park within the Adelaide International Bird Sanctuary. DEWNR has and continues to consult with key stakeholders for the proclamation of Stage 1 (northern section).

DEWNR completed 11 more proclamations, adding land to Ngarkat, Custon, Ediacara, Cygnet Estuary, Lesueur, Laura Bay and Fowlers Bay conservation parks, and the Nullarbor Wilderness Protection Area. In addition, the Mantung, Paranki Lagoon and Wiljani conservation parks have been proclaimed. In total, 11,803 hectares have been added to the protected area system. In November 2015, the protection status of land within the Para Wirra Recreation Park was upgraded to become the Para Wirra Conservation Park.

industry, community groups and land managers. A common and reliable understanding about the health of our natural assets is therefore essential.

These reports provide the foundation for assessing and communicating the current health of our natural assets using a consistent and efficient approach, and a basis for identifying any changes in this condition over time. They can be used by policy makers, NRM practitioners, investors, researchers and the community.

The current reports offer a good understanding about the condition of our priority environmental assets. For example, the report on groundwater use across the State shows that over the last ten years our prescribed groundwater resources have been managed sustainably, demonstrating the success of our State water policies and their implementation. Another report reveals that the adoption of 'no-till' cropping methods across the agricultural sector has increasingly protected the top soil of our major cropping regions over the last ten years. The reports also highlight challenges. For example, the report on mangroves showed that we know little about the trend in condition of these ecosystems, and this will be a priority for protecting our coastline from rising sea levels and implementing carbon offset sequestration strategies in the future.

Developed based on existing information, these reports also highlight what we do not know – the gaps in our knowledge – which will help identify future investment and research priorities.

Native species (SASP Target 69)

To measure progress towards the SASP target of losing no native species (using 2004 as a baseline), DEWNR developed a set of 20 indicator species, representing a range of threatened species from a variety of South Australian habitats, including five species of threatened flora (plants) and 15 threatened fauna (animals). The trend in the condition of each species was assessed, taking into account factors such as population size, distribution, available native habitat and food sources, and predator numbers.

The adjacent table shows the annual trend and trend since the 2004 baseline for each indicator species.

Threatened species

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:

Schedule 7 – Endangered species

Schedule 8 – Vulnerable species

Schedule 9 – Rare species

Schedule 10 – Unprotected species.

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

▲ Positive movement ◀▶ Steady or no movement ▼ Negative movement		
Species – common name	Annual trend (2015/16)	Trend since 2004 baseline
Small-flowered Daisy-bush (plant)	▲	▲
Hindmarsh Valley Greenhood (plant)	▲	▲
White Beauty Spider-orchid (plant)	◀▶	▼
Monarto Mintbush (plant)	◀▶	◀▶
Pink-lipped Spider-orchid (plant)	▼	▼
Southern Brown Bandicoot (mammal)	▼	▼
Yellow-footed Rock Wallaby (mammal)	▲	▲
SA Mainland Tammar Wallaby (mammal)	▲	▲
Southern Right Whale (mammal)	▼	▲
Australian Sea-lion (mammal)	▼	▼
Southern Bent-wing Bat (mammal)	◀▶	◀▶
Malleefowl (bird)	◀▶	◀▶
Mount Lofty Ranges Southern Emu-wren (bird)	▼	▼
SE Red-tailed Black Cockatoo (bird)	◀▶	◀▶
SA Glossy Black Cockatoo (bird)	◀▶	▲
Black-eared Miner (bird)	◀▶	▼
Yarra Pygmy Perch (fish)	◀▶	▼
Murray Hardyhead (fish)	◀▶	▼
Giant Cuttlefish (mollusc)	▲	▼
Pygmy Bluetongue (reptile)	◀▶	◀▶

review of species identified as threatened is being finalised and will be used to inform revision and amendment of the Threatened Species Schedules (7, 8 and 9) of the *National Parks and Wildlife Act 1972*.

The review also aims to better align State and national assessment and listing processes for threatened species, and will also help inform the need to amend schedule 10 (Unprotected Species) of the Act.

Wildlife licensing and permits

In 2015-16, DEWNR continued to consult with stakeholders to consolidate, review and (where appropriate) incorporate feedback on the Wildlife Regulations Discussion Paper. Feedback received will contribute to the formulation of new *National Parks and Wildlife (Wildlife) Regulations*. The discussion paper was sent to approximately 180 stakeholders including fauna dealers, wildlife keepers, wildlife carers, seed collectors, snake catchers and wildlife demonstrators in June 2015. Consultation on the new Wildlife Regulations will be completed in 2016-17.

For the 2015-16 period, DEWNR issued and maintained 13,688 active permits. Of these, 9,145 (67%) were requested for hunting purposes (general hunting, duck and quail hunting), 1,413 (10%) for import and export, and the remaining 3,130 (23%) for keep and sell and other miscellaneous flora and fauna permits.^{*1}

DEWNR FAUNA PERMITS UNIT - Permit statistics 2015-16		
Class	Description	Number of permits
1	Basic Keep and Sell ^{*1}	2,168
2B	Basic Fauna Dealer ^{*1}	19
2S	Specialist Fauna Dealer ^{*1}	6
3	Specialist Keep and Sell ^{*1}	491
10	Keep Eggs ^{*1}	7
11	Keep/Sell Eggs ^{*1}	11
12	Emu Farming ^{*1}	4
1A	Basic Keep Rescued Animals ^{*1}	95
3A	Specialist Keep Rescued Animals ^{*1}	45
	Hunting ^{*2}	8,473
	Snake Catchers ^{*2}	35
	Open Season Duck ^{*2}	520
	Open Season Quail ^{*2}	152
TOTAL		12,026
Total no. of import, export, rescue, native plant collection and take permits issued from 01/07/2015 - 30/06/2016		
	Import ^{*2}	461
	Export ^{*2}	952
	Rescue ^{*2}	211
	Native Plant Collection ^{*2}	33
	Take from the Wild ^{*2}	5
TOTAL		1,662
Total number of permits:		13,688
^{*1} Number of permits active during 2015-16, excluding any permits cancelled during this period.		
^{*2} Number of permits issued during 2015-16.		

Note: Fauna Permit figures do not include destruction permits

Other activities during 2015-16 included:

- review of fauna permit administration with a view to creating an on-line presence
- Adelaide Wildlife Expo in May 2016 with over 9,600 attendees and over 400 visits to the DEWNR stand.

Native vegetation

During 2015-16, the *Native Vegetation Regulations 2003* were reviewed and released for public consultation in mid-2016, with the aim of having the regulations in operation by December 2016. The revised regulations will reduce regulatory burden for landholders, remove complexity and streamline the approvals process for clearance of native vegetation. Also, after two years of development and consultation, the *Native Vegetation (Credit for Environmental Benefits) Regulations 2015* were published in December 2015.

To further improve clarity for applicants, DEWNR developed a new customer interface through an online web portal, which includes a checklist for proponents. DEWNR also worked collaboratively to design a training program for native vegetation consultants, NRM officers and delegated authorities (such as CFS officers), aimed at ensuring a streamlined approach to administration of the *Native Vegetation Act 1991*.

Several policies and operational procedures were released for public comment in December 2015, including:

- Policy for Significant Environmental Benefit under the *Native Vegetation Act 1991* and *Native Vegetation Regulations 2003*
- Guide for calculating a Significant Environmental Benefit under the *Native Vegetation Act 1991* and *Native Vegetation Regulations 2003*
- Native Vegetation Council Scattered Tree Assessment Manual
- Native Vegetation Council Bushland Assessment Manual
- Native Vegetation Council Rangeland Assessment Manual (Draft).

The Native Vegetation Council is currently funding 40 projects across South Australia as part of delivering offsets associated with native vegetation clearance. Several high profile projects have been secured this year including:

- the strategic purchase of the Marshes Swamp with Glenelg Nature Trust
- Paddocks to Landscapes – A Conservation Incentive for Arid Pastoralists.

The Council's contribution of \$250,000 has helped leverage a successful grant of \$5.2 million from the Commonwealth Department for Agriculture's Research and Development for Profit grant focusing on pollination reserves.

Sustainable land management (SASP Target 70)

CROPPING LAND

Improvements in the protection of cropping land from erosion have been achieved through the adoption of improved farming practices, including no-tillage farming methods, stubble retention and controlled grazing. For example, based on qualitative surveys, the proportion of cropping area in South Australia sown using no-tillage farming methods increased to 67% in 2013, compared to 16% in 1999.

This improvement demonstrates the strong desire by farmers and land managers to reduce the risk of erosion and adopt more sustainable farming practices. DEWNR is working in partnership with regional NRM boards, agricultural industry organisations and other State Government agencies to further increase the adoption of best practice farming systems.

PASTORAL LAND

In 2014-15, the total improvement in the condition of pastoral land was 21% compared to 2005-06 (the baseline year).

In the year 2015-16, there was no net improvement in paddock condition since their last lease assessment; hence the total improvement remains steady at 21%.

Coastal management

Sustainable use, development and conservation of our coastline are major challenges facing South Australia, particularly in light of future climate change scenarios. Combined skills and capabilities of the Coast Protection Board, local and State Government and DEWNR officers provide the capacity and confidence to face these challenges.

In South Australia, responsibility for coastal protection is shared between State and local governments. The Coast Protection Board (established under section 6 of the *Coast Protection Act 1972*), with funding from the State Government, provides grants to local councils to assist them with coastal management projects. The grants help councils undertake crucial studies and works that may not be possible without the grant funding. In 2015-16, the Board invested \$354,000 in coastal management grants to twelve councils across the State. Councils contribute at least 20% of the total cost of each grant project. In January 2016, the Coast Protection Board invited applications from Councils for coastal grant funding in 2016-17.

FUTURE DIRECTIONS

Assessing the current and future coastal protection needs is essential for regional South Australia and the Adelaide metropolitan coast. A Position Paper was developed by the Coast Protection Board identifying issues associated with current and future resource needs, in particular the need for a ten year program of coastal protection initiatives.

DEWNR is engaging with coastal councils and the Local Government Association to identify potential projects to improve our management of coastal risks.

Adelaide's beaches

Adelaide's Living Beaches Strategy protects coastal properties and infrastructure and maintains the amenity of Adelaide's metropolitan beaches, the most visited public land in South Australia. In 2015-16, \$5.72 million was spent implementing the Strategy.

The main component of the Strategy involves collecting sand from areas where it builds up and moving it to areas of erosion. Since April 2013, a sand pumping system is being used instead of trucks to move the sand along two of our busiest sections of beach. In 2015-16, the pumping system successfully moved the same volume of sand that had historically been shifted by trucks, but with much less impact on the community.

The sand pumping system consists of two sections of pipeline: one from Glenelg to Kingston Park and another from the River Torrens outlet to the West Beach Dunes near Adelaide Shores. The infrastructure is operated and maintained by contractors under DEWNR supervision.

In 2015-16, approximately 75,000 cubic metres of sand was pumped from Glenelg to Kingston Park, and a similar amount from the River Torrens Outlet to the West Beach dunes. The cost to operate and maintain the sand pumping system in 2015-16 was \$2.13 million.

Adelaide's Living Beaches: A Strategy for 2005-2025

... is about keeping sand on Adelaide's beaches and reducing the amount of sand carting required.

Adelaide metropolitan beaches have finite sand reserves. Therefore, sand must be redistributed from areas where it accumulates to areas where it erodes. If we do not do this, many of our most popular beaches will lose their character.

The Sand Transfer Infrastructure Project is a component of the Strategy, involving permanent pipelines and pumping stations constructed along two sections of Adelaide's coastline to manage the movement of sand. Sand is now recycled more efficiently within management cells along our coastline.

Other important components of the Strategy include the integration of sand bypassing at harbours with beach management, the construction of coastal structures in critical locations and introducing coarse sand from external sources.

The total 2015-16 operating expenditure to implement the Adelaide's Living Beaches Strategy was \$5.72 million dollars, consisting of:

- \$2.13 million on the operation and maintenance of the sand transfer infrastructure project
- \$1.10 million on sand-carting to replenish eroding beaches at West Beach and Henley South
- \$1.72 million for dredging sand and seagrass wrack which accumulates in Adelaide Shores Harbour at West Beach and Holdfast Shores Harbour at Glenelg
- \$770,000 on Departmental costs including project and procurement management and beach monitoring survey costs, including funding for 6.5 FTEs.

CONTRIBUTION FROM NRM LEVY

It is appropriate that those who benefit from Adelaide's beaches contribute to their maintenance costs. Studies have shown that the benefits of having sandy beaches from Kingston Park to Outer Harbor are shared roughly equally between all residents of the greater Adelaide area, including the Adelaide Hills.

Since 2011-12, the Adelaide and Mount Lofty Ranges NRM Board has contributed funds towards the Strategy from its levy funds. In 2015-16, it contributed \$2.59 million, with \$2.6 million budgeted for 2016-17.

Severe weather test

A severe weather event impacted the South Australian coastline on 9 May 2016. A large low pressure system and strong winds coincided with an evening high tide, causing significantly elevated seawater levels across the State. According to the Bureau of Meteorology, the Outer Harbor tide gauge at Port Adelaide recorded a peak water level of 3.83 metres (Chart Datum at 5:33pm, 9 May), the highest recorded level since records began in 1943.

Storms like this have historically caused major damage to Adelaide's coastline. Adelaide's Living Beaches Strategy is designed to mitigate this risk using a combination of coastal structures (such as seawalls and offshore breakwaters), and by maintaining a sand buffer through beach replenishment. During storms, these sand buffers erode, and therefore absorb wave energy and protects infrastructure behind the dunes.

While this year's storm caused some damage, this was minor compared to damage from less severe storms in the past. For example, a storm that struck in May 1953 caused estimated damage of one million pounds (\$30 million in today's value) to coastal infrastructure. The Government's Living Beaches Strategy is clearly proving effective in protecting our coast.

GOAL 1.2: CLIMATE CHANGE

Help South Australia prepare for climate change

South Australia's *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 of reducing greenhouse gas emissions and increasing renewable energy.

Reduce Greenhouse gas emissions (SASP Target 59)

The Act contains specific targets, in particular, to reduce South Australia's greenhouse gas emissions by 31 December 2050 by at least 60% to an amount that is equal to or less than 40% of 1990 levels as part of a national and international response to climate change (SASP Target 59).

In November 2015, the State Government announced a new commitment to reach zero net emissions by 2050, along with a commitment to incorporate the new target into the Act.

In May 2016 the Federal Government released updated inventory for greenhouse gases covering the period from 1990-89 through to 2013-14. This new data shows South Australia's 2013-14 greenhouse gas emissions were over 8% lower than the 1990 baseline. Over the same period, South Australia's Gross State Product rose over 60%, showing that emissions can be reduced with continued economic growth.

Increase renewable energy (SASP Target 64)

In 2009, an additional target was established under Part 2 of the Act to increase the proportion of renewable energy generated in South Australia to 33.3% by 2020 (SASP Target 64).

Renewable energy generation in South Australia has grown from virtually zero in 2003 to approximately 41% in 2014-15. As a consequence, the 2020 target of 33% was achieved six years early, in 2014. The State Government announced a new target of 50% of electricity generation by 2025; however, to date this has not been adopted under the Act. Installed renewable energy capacity has grown from zero in 2003 to 1,473 megawatts in wind and 663 megawatts in roof-top solar photovoltaic (PV). This success has been achieved through Government working collaboratively with industry and the community across the State.

Progress on climate targets

Statutory review of progress towards the targets and operation of the *Climate Change and Greenhouse Emissions Reduction Act 2007* 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 CSIRO regarding progress, and every four years a review of the objects of the Act is required.

DEWNR completed the report on the progress towards targets and operation of the Act (in accordance with Section 7) and the Minister for Climate Change tabled the report in Parliament in February 2016. The objects of the Act are currently under review (as required under Section 21). Consultation on this review was undertaken during development of the South Australian Government's new Climate Change Strategy 2015-2050: towards a low carbon economy.

Cabinet Task Force

In 2015, the Climate Change and Carbon Neutral Adelaide Cabinet Task Force was established to drive the Government's climate change agenda, including overseeing development of the Government's new Climate Change Strategy and initiatives to support delivery of the Carbon Neutral Adelaide initiative.

The Task Force comprised the Premier, the Treasurer, Ministers holding the portfolios of Attorney General; Planning; Climate Change; Sustainability, Environment and Conservation; State Development, Mineral Resources and Energy; Transport and Infrastructure; and Science and Information Economy; as well as the Chair of the Premier's Climate Change Council.

In support of the Task Force and its functions, a Senior Officials Group (SOG), Chaired by the Minister for Climate Change and comprising Chief Executives across government agencies and the Chair of the Premier's Climate Change Council, was established. DEWNR provided administrative and secretariat support to both the Task Force and SOG in 2015-16.

New Climate Change Strategy

The State Government released its new *Climate Change Strategy 2015-2050: towards a low carbon economy* (new Strategy) in November 2015. The Strategy is a high-level, strategic document outlining the Government's aspirations for the future while providing a framework for achieving a low carbon, resilient future. DEWNR led the development of the Strategy in consultation with the community and stakeholders 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.

At the centre of the new Strategy is a commitment to make the City of Adelaide the world's first carbon neutral city and a Low Carbon Investment Plan for South Australia, which aims to achieve \$10 billion in low carbon energy investment by 2025.

This new Strategy builds on the achievements of the preceding Government strategy, *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 also builds upon the significant achievements under *Prospering in a Changing Climate: A Climate Change Adaptation Framework* for South Australia (Adaptation Framework).

International leadership and engagement

DEWNR led the South Australian Government's international profile on climate change. 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 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.

DEWNR DELIVERY – PROVISION FOR SOLAR ENERGY PROJECTS ON PASTORAL LANDS

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

The Pastoral Land Management & Conservation (Renewable Energy) Amendment Bill 2014 was passed by the South Australian Parliament in September 2014 and came into effect in September 2015. The Bill provides for the operation of wind farms on pastoral leasehold land, in conjunction with existing grazing practices. Solar energy projects are also provided for in the Bill with the actual solar infrastructure being excluded from grazing via resumption or surrender to prevent damage from stock.

The Bill provides greater opportunity for investors to access land for renewable energy projects, giving investors access to 40% of the State's land mass that is Crown land subject to pastoral lease. In relation to wind farms, the amendments allow the Minister for Sustainability, Environment and Conservation to grant wind farm licences in relation to pastoral land for a term of 25 years, with a right to renew for an additional term.

These changes will contribute to South Australia achieving its 50% renewable energy production target by 2025.

Since January 2016, following the amendments coming into effect, four pastoral lessees and one associated organisation have contacted the Department requesting further information about wind and solar facility developers that operate or have shown interest in South Australia. The Department has also discussed the potential for solar facilities on pastoral leases in South Australia with three energy companies.

During 2015-16, DEWNR supported participation by the State Government at the *World Summit – Climate and Territories: Dialogue and Proposals of Non-State Actors*, in Lyon, France in July 2015 and the 21st session of the Conference of the Parties (COP21) under the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in December 2015. These key international events provided an important forum to showcase South Australia's leadership in climate change action and progress and strengthen networks across sub-national governments and with key business and thought leaders in climate change and clean energy.

During COP 21, the South Australian Government became a signatory to the Subnational Global Climate Leadership Memorandum of Understanding (Under2MOU) and the *Regions Adapt* initiative. Signatories to the Under2MOU are committed to limiting greenhouse gas emissions to at least 80-95% below 1990 levels, or below two metric tonnes per capita, by 2050. This is a commitment commensurate with the task required to limit global temperature rises to within 2 degrees Celsius. The *Regions Adapt* initiative commits the Government to develop a state-wide, whole of government adaptation plan by the end of 2017 and report on the progress of its adaptation actions annually through the Compact of States and Regions (the Compact). 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 and CDP (formerly known as Carbon Disclosure Project). South Australia is committed to reporting under the Compact through the existing Adaptation Framework and new Climate Change Strategy.

National context

DEWNR, as the lead agency for climate change in South Australia, 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 5% 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 in 2016, to prevent emissions reductions purchased under the ERF from being offset by significant rises in emissions elsewhere in the economy.

In 2015-16, the Australian Government committed to a post-2020 greenhouse gas emissions reduction target of 26-28% of 2005 levels by 2030.

Independent advice from the Federal Government expert body, the Climate Change Authority, raised concerns over the consistency of current national emissions abatement targets with the objective to limit global warming to two degrees or less. During 2015-16, DEWNR led a whole-of-State Government submission to the Australian Government Climate Change Authority in response to its Special Review into Australia's Climate Policy Options. Among other key policy principles, the submission reiterated the South Australian Government's long-standing support for some form of national Emissions Trading Scheme and long-term national renewable energy policy.

DEWNR also participates in the cross-jurisdictional Adaptation Working Group under the Meeting of Environment Ministers, previously through the Council of Australian Governments (COAG).

Premier's Climate Change Council (PCCC)

The Premier's Climate Change Council (PCCC) was established under the State Climate Change Act with the primary roles of providing independent advice to the Minister for Climate Change on reducing greenhouse

gas emissions and adapting to climate change, as well as taking a lead role in consulting with businesses, the environment and conservation sector, and the wider community about climate change issues.

DEWNR provides administrative and policy support for the PCCC and its functions. Throughout 2015-16, the PCCC focused on development of the new climate change strategy, including participating in various aspects of the community and stakeholder engagement process. DEWNR also supported the PCCC's development of the SA Climate Leaders Awards to be launched in 2016-17.

Carbon Neutral Adelaide

In February 2015, the State Government announced its ambition for the City of Adelaide to become the world's first carbon neutral city – a showcase for renewables and clean technology. This initiative is a joint venture between the South Australian Government and the Adelaide City Council (ACC) and is designed to drive further emissions reductions, increase demand for renewable energy, build the State's green industries, increase resource efficiency, improve waste management and facilitate transition to cleaner transport modes.

DEWNR is leading the Government's efforts in delivering the Carbon Neutral Adelaide project.

In December 2015, the Government and ACC released its Carbon Neutral Adelaide Vision Framework, outlining the shared vision and framework for action by which to make Adelaide carbon neutral. DEWNR is now in the process of coordinating the SA Government's efforts in developing a Carbon Neutral Adelaide Action Plan in consultation with the community and stakeholders.

DEWNR DELIVERY – BUILDING UPGRADES

Election commitment: Implement Building Upgrade Finance in South Australia

DEWNR is responsible for the delivery of this initiative. It aims to help building owners access commercial loans to improve the energy, water and environmental efficiency of existing commercial buildings.

In December 2015, the Local Government (Building Upgrade Agreements) Amendment Bill 2015 was passed by both houses of Parliament. Work is now underway to implement the scheme including developing the regulatory framework, an agreement template, and a methodology for measuring cost savings achieved through building upgrades.

Climate change adaptation (SASP Target 62)

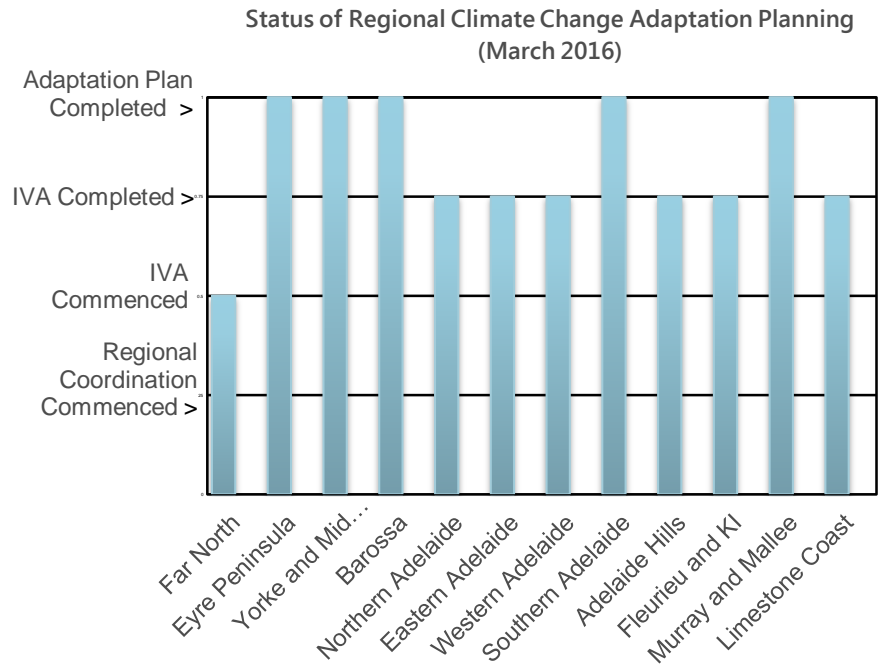
In August 2012, the South Australian Government released *Prospering in a Changing Climate: A Climate Change Adaptation Framework for South Australia*. The South Australian Government has committed to delivering regional climate change adaptation plans in all 12 State Government regions by 2016 (SASP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

Development of these plans, with financial support by DEWNR, is an important first step to help regions identify key climate change impacts and vulnerabilities (within various sectors) and identify priority actions.

All 12 of the State Government regions have committed to the adaptation planning process, and are at varying stages of completion, as shown in the figure below. To date, DEWNR has facilitated development and completion of five climate change adaptation plans – Yorke and Mid North, Eyre Peninsula, Southern Adelaide, Barossa, and the Murray and Mallee – with remaining plans to be completed by the end of 2016.

Climate change adaptation plans involve a four-stage process that generally takes two years:

- 1) Establish arrangements to coordinate activity across the region
- 2) Review existing knowledge and undertake an integrated vulnerability assessment (IVA)
- 3) The IVA provides a comprehensive evaluation of the risks, issues and opportunities that need to be considered in a climate change adaptation plan
- 4) Develop an adaptation plan for the region in consultation with regional groups, government and community leaders.



GOAL 1.3: ANIMAL WELFARE

Ensure that animals are treated humanely

Dog and cat management reforms

The South Australian Government is committed to animal welfare and effective dog and cat management, recognising that pet ownership is very important to the South Australian community with over 60% of households keeping a family pet.

The prevalence of dog and cat ownership in this State prompted the Government to embark on a comprehensive reform package to improve animal welfare outcomes through better dog and cat management. These reforms include:

- amendments to the *Dog and Cat Management Act 1995*
- a Citizens' Jury to explore ways to reduce the 10,000 unwanted dogs and cats that are euthanised every year in the State
- developing a Code of Practice for the Welfare of Dogs and Cats in Breeding Facilities under the *Animal Welfare Act 1985*
- developing a business case for a state-wide, publicly accessible database to store registration and microchip details of dogs and cats.

These reforms seek to:

- improve the ability of pounds and shelters to return lost dogs and cats to their homes
- reduce the number of lost dogs and cats that end up in shelters
- provide assurance to people that the puppy or kitten they are buying comes from a reputable breeder
- enhance the ability of authorities to detect and prosecute 'puppy and kitten farms'
- enhance local councils' capacity to manage dogs and cats
- improve regulatory oversight of the breeding industry to ensure that dogs and cats are being bred in humane and healthy environments, and that puppies and kittens are not bred in 'puppy or kitten farms'.

DEWNR DELIVERY – REFORMING DOG AND CAT MANAGEMENT TO IMPROVE WELFARE OUTCOMES

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

A business case for a state-wide, publicly accessible database to store registration and microchip details of dogs and cats was developed. This led to amendment of the *Dog and Cat Management Act 1995* requiring all existing and new dogs and cats to be microchipped by a prescribed age.

Election commitment: Increase the RSPCA annual funding grant to \$1 million per year indexed

Funding was increased to \$1 million in 2013-14 and has been increased in line with CPI since.

Election commitment: Amend legislation to require animals sold through the commercial pet trade to be micro-chipped before being sold

The *Dog and Cat (Miscellaneous) Amendment Act 2016* provides for all dogs and cats to be microchipped from a future date with limited exemptions.

Election commitment: Establish a new code of practice targeting both 'puppy farms' and individuals to make sure family pets come from healthy and humane conditions

The draft *Code of Practice for the Welfare of Dogs and Cats in Breeding Facilities* (the Breeding Code) was subject to a ten week public consultation process between April and June 2015 with over 500 submissions received.

Following consultation, the draft Breeding Code was amended to reflect stakeholder comments, in particular the preference for combining the provisions of the Breeding Code with relevant provisions of the Pet Trade Code with respect to dogs and cats. Accordingly, work has commenced to combine the relevant provisions of these two separate codes into *Standards and Guidelines for the Breeding and Trade of Dogs and Cats* in consultation with key stakeholders.

As part of this reform process, the Government has undertaken significant consultation, including a ten week public consultation that received over 1,800 submissions. Key stakeholders were also engaged including the Dog and Cat Management Board, the Local Government Association, the RSPCA, Animal Welfare League, the Australian Veterinary Association, and dog and cat breeder organisations.

CITIZENS' JURY: UNWANTED DOGS AND CATS

During 2015-16, a Citizens' Jury reported to Government on their exploration of ways to reduce the 10,000 unwanted dogs and cats euthanised in South Australia every year. Their report (and the Government's response to their recommendations) was tabled on 14 October 2015.

MANDATORY DE-SEXING

A significant recommendation of the Citizens' Jury is the mandatory de-sexing of all future generations of dogs and cats. Provisions to this effect are included in the *Dog and Cat Management (Miscellaneous) Amendment Act 2016* (the Amendment Bill). However, it is proposed that exemptions be available for:

- breeders
- working dogs, such as livestock and sheepdogs
- security dogs and greyhounds.

MICRO-CHIPPING

The *Dog and Cat (Miscellaneous) Amendment Act 2016* requires all existing and new dogs and cats be micro-chipped by a prescribed age. The age of dogs and cats and the date this requirement will come into force will be set by regulation. It is proposed that dog and cat owners may apply for an exemption based on medical grounds supported by a veterinarian.

BREEDER REGISTRATION

As part of the Government's objective to eliminate cruelty to dogs and cats, and reduce the numbers of unwanted animals being euthanised, provisions under the *Dog and Cat Amendment Act 2016* require:

- anyone breeding a dog or cat for sale to be registered as a breeder with the Dog and Cat Management Board
- a breeder registration number be required when advertising and at the point of sale, in addition to the animal's microchip number.

Breeder registration will not be required for animals that are given away.

EXEMPTION FOR WORKING LIVESTOCK DOGS

The Government recognised that working livestock dogs are significant to the farming sector, and consulted with various stakeholders to identify potential issues for the farming sector and regional communities associated with the proposed legislative changes. Groups consulted included local government, SA Yard Dog Association, SA Working Sheepdog Association and Livestock SA. Issues identified included the need for working livestock dogs to be:

- exempt from the de-sexing provisions in response to advice that hormone driven aggression is required for these animals to perform their function
- subject to the microchipping requirement to ensure they can be identified and returned to their owners.

An amendment to exempt working dogs from de-sexing, as outlined above, was passed in the Legislative Council during debate on the Bill.

CODES OF PRACTICE

The Department is reviewing the Draft Code of Practice for the Welfare of Dogs and Cats in Breeding Facilities that was released for consultation in April 2015, and working on amendments to the Code of Practice for the Care and Management of Animals in the Pet Trade (consulted on in 2010).

Once finalised, these Codes will be formally adopted under the *Animal Welfare Act 1985*.

ANIMAL WELFARE REGULATION

The Boards and Committees Amendment Bill was passed in July 2015, which restructured the administrative and legislative arrangements for undertaking research and teaching using animals. This change means that animal ethics committees and their members are now appointed by the research institution (not the Minister). DEWNR worked in conjunction with Parliamentary Counsel and the Crown Solicitor's Office to enable this regulatory amendment.

Water

GOAL 2.1: INTEGRATED MANAGEMENT

Manage water for economy, society and environment

Water resource planning

The Department, together with the South East NRM Board, was recognised for its water expertise receiving the 2016 United Nations of Australia World Environment Day Award for 'Excellence in Water Management', for their management of the water resource impacts of plantation forestry in the Lower Limestone Coast region of South Australia.

During 2015-16, Water Allocation Plans were amended for the Southern Basins and Musgrave Prescribed Wells Areas (Eyre Peninsula), the River Murray Prescribed Watercourse, and the Barossa Prescribed Water Resources Area, and a new Water Allocation Plan for the Adelaide Plains was developed. Water management policies were also amended in Regional NRM Plans for Kangaroo Island, the South East, South Australian Arid Lands and SA Murray-Darling Basin; and policies implemented in the Lower Limestone Coast, Western Mount Lofty Ranges, Eastern Mount Lofty Ranges and Far North Wells regions.

Consultation and engagement on water management planning and use activities continued. A Nations Water Workshop was held at Calperum Station, near Renmark (1-3 April 2016) to provide Aboriginal Nations within South Australia's Murray-Darling Basin (and adjoining nations in NSW and Victoria) with the opportunity to come together and share ideas and information on water management and use. Another workshop was held on reconciliation through water planning, with the aim of building capacity across the Department on Aboriginal engagement in water planning and management.

Regulatory changes during 2015-16 included new laws relating to cancellation of water resource works approvals and site use approvals, and the beginning of regulations to provide for secondary existing users to receive an entitlement of water in the Central Adelaide Prescribed Wells Area.

Water security: Regional Demand and Supply Statements

Water for Good, released in June 2009, aims to provide our State with the most secure water supply system in southern Australia. It outlines 94 actions that work towards making our water supplies secure, safe, diverse, reliable and able to sustain growing populations and economies in a changing climate.

Action 64 specifies that a detailed Regional Demand and Supply Statement be developed for each of the eight NRM regions in South Australia. These Statements provide a long-term overview of likely supply and demand on water resources in a particular region, with projections to year 2050.

To date, five Statements have been released, with the most recent Statement for Kangaroo Island released in November 2015.

Once a Statement has been developed, it is reviewed annually. If a demand and supply imbalance is identified, a planning process is initiated at a 'trigger point', determined by Government to be five years ahead of the date at which the imbalance is projected to occur. This is consistent with Water for Good's Action 3.

Managing water impacts of oil and gas development

Development of the State's oil and gas resources is part of the Government's economic priority to unlock the full potential of South Australia's resources, energy and renewable assets. It is important that these oil and gas developments progress in ways that do not compromise the needs of all water users and the environment.

UNCONVENTIONAL RESOURCE ACTIVITIES

Community concerns have been raised about development of unconventional gas resources, mostly relating to the use of hydraulic fracture stimulation (also called 'fracking') as part of the gas extraction process. These concerns have focused on development in the South East, although, at this stage, no hydraulic fracturing activities are proposed for this region.

Despite commonly held views, hydraulic fracturing is not a new process; it has been used in South Australia, mainly in the Cooper Basin, for 30 years with no significant water related impacts identified to date.

In response to expressions of community concern, information sessions were held for local councils and the broader community by the Department of State Development in conjunction with DEWNR, the Environment Protection Authority and the South East NRM Board.

In late 2014, the Natural Resources Committee of Parliament started an inquiry into potential risks and impacts associated with fracking in the South East of South Australia. The inquiry received 178 submissions and published an interim report in November 2015. The final report is due to be tabled in 2016 and will address some knowledge gaps in the information received so far.

MEETING CRITICAL WATER NEEDS

A highly successful drilling program was completed that ensures sufficient water supply to meet the critical water needs of six Aboriginal communities in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands.

This program was expanded to include water supply wells for the DPTI \$106.25m main road upgrade, and so far has provided sufficient water for the first two stages of construction (approximately 113 km of the 210 km).

The \$3 million exploration and drilling program has been implemented by a small project team (four staff) with targets achieved safely, on time, within budget and in partnership with APY Traditional Owners, SA Water, DPTI, DSD and the Goyder Institute (CSIRO). Due to this success, the program has been expanded to include areas in Oodnadatta.

REGULATION OF PETROLEUM (OIL AND GAS) AND MINING ACTIVITIES

South Australia has a robust regulatory approach in place to address all petroleum (oil and gas) and mining development in South Australia including unconventional resource development and associated risks. Our risk-based regulatory framework is designed to ensure that any environmental impacts are avoided or minimized.

The Department of State Development regulates petroleum (oil and gas) and mining activities. If a proposal involving hydraulic fracturing is put forward, health and environmental risks would be assessed through the Environment Impact Report and Statement of Environmental Objectives under the *Petroleum and Geothermal Energy Act 2000*. This process would involve extensive public consultation and scientific investigation.

A framework providing an overview of water-related policies and legislative requirements for petroleum (oil and gas) or mining activities is in progress. This framework will outline responsibilities of petroleum (oil and gas) and mining project proponents, the Australian Government and the various South Australian Government departments involved in the environmental assessment and approvals processes.

Stormwater recycling (SASP Target 73)

Stormwater recycling is part of a 'big picture' solution to ensure sustainable water supplies for South Australia in the future. Along with desalination, wastewater recycling and management practices, stormwater recycling projects help to ensure our water supplies are secure, safe and reliable into the future.

The *Water for Good* plan highlights the importance of stormwater recycling. The Plan sets ambitious targets for stormwater recycling across both metropolitan Adelaide and regional areas of the State.

Water for Good included a target capacity to harvest 20 GL per year of stormwater in Greater Adelaide by 2013, and up to 60 GL per year by 2050. It also includes a target to harvest up to 35 GL of stormwater per year statewide (including Adelaide) by 2025.

In 2009 and 2010, the South Australian Government led a successful bid for funding of eight stormwater harvesting and reuse projects across Adelaide, through the Commonwealth's Water for the Future initiative. State and Local government also made significant funding contributions to these projects. The eight projects are:

- Waterproofing the West - Stage One (\$68.6 million)
- Adelaide Airport Stormwater Scheme (\$9.8 million)
- Unity Park Biofiltration Scheme (\$13.9 million)
- Waterproofing Playford Stage 2 (\$22.5 million)
- Waterproofing the South - Stage 2 (\$29.9 million)
- Adelaide Botanic Garden First Creek Wetland and Aquifer Storage and Recovery Scheme (\$10.4 million)
- Barker Inlet Stormwater Reuse Scheme (\$8.8 million)
- Oaklands Park Stormwater Reuse Scheme (\$9 million).

These eight projects are now completed and, together with previously stormwater harvesting projects, have achieved the *Water for Good's* 2013 annual stormwater harvesting capacity target. This water is now being captured, cleaned and distributed for irrigation of reserves and parks, and for other non-potable uses that would otherwise rely on precious drinking water.

STORMWATER RECYCLING CAPACITY

Target: system capacity to harvest up to 35 GL of stormwater/year by 2025.

In 2009 (the baseline year), South Australia's recycled stormwater harvesting capacity was 5.8 GL per year, and by 2014, this capacity had increased to 22.7 GL. While there has been no additional increase since, further stormwater harvesting and reuse projects are in progress which will further increase our total stormwater harvesting capacity.

In addition to stormwater projects, the Government and key stakeholders are committed to develop an integrated Urban Water Plan for Greater Adelaide that seeks to ensure all urban water resources – River Murray, Mt Lofty catchments, harvested stormwater, wastewater, groundwater and desalinated seawater – are managed for maximum economic, social and environmental benefit.

Stormwater management

The Stormwater Management Authority, established in 2007, is responsible for the operation of the Stormwater Management Agreement (the Agreement).

The Authority developed a new Strategic Plan for 2015-2025, and a Bill to support the 2013 State and Local Government Stormwater Agreement was passed by the State Parliament and proclaimed on 19 May 2016. The Agreement contains a 30-year funding commitment from the State Government which includes the provision of \$4 million (indexed) per year.

For 2015-16, Government provided \$4.995 million in funding to the Stormwater Management Authority. Over the past 10 years, \$36 million has been approved by the Authority for 110 projects related to metropolitan and regional floodplain mapping, planning and infrastructure.

BROWN HILL CREEK AND KESWICK CREEK CATCHMENT

The Brown Hill Creek and Keswick Creek catchment covers land within the councils of Mitcham, Burnside, Unley, Adelaide and West Torrens. These councils have primary responsibility for managing stormwater and drainage risk within their local council areas.

The Brown Hill Creek and Keswick Creek Stormwater Management Plan was approved by the Stormwater Management Authority in February 2013. The Plan has two parts:

- Part A outlines agreed works that the councils will proceed to design in readiness for construction
- Part B contains ongoing investigations to determine the most effective solution for the upper reaches of Brown Hill Creek, which runs through the City of Unley and the City of Mitcham.

After extensive consultation, all councils endorsed a preferred approach to providing flood protection for the upper reaches of the catchment, with the preferred option being to widen parts of Brown Hill Creek.

The councils submitted the revised Brown Hill Creek and Keswick Creek Stormwater Management Plan to the Authority, which considered the plan on 20 April 2016. The Authority sought additional advice from DEWNR, the Department of Planning, Transport and Infrastructure and the Adelaide and Mount Lofty Ranges NRM Board. Subject to the Authority's approval of the Plan, the Authority will also consider its funding contribution.

The Stormwater Management Fund has already been used by the Authority to support a number of individual elements of the plan, including:

- \$1.4 million towards construction of the Ridge Park Detention Basin
- \$2.5 million towards the Goodwood Junction Brown Hill Creek Diversion Project

WASTEWATER RECYCLING CAPACITY

SASP Target 74: South Australia has system capacity to recycle up to 50 GL of wastewater per annum by 2025.

Wastewater reuse for 2014-15, and indicative reuse capacity for 2015-16, are marginally lower (3.2 GL less) than our 2013-14 assessments.

Wastewater recycling capacity could be significantly boosted as part of the Northern Adelaide Irrigation Scheme (NAIS). This scheme aims to accelerate the feasibility and design to create a new irrigation area using 20 GL per annum of recycled water from the Bolivar Wastewater Treatment Plant. This project has been identified as a priority by Infrastructure Australia.

- \$380,000 toward Part B investigations.

No Commonwealth government funding has so far been made available. However, the State Government will continue lobbying the Commonwealth on the need to support key water infrastructure in South Australia, such as the Brown Hill and Keswick Creek Stormwater Management Plan.

Third party access to water infrastructure

Third party access is designed to allow industry access to water infrastructure for the purpose of providing goods and services to customers in downstream or upstream markets. An access regime is a regulatory framework that provides an avenue for firms to use certain infrastructure services owned and operated by others when commercial negotiations regarding access are unsuccessful.

In continuing to reform South Australia's water industry, the Government brought a Bill to Parliament to establish a third party access regime for water infrastructure. The Bill has passed the Parliament and the Act was assented to on 22 October 2015.

The access regime will initially adopt a light-handed approach whereby parties to an access request are required to negotiate in good faith, without direct interference by the regulator. This approach provides for binding arbitration if negotiations break down. Mechanisms are built in to enable the regime to be reviewed and adjusted over time as the water industry develops and demand for access grows.

DEWNR DELIVERY – THIRD PARTY ACCESS REFORMS

Election commitment: Investigate reforms to third party access to State-owned infrastructure

A regulatory framework for a regime that allows industry access to State-owned water infrastructure was passed in October 2015. The Government believes the implementation of access arrangements will be another key step towards an efficient and dynamic water industry for South Australia.

The Essential Services Commission will be appointed as regulator for the access regime and will have a monitoring role, making recommendations to the Minister for Water and the River Murray, for review or changes to the regime based on access behaviour and outcomes.

The legislation contains provision to require the arbitrator to take into account any direction that the Minister for Water and the River Murray gives to SA Water under section 6 of the *Public Corporations Act 1993*. It also enables the Government to ensure that the legislation does not affect prices for small customers, and that adequate arrangements continue in place for concessions and community service obligations.

The Government regards the work on third party access as important and believes the implementation of access arrangements will be another key step towards an efficient and dynamic water industry for South Australia.

International water opportunities

South Australia's water management expertise is internationally recognised and provides significant opportunities to leverage new economic development and export prospects for local businesses.

The State's specific areas of expertise include: stormwater harvesting and managed aquifer recharge, irrigation efficiency, water quality evaluation and management, small-scale wastewater treatment, intelligent water networks and optimisation, and policy and legislative reform.

To leverage specific industry outcomes from these capabilities, the Government has appointed the Hon Karlene Maywald as the Strategic Adviser, International Water Opportunities to drive business prospects and economic relations in the water sector. DEWNR and the Department of State Development have been progressively driving industry-to-industry and government-to-government linkages in these countries.

Some South Australian companies are already benefiting including Micromet, which has established joint venture partnerships in China, and SAGE Automation, which has established a physical presence in Rajasthan in India.

With a key focus on India and China, the Government is proactively facilitating new investment and export proposals. These include:

- a centre of excellence in water management in Rajasthan, which will purchase South Australian water research, capacity building and technology products and services
- a proposal for the Sponge City program in the Shandong Province in China, which aims to improve adoption of water sensitive urban design, green infrastructure and water security technologies within the urban landscape.

Further opportunities exist in regard to drought response in California and water quality testing and improvement in South East Asia.

Strong science: Goyder Institute for Water Research

South Australia's Goyder Institute for Water Research provides high quality independent science that underpins water policy and management in South Australia, helping our State successfully secure and manage its water future.

Our recognised leadership in water resource management is in large part due to the Goyder Institute's innovative approach to coordinating expertise among State Government agencies and research organisations.

From 2010-15, the State Government invested \$25 million in the Goyder Institute, with an equivalent contribution from research partners including the CSIRO, University of Adelaide, Flinders University and the University of South Australia. Based on the Institute's success, the State Government has committed further co-investment funding of \$2 million per annum for four years (\$8 million in total) from 2015-16 to 2018-19.

In 2015-16, the International Centre of Excellence in Water Resources Management (known as ICE WaRM) made a commitment to join the Goyder Institute research partnership. ICE WaRM is an Adelaide-based organisation that provides an international gateway to Australia's expertise in water resources management training, education and research. Attracting ICE WaRM as a new partner has strengthened the strategic alliance of the Goyder Institute with the water sector in South Australia.

Through the State Government's investment and contributions from Goyder Institute research partners, a number of important projects were finalised in 2015-16:

- **Marine Parks:** A project of great significance to our State is the socio-economic regional impact assessments for the Port Wakefield, Ceduna and Kangaroo Island Marine Park Sanctuary Zones. This project was completed in October 2015, identifying the quantifiable impacts of marine park sanctuary zones on these communities. The work included an assessment of effects on employment, existing businesses, capital investment, average income, local population and future development potential. The results indicated that there were no region-wide impacts of marine park sanctuary zones.
- **Groundwater:** A new complex groundwater model was completed for the tertiary aquifers of the Adelaide Plains that provide water for industry in the Central Adelaide Plains and irrigated horticultural in the Northern Adelaide Plains. The model is based on new information about the hydrogeology of the tertiary aquifers and will provide an enhanced assessment tool to manage these high value groundwater resources. Using the model, the Institute conducted a stocktake of the Northern Adelaide Plains region to identify current and potential water available to support future agricultural expansion in the region. The study identified additional water could be made available from: the Virginia pipeline

scheme; the Bolivar sewage treatment plant; groundwater sources with moderate salinity levels; stormwater harvesting; and water efficiency measures.

- **Urban water management:** A project was undertaken to resolve key impediments identified by local councils to the adoption of Water Sensitive Urban Design in new developments. The project investigated the pathways for incorporating Water Sensitive Urban Design into council development plans and to investigate the technical knowledge needed to incorporate Water Sensitive Urban Design strategies into stormwater management plans. The results of the project will support local councils to implement the South Australian Government's Water Sensitive Urban Design policy.

The Institute has prepared its Strategic Research Plan for 2015-2019 to guide its work over the four years, and focuses on the research areas of Economic Development, Climate Action and Healthy Ecosystems.

- *Economic development* will focus on water supplies for mining development, building on the successful FLOWS program (Finding Long Term Outback Water Supplies) and the development of irrigated agriculture.
- *Climate Action* encompasses climate change adaption and creating a carbon neutral Adelaide by utilising the most up to date climate data projections for South Australia, which were released by the Goyder Institute in 2015. It will also address water management issues resulting from climate change and extreme climatic events.
- *Healthy Ecosystems* research will focus on supporting the implementation of the Murray-Darling Basin Plan, studying the impacts of land use on coastal water quality, and supporting the monitoring and evaluation of marine parks.

REAL-TIME WATER DATA

'Real time' water level and water quality monitoring data can now be streamed via Water Connect (through the Enviro Data SA portal) during Chowilla regulator in-channel operations.

The system logging and transmitting this data is alarmed for salinity and dissolved oxygen triggers so that the Chowilla Operating Team can respond in accordance with the action plan for mitigating environmental risks that could occur due to adverse water quality conditions.

Water resources monitoring

The Government employs a strategic approach to water resources monitoring which is fundamental to achieving sustainable use and equitable management of water resources in South Australia. Climate variability presents significant challenges to South Australia's water resources and this underlines the importance of the State maintaining an optimal statewide water monitoring network.

In 2015-16, DEWNR completed the second major review of its statewide monitoring network (currently comprising 6,438 sites), investing \$4.34 million to address priority gaps, expand the monitoring networks and maintain monitoring coverage (both over time and geographically). The major portion of this money, \$2.38 million, was used to resource the spatial and temporal monitoring coverage in new and existing networks. The remaining funds, \$1.99 million, were used to develop monitoring assets within existing networks and develop new networks where resource management information is limited.

Optimising our monitoring system enables South Australia to have a shared central, statewide water monitoring system that can readily provide accurate and timely information to policy makers and interested stakeholders.

Our long term data records also provide capacity to understand and report on long term water trends. Monitoring data is available to the public through Enviro Data SA.

GOAL 2.2: RIVER HEALTH

Deliver a healthy working River Murray

In 2015-16, South Australia contributed \$19.054 million to the Murray-Darling Basin Authority (MDBA). 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
- continue dredging of the Murray Mouth to maintain connectivity between the Coorong and the sea.

Murray-Darling Basin Plan delivery

The Murray-Darling Basin Plan delivered on time and in full will transform the way water is managed and result in better outcomes for the industries, communities and environments that depend on a healthy and resilient River Murray.

South Australia continues to deliver key actions within the Basin Plan through implementation of the Murray-Darling Basin Plan: South Australian Implementation Strategy 2013-19. Some highlights are outlined below (with more detail reported for all 21 Basin Plan actions in Appendix C):

- South Australia achieved its 2015-16 milestones for Basin Plan implementation under the National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin.
- More than three quarters of the water required to meet the State's Basin Plan recovery target of 183.8 GL has been recovered or contracted.
- The \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) is being implemented with early works about to commence on the Pike Floodplain and Katarapko Floodplain.
- As at 30 March 2016, a total of 1,872 GL of water had been recovered consistent with SASP Target 76, exceeding the aim to increase environmental flows in the River Murray by a minimum of 1,500 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.
- South Australia's River Murray Long Term Environmental Watering Plan has been completed and submitted to the Murray-Darling Basin Authority, a significant milestone in the implementation of the Basin Plan environmental water management framework.
- South Australia successfully secured delivery of 797 GL of held environmental water to key environmental sites, supporting improvements in habitat, waterbird breeding and fish migration.
- 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 SASP Target 77.
- The Department supported development of a new Basin Salinity Management 2030 which ensures ongoing efforts by Basin jurisdictions to actively manage salinity, including ongoing operation of salt interception schemes for another 15 years.
- Work progressed on developing water resource plans for the Eastern Mount Lofty Ranges and River Murray Water Resource Plan areas.

MANAGE RIVER SALINITY

SASP Target 77: South Australia maintains a positive balance on the Murray-Darling Basin Authority salinity register.

During 2015-16, South Australia's River Murray salinity management program ensured the State maintained a positive balance on the Basin Salinity Management Strategy (BSMS).

DEWNR also developed projects to enhance environmental and socio-economic outcomes from the Basin Plan. This work supported a decision by Basin Ministers, in April 2016, to progress an integrated package of projects to offset water recovery while maintaining environmentally equivalent outcomes, address constraints on environmental water delivery and recover an extra 450 GL through more efficient water use.

Water resource operations

During 2015-16, critical human water needs, as well as environment, irrigator, industry and recreation needs were balanced to achieve the best outcome for South Australia. South Australia's River Murray Annual Operating Plan 2015-16 was successfully implemented, providing River Murray water for all users, including 100% water allocations for Water Access Entitlement holders.

South Australia deferred and stored a portion (approximately 209 gigalitres) of its Entitlement Flow during 2015-16, in preparation for projected dry conditions in 2016-17. This water is set aside to increase water security under dry conditions.

Other river operations during 2015-16 with associated environmental benefits include:

- weir pool raisings at Lock 2 and Lock 5 promoting a range of ecological benefits
- continued dredging to keep the Murray Mouth open with approximately 1,300,000 cubic metres of sand removed
- successful management of an algal bloom upstream of the South Australian border to minimise risks to our water users. No toxins were detected in South Australia.

Environmental water flows (SASP Target 76)

Contributions to the State's environmental flows come from three sources:

- The Living Murray Initiative (Murray-Darling Basin Joint Governments)
- Commonwealth Government – Water for the Future; and
- Environmental Water held by the South Australian Government.

During the year, the State successfully negotiated the delivery of approximately 975 GL of environmental water to priority sites – including the Channel, Lower Lakes, Coorong and Murray Mouth. Approximately 795 GL of this environmental water is in addition to South Australia's Entitlement Flow.

During 2015-16, we celebrated five years of continuous water releases over the barrages since the end of the drought, an important milestone signaling progressive recovery of the Basin and the Coorong, Lower Lakes and Murray Mouth and the ecological benefits of environmental water delivery.

ENVIRONMENTAL FLOWS TARGET

During 2015-16, progress was made towards meeting the State's environmental water target (additional 1,500 GL by 2018) with about 75 per cent of the target already recovered for environmental flows, or contracted for recovery.

COORONG, LOWER LAKES AND MURRAY MOUTH

Through The Living Murray monitoring and Goyder research programs, we know that delivering continuous barrage releases (prioritised through fishways) can produce excellent ecological outcomes, so this action has formed an important part of our water use planning over the last few years. Some examples of the benefits seen during 2015-16 are:

- Last spring and summer, SARDI Aquatic Sciences (with SA Water) trapped close to 850,000 fish from 31 species at the five existing fishways during just four weeks of sampling.
- During winter, pouched lampreys were rediscovered at the fishways, which were likely attracted to migrate upstream by a pulse of winter environmental water originating from the Goulburn River.

- Annual Murray-Darling Basin aerial waterbird survey (funded by the MDBA) conducted during spring 2015 revealed greater numbers of nesting 'colonial' waterbirds around Lakes Albert and Alexandrina compared to previous counts.

Each year, environmental water proposals are developed for the Coorong, Lower Lakes and Murray Mouth (CLLMM) region to access water from the Commonwealth environmental water holder and the MDBA's Living Murray program. These proposals are developed with assistance from our CLLMM community advisory panel, members of the scientific advisory group and the Ngarrindjeri Regional Authority.

Other significant environmental watering achievements during 2015-16 include:

- raising water levels within the Chowilla anabranch by 1.5 m, and pumping environmental water to three wetland sites, providing benefits for frog breeding, waterbird habitat, tree health and supporting germination and growth of understory and aquatic vegetation
- modelling undertaken to support the operation of the barrages and planning for environmental water delivery, while maintaining water levels within the Lower Lakes for environmental, social and water security outcomes
- ongoing environmental monitoring programs to determine ecological condition and document responses to environmental watering, working closely with scientists from the University of Adelaide, Flinders University, SARDI Aquatic Sciences and DEWNR.

CHOWILLA

Commencing in early October 2015, the Chowilla regulator was used to gradually raise water levels behind the structure and through the anabranch by up to 1.5 m. Water levels were held up for approximately five weeks with some variation between 17.8 m and 17.6 m AHD.

From mid-November 2015, the water levels were gradually reduced with water levels returning to normal pool level in mid-December 2015.

The watering event provided freshening along the anabranch channels and connected some of the lower-lying floodrunners. This brought benefits to near bank trees and understorey vegetation.

PIPECLAY AND SLANEY CREEK WEIRS

The inlet weirs on Pipeclay and Slaney creeks were managed to vary inflows during the Chowilla regulator testing and through the summer-autumn period. This is an important component of flow management through the Chowilla anabranch and is necessary to ensure targets to manage water quality and protect important fish habitat are met.

Work is continuing to refine the management of flows through the upgraded Pipeclay and Slaney weirs in conjunction with achieving optimal operation of the new fishways.

A range of monitoring was conducted including monitoring of: surface water (data on water levels, flows, salinity, dissolved oxygen and temperature); flow gauging to validate the calculation of flows over the structures; soils and groundwater; Murray Cod movement (tracked via a network of radio receivers by SARDI); vegetation condition; and waterbird and bushbird species.

PUMPING TO WETLANDS

During spring-summer, 229 ML of environmental water from The Living Murray program was pumped to three wetland sites – Brandy Bottle, Punkah Creek Floodrunner and Punkah Creek Depression. These sites did not receive water during the 2014 regulator testing and were targeted due to declining tree condition.

Monitoring of vegetation (trees and floodplain/wetland plants), waterbirds, frogs and water quality identified responses to environmental watering at these sites:

- increased presence of floodplain and wetland plants including Lignum (*Duma florulenta*), Spiny Mud-grass (*Pseudoraphis spinescens*) and Spiny Sedge (*Cyperus gymnocaulos*)
- five species of frogs recorded – Southern Bell Frog (*Litoria raniformis*) (listed as Vulnerable under the Commonwealth EPBC Act), Peron's Tree Frog (*Litoria peroni*), Long-thumbed Frog (*Limnodynastes fletcheri*), Eastern Sign-bearing Froglet (*Crinia parinsignifera*) and Spotted Grass Frog (*Limnodynastes tasmanianensis*)
- improved condition of long-lived vegetation species such as River Red Gum, Black Box and River Cooba trees around the wetlands.

River Murray infrastructure

During 2015-16, DEWNR continued to effectively manage operations and maintenance of Department-owned River Murray infrastructure including Lower Murray levee banks, floodplain regulators, drainage and evaporation basins, and river vessel waste disposal stations.

New projects during the year included:

- strategic review of River Murray infrastructure for future planning and management
- procurement and fabrication completed for upgrading infrastructure for the Waikerie river vessel waste facility, with installation scheduled during 2016-17
- construction of the Boundary Creek fishway, the first of at least five new fishways with \$2.9 million funding via the CLLMM Murray Futures program.

Parks and public assets

GOAL 3.1: VISITOR EXPERIENCES

Enhance visitor experiences at parks and places

DEWNR manages over \$500 million in assets that support recreation and tourism within South Australia's park network. The Department supports the delivery of major infrastructure projects and minor works projects within parks and botanic gardens that protect these assets and enhance visitor experiences.

Facility upgrades

Achievements for 2015-16 include:

- design and production of a range of trailheads, trail markers and park signs
- commencement of the Granite Island Kaiki Trail upgrade
- commencement of the Naracoorte Caves Loop Trail upgrade
- upgrade of the Yangie Bay Campground in Coffin Bay National Park
- realignment and upgrade of the Deep Creek Waterfall Hike
- delivery of the Mount Remarkable National Park Willowie Forest Mountain Biking project
- upgrade of the Mount Remarkable Summit Trail
- upgrade of the Melrose Heysen Trail trail head.

Icon site management

DEWNR manages a number of the State's iconic tourism sites including:

- Cleland Wildlife Park
- Seal Bay
- Kelly Hill Caves
- Naracoorte Caves
- Tantanoola Caves
- Mt Lofty Summit
- Adelaide Gaol.

These sites embody our State's unique beauty, providing cultural, historical and natural experiences that offer unrivalled visitor experiences, and a one-stop tourist destination for unique wildlife, world class wine and outstanding regional produce.

During 2016, these iconic tourism sites were awarded TripAdvisor's Certificate of Excellence, based on feedback from domestic and international visitors. The award acknowledges the consistent, high quality service and experiences offered by hospitality businesses, and that tourists and visitors appreciate the beauty, facilities and activities that South Australia's parks offer.

DEWNR DELIVERY – NEW KI WALKING TRAIL

Election commitment: Construct a new five-day Kangaroo Island Wilderness Walking Trail

During 2015-16, a five-day, 64km Wilderness Trail and associated campsites were designed and constructed on Kangaroo Island's south-west coast. The trail is expected to attract an additional 5,000 visitors each year, as well as up to 27 new permanent jobs on the Island. Online bookings for the Trail opened on 1 June 2016.

DEWNR DELIVERY – GREATER USE OF CITY PARKS AND RESERVES

Election commitment: Encourage more South Australians to use our metropolitan parks and reserves

DEWNR continues to implement a range of initiatives to connect more Adelaide residents with nature.

Achievements for 2015-16 include:

- four new park rangers recruited to support more park open days, holiday programs, nature education and events
- stage 1 Trails in Hallett Cove Conservation Park completed
- commencement of \$1 million dollar playground facility at Cobbler Creek Recreation Park, Salisbury
- planners engaged and designs underway for visitor facilities in Onkaparinga River National Park (\$1.7 million), Para Wirra Conservation Park (\$2.2 million), Anstey Hill Recreation Park (\$750,000) and Morialta / Blackhill conservation parks (\$750,000)
- visitor facilities upgrades
- web enhancements developed for metropolitan parks to enhance user interface for trip planning.

More information is available at:

http://www.environment.sa.gov.au/parks/Get_Involved/connecting-residents-with-nature

As at 30 March 2016, total revenue collected across the DEWNR's Iconic Tourism Sites was \$6.687 million, an improvement on the budgeted revenue of \$6.380 million. Revenue growth was supported by an overall growth in visitation of 6.6%.

Community health and wellbeing

In September 2015, DEWNR and Health South Australia signed a three-year memorandum of understanding which will see the two agencies working together to build the public value of parks by investing in health and wellbeing related initiatives.

Initiatives include:

- the young carer's network in the South East, which organises activities to promote environment, health and wellbeing
- the Kitchen Garden Program at the Adelaide Botanic Gardens, which promotes the benefits of fresh food production, healthy activity and community involvement
- the Garden of Health at the Adelaide Botanic Gardens, which provides a refuge and retreat, encouraging wellbeing, contemplation and reflection to improve quality of life.

Volunteer participation (Target 72)

Volunteers play a vital role in caring for our parks and wildlife. In 2015-16, volunteers contributed a total of 11,161 days on park activities.

This is a significant increase from the previous year. The new departmental Volunteer Safety Framework captures volunteer attendance and activity statistics more accurately.

DEWNR DELIVERY – MT LOFTY AS WORLD MOUNTAIN BIKE ATTRACTION

Election commitment: Establish the Adelaide Mount Lofty Ranges as an international mountain bike destination

Achievements for 2015-16 include:

- final report on the initiative with outcomes announced by Minister Hunter at Belair National Park on 6 October 2015
- in-principle support from the multi-agency Strategic Reference Group
- Trails Ranger and seasonal staff recruited for trail management and maintenance
- new trail networks completed in Shepherds Hill Recreation Park, Sturt Gorge Recreation Park and Cleland Conservation Park
- planning for an Urban Mountain Bike Hub at O'Halloran Hill Recreation Park (\$500,000) commenced.

More information is available at:

<http://www.environment.sa.gov.au/parks/Visiting/cycling-mountain-biking>

DEWNR DELIVERY – NATURE PLAY SA

Election commitment: Establish Nature Play SA, an independent not-for-profit organisation

Nature Play SA was established in February 2014 to increase the time South Australian children spend in unstructured play outdoors and in nature. It is founded on the understanding that 'nature play' is fundamental to a full and healthy childhood.

GOAL 3.2: BUSHFIRE MITIGATION

Help mitigate the impacts of bushfires

Bushfire protection works and response

Prescribed burning has long been recognised as the most effective and economic way of reducing bushfire fuels on a large scale and provide firefighters with tactical advantages in containing fires. Fuel management is the only physical element associated with bushfire that can be manipulated in preparing for bushfires and reduce their intensity. Prescribed burning may not necessarily stop a bushfire from spreading on days of heightened fire danger, but it will provide firefighters with a safer environment and earlier containment options when conditions begin to subside.

During 2015-16 DEWNR successfully completed 48 prescribed burns treating approximately 4,554 hectares of DEWNR-managed land across the State, including 25 burns over 609 hectares in the high-risk Mount Lofty ranges.

DEWNR also completed 6 burns totalling 304 hectares on SA Water land and supported Forestry SA implement 3 burns totalling 79 hectares, taking the combined total to 57 burns and 4,937 hectares treated across the State.

DEWNR has now completed 668 burns across the State totalling 75,286 hectares since 2004. Of these 289 burns have been undertaken in the high-risk Mount Lofty Ranges, reducing fuel loads across more than 4,600 hectares.

DEWNR continued to lead the cooperative approach to managing fire on public land covered in the Heads of Agency Agreement between DEWNR, the South Australian Country Fire Service (CFS), ForestrySA and SA Water. DEWNR also provided support to the CFS in the development of Bushfire Management Area Plans (BMAPs) and the State Bushfire Management Plan. This is a further example of agencies working collaboratively together to address the bushfire risk across the landscape in a consistent manner.

Comprehensive risk based Fire Management Plans continue to be developed. 16 plans and one strategy have been completed since 2004, covering approximately 55% of DEWNR management reserves across the State (195 parks and reserves). The South Para Fire Management Plan, which was reviewed post the Sampson Flat bushfire to identify lessons learned was released. The Dudley Peninsula Fire Management Plan continued to be developed and the Northern Flinders Fire Management Plan has been endorsed for release by the respective Co-management Boards. DEWNR also supported development and review of the Limestone Coast, Kangaroo Island, Mount Lofty Ranges and Lower Eyre Peninsula BMAPs.

During the 2015-16 fire danger season, DEWNR worked closely with and supported the CFS at 38 bushfire incidents through the provision of highly skilled and experienced Incident Management personnel, firefighters, and equipment. This included staff with specialist skills in enhanced mapping support, air operations, portable automatic weather station operators, ground observers, fire behaviour analysis, and bushfire spread prediction modelling.

2015-16 bushfire activity was constrained to one major event, the Pinery bushfire in November 2015, which burnt approximately 82,600 hectares, claimed two lives and burnt 87 houses.

Four DEWNR staff were also involved in a deployment of more than 100 Australian and New Zealand firefighters to Canada and the US, filling key roles as forward liaison officer, divisional commanders and heavy equipment supervision.

The Department aims to increase staff participation in fire management activities and increase capacity to provide specialist support services for both fire and flood incidents, such as fire and flood behaviour analysts for the provision of predictive services, specialised mapping support capabilities and aerial operations.

DEWNR will continue to influence and support the adoption of a true tenure blind landscape approach to managing the increasing threat of bushfire through supporting CFS in the development of BMAPs, as well as the implementation of prevention and mitigation activities such as extending its program of prescribed burning to private lands to reduce the impact of bushfires on communities.

GOAL 3.3: ASSET MANAGEMENT

Improve management of public and listed assets

Science and knowledge

Ongoing investment in scientific research and improved knowledge and understanding is fundamental. During 2015-16, DEWNR undertook a range of activities in this area including conferences, journal articles and biological surveys.

On 13-15 April 2016, the 2016 SA NRM Science Conference was held at the University of Adelaide. The Conference featured 285 presentations and attracted 1,000 NRM science practitioners, including partners and interstate visitors. Feedback on the event and the strength and quality of NRM partnerships in South Australia has been very positive.

DEWNR continues to seek new knowledge to support evidenced-based natural resources planning and management decisions. This year, a journal article on predictive modeling for soil carbon stocks across the State's agricultural zone was published, demonstrating DEWNR's capacity for modern digital soil mapping. This article will be part of a special edition of the journal *Soil Research*, building on the collaborative, national project, 'TERN - Soil and Landscape Grid of Australia'.

Biological survey work in Tallaringa Conservation Park confirmed that 14 native animals and 70 native plant species are new records for the area. Several of the fauna are of conservation significance including the Australian Bustard (classified as Vulnerable in South Australia), the Major Mitchell's Cockatoo and Chestnut-breasted Whiteface, both classified as Rare (or near threatened) in South Australia.

Crown land

Crown land transactions that align with South Australia's Economic Priorities have been prioritised, focusing on working collaboratively across all levels of government to achieve balanced, triple-bottom-line outcomes.

During 2015-16, Crown lands disposals earned \$2.1 million in revenue, against a general sales revenue target of \$2.37 million. The underachievement of \$0.26 million will be transferred into the 2016-17 general sales revenue targets.

The Department provided land tenure policy and transactional support to the Native Title Section of the Attorney General's Department, relating to new Indigenous Land Use Agreements (ILUA) for Native Title Claimant Groups including ILUA negotiations for the Yandruwandha Yawarrawarrka and Antakirinja Matu-Yankunytjatjara Native Title Claimant groups. Staff have also finalised delivery of the settlement ILUA for the Kokatha Claimant Group and are commencing consultation as part of the Barngarla Native Title Claim on Eyre Peninsula.

Other activities for the year included:

- the Crown Lands Data Integrity and Valuation Project, which verifies the completeness and accuracy of the 23,000 administered land records in DEWNR's Tenement and Billing System (known as TABS) and procedures for improving valuation methods and data integrity in the future
- implementation of a new business process management system, providing staff with a library of business process guidelines and templates for land tenure process modules to replace a legacy system
- management and delivery of high profile and complex land transactions, including case management of Unsolicited Proposals on behalf of the State Coordinator-General such as the Bickford's Unsolicited Proposal for a new micro-distillery and function centre located on the Kingscote Wharf, Kangaroo Island, and a new licence agreement allowing the Steam Ranger tourist heritage railway to occupy Crown land required for its rail operations

- development and implementation of significant policy and guideline documents including Crown land Compliance Referral Guideline, Grazing on the River Murray Floodplain Policy and Bee Keeping Policy
- land tenure policy and transactional support to complete rent revaluations on 52 shacks.

Marine parks (SASP Target 71)

Nineteen marine parks were declared in South Australian waters in 2009, covering more than 26,000km² of sea stretching from the Great Australian Bight to the waters of the South East. They protect thousands of species, including Australian sea lions, leafy sea dragons, dolphins, great white sharks, little penguins and pelicans, and mangrove forests, coastal cliffs, and places with strong cultural heritage values.

A baseline report has been produced for each marine park and the findings amalgamated in to a statewide baseline report. These capture our current knowledge of marine biodiversity in each park, and provide predictions and indicators of change across the marine parks network. These reports are guiding development of the Monitoring, Evaluation and Reporting (MER) Program for our marine parks that will identify changes in the health and diversity of our marine environments. The results of the program will be reported regularly to marine park managers, stakeholders and the community with key updates occurring on at least an annual basis, beginning in 2017.

Some 2015-16 highlights of the Marine Parks Program include:

- the first marine park ecological monitoring expeditions to Nuyts Archipelago Marine Park and Western Kangaroo Island Marine Park as part of the MER Program
- completion of the independent Regional Impact Assessment Statements (RIAS) for Ceduna, Kangaroo Island and Pt Wakefield
- a 'Marine Fun Day' at the SA Museum with over 2,000 kids and families undertaking fun activities
- school students in marine education activities including a mini museum
- NaturePlay SA's first 'park of the month' in Encounter Marine Park
- Science Week and Sea Week activities in Kangaroo Island's marine parks.

State Flora

State Flora Nursery consists of a propagation facility and wholesale retail nursery situated in Murray Bridge and a retail nursery in the Belair National Park. The nursery provides services to a wide sector of the community, growing native plants for domestic gardens, public parks and gardens, the farming sector and supporting landscape conservation programs across South Australia.

As at 1 June 2016, the State Flora Nursery had generated sales of \$1.410 million with an anticipated net surplus in actual results of \$0.29 million being achieved for the 2015-16 financial year. The surplus position is an improvement on 2014-15, and has been achieved through a concentrated reform initiative that commenced in 2013-14.

DEWNR DELIVERY – EFFECTIVE MARINE PARK MANAGEMENT

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

South Australia's system of marine parks, declared in 2009, protects thousands of marine and coastal species. Baseline reports have been produced for each park and are used to identify any changes in the health and diversity of our marine environment and guide future management.

DEWNR DELIVERY – RECREATIONAL FISHING

Election commitment: Establish new recreational fishing opportunities

In 2015-16, DEWNR has granted nearly \$700,000 to local councils and organisations to support recreational fishing in and around our marine parks. Roughe Point on the Yorke Peninsula will be the location of a yet-to-be constructed artificial reef, which will incorporate the restoration of shellfish reefs as well as creating a new recreation fishing destination.

During 2015-16, State Flora contributed to the Pinery bushfire recovery by providing plants to community projects. It also took part in the Tasting Australia program, creating a module to showcase South Australia's native bush foods.

State Herbarium

The State Herbarium of South Australia, the centre for knowledge and information on our State's native and naturalised plants, algae, fungi and lichens, is highly regarded and recognised internationally for its research and advisory credentials.

Some highlights for 2015-16 are:

- 5,000th new taxon of vascular plant added to the State's species list in August 2015, a beautiful native daisy, *Podolepis rugata* ssp. *trullata*, collected in Innes National Park by amateur botanists Trudie Jaques and Tony Lewis
- a symposium to mark its 60th anniversary with invited presentations on the theme of 'Botany 2016 - Past, Present and Future', held over two of the three days of the NRM Science Conference in April
- plant identification credentials commissioned for legal input to a major murder trial, illegal native plant seed collection, and providing a Cannabis identification training course for forensic scientists in Forensic Science SA
- hosted another fully subscribed public fungi identification course
- three-year project to upgrade the State Herbarium's specimen database progressed on track, which will lead to the modernisation of Herbarium work practices
- State Herbarium Honorary Research Associate Pam Catcheside recognised for her outstanding contribution in the field of mycology (the study of fungi) in the Governor's 2015 South Australian Women's Honour Roll at a ceremony at Government House in November.

The State Herbarium is also involved in several externally-funded projects requiring its expertise in plant taxonomy and in particular, the application of state-of-the-art molecular botany techniques and technologies in partnership with the University of Adelaide. One of these projects investigated the taxonomic status, identification, use and extent of populations of native and weedy hybrids of the coastal succulent groundcover Pigface (*Carpobrotus* spp.), and revealed many coastal revegetation projects have been inadvertently using hybrid pig-face species which out-compete native pig-face populations. Other projects include Coorong habitat restoration and recovery, State threatened species review, and identification of species of State and national concern.

The Herbarium's externally-funded project 'Regional landscape surveillance for new weed threats' detected 16 new weed records for the State, bringing the total found to 242 species since 2009 when the project commenced. Early detection can save our agricultural industry millions of dollars by effectively targeting and eliminating weeds before they become widespread. The State Herbarium is also involved in several partnerships:

- working with PIRSA's Biosecurity SA to investigate issues and potential threats around the introduction of a biological control for the serious agricultural weed, silverleaf nightshade (*Solanum elaeagnifolium*)
- part of the University of South Australia's citizen science program 'Bio Blitz', helping educate and work with the public to gather biological survey information relating to native plant and weed occurrence.

GOAL 3.4: BOTANIC GARDENS

Curate high quality Botanic Gardens

Strategic planning and business development for the Botanic Gardens

The Botanic Gardens of South Australia is developing income revenue sources from non-government partnerships, philanthropy and commercial activities to support the living collections, research, education and community engagement programs.

The Board of the Botanic Gardens and State Herbarium (the Board) is working in collaboration with the Adelaide Botanic Gardens Foundation (the Foundation) to undertake an independent Fundraising Feasibility Study to assess donor interest in supporting future capital works at the Gardens. Some of the proposed projects include re-designing the International Rose Garden and night-scaping (lighting) the Adelaide Botanic Garden.

The Foundation is also developing a fundraising strategy which will help shape its future direction regarding a significant Endowment Fund.

The South Australian Seed Conservation Centre (the Seed Centre) is a Botanic Gardens project striving to safeguard South Australia's 800 threatened native plant species from extinction. In the past, the Botanic Gardens has been dependent on corporate and philanthropic support to maintain ongoing operations of the Seed Centre, however it is now working towards a fee-for-service funding model which does not exclusively rely on corporate sponsorship to conserve the State's flora.

Each year approximately 20,000 students and their teachers benefit from the suite of Botanic Gardens of South Australia's quality learning programs, which educate students about the plant world. In the past, this program was delivered via an Education Manager funded by the Department of Education and Child Development (DECD) as part of its Outreach Education Program. DECD will be implementing a new funding model from 1 July 2016 to a model whereby direct funding of \$80,000 per annum for four years will be provided to the Botanic Gardens of South Australia to contribute to employing an Education Coordinator.

The Board and DEWNR also worked on optimising opportunities for the Adelaide Botanic Garden through the redevelopment of the Old Royal Adelaide Hospital site. The Board and Botanic Gardens management have been consulting with developers to maximise outcomes for Adelaide Botanic Garden and ensure the re-developed site supports future commercial opportunities and aligns with the Board's vision.

DEWNR DELIVERY – EXTEND KITCHEN GARDEN INITIATIVE

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 Government has committed \$1.6m over four years to this exciting project to develop a kitchen garden in the Adelaide Botanic Garden that will help young children to understand where food comes from, learn how to grow food and appreciate the importance of healthy eating.

The early years learning program, named 'Little Sprouts', will build knowledge and skills for children, teachers and schools to grow fruit and vegetables at home, in their schools and their communities.

The kitchen garden will also be utilised as part of broader community programs connecting people with plants and particularly with growing food for healthy lifestyles.

The project has been developed in close partnership with SA Health, Department of Education and Child Development, the Adelaide and Mount Lofty Ranges NRM Board and the Nursery and Garden Industry Association of SA.

Features of the new kitchen garden include a shelter for children that has been woven from garden plant materials; a green-house (in a very literal sense) with the roof and walls constructed to grow plants; and most importantly, spaces for activities where children can get their hands dirty and experience growing edible plants while at the same time achieving broader curriculum learning outcomes.

Botanic Gardens maintenance and visitor facilities

The Botanic Gardens of South Australia (BGSA) has three botanic gardens; Adelaide Botanic Garden in the heart of the city, Wittunga Botanic Garden in Blackwood and Mount Lofty Botanic Garden in the Adelaide Hills.

BGSA has a number of partnerships with commercial entities such as Diggers Garden Shop (a commercial business within Adelaide Botanic Garden) and Blanco Food and Events who manage approximately 300 events annually, including weddings, functions and other events, on behalf of BGSA.

BGSA directly manages a significant number of other cultural events within the Gardens including Moonlight Cinema, Fringe, SA Living Arts Festival and WOMADelaide.

The inaugural Heirloom Weekend in Adelaide Botanic Garden was held on Saturday 9 and Sunday 10 April 2016, in collaboration with the Diggers Garden Shop. The event included an heirloom produce display, workshops, information on urban gardening and agriculture, live music and farmers' market stalls. The free public event attracted more than 2,000 visitors.

The National Rose Trial Garden – People's Choice Weekend is an annual event which invites the general public to vote for their favourite new variety of rose growing in the National Rose Trial Garden at Adelaide Botanic Garden. These unnamed roses are trialled for two to three years. This is only the third such garden in the Southern Hemisphere and is a unique joint venture between BGSA and the rose growing industry to assess the performance of both Australian and overseas bred roses grown under Australian conditions.

Successful propagation of the rare and endangered Corpse Flower (*Amorphophallus titanum*) in the Mount Lofty Botanic Garden Nursery over the past 10 years led to two significant flowering events that attracted over 16,000 visitors across a 27-hour period. This infamous species attracted a social media frenzy, with time-lapse footage from the Mount Lofty flowering reaching over 2.5 million views across 94 countries. The event put Botanic Gardens of South Australia on the international stage, with features appearing across renowned publications including The Times, ABC America, BBC News, Asian Correspondent, MTV, CNN, BuzzFeed, Vice News and all of South Australia's local news outlets.

Corporate management

GOAL 4: ORGANISATIONAL STRATEGY AND PERFORMANCE

Achieve a modern and effective organisation

During 2015-16, budget reductions were carefully and strategically managed to ensure core businesses continued to be delivered effectively. Internal corporate processes were refined to improve efficiencies, and a new approach to corporate service delivery was developed and implemented.

Improved 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.

In addition, the Department has increasingly developed cross-agency opportunities for infrastructure investment to help deliver the Government's Economic Priorities, in particular tourism and regional employment.

New corporate services delivery model

DEWNR has implemented a new corporate services delivery approach that enables the Department (and agencies it supports) to deliver a contemporary, fit-for-purpose and customer-focused corporate service.

During 2015-16, this approach achieved cost savings of \$1.3 million for corporate services delivery.

Communications and engagement

DEWNR is regarded as an authority on environmental issues, and opportunities (both in response to inquiries and proactively) to provide accurate information on environmental issues are an important role for the Department. Some examples during 2015-16 include:

- more than 650 media releases were issued and almost 400 media enquiries were managed to ensure the public received consistent, accurate and timely information on major environmental issues
- an InDaily article about the Kangaroo Island Wilderness Trail contributed to 1,400 people visiting the DEWNR website to find out more
- a regular live interview with the Chief Executive on ABC891 radio enabled topical issues to be discussed and discussion of environmental issues raising public concern or interest
- DEWNR responded to strong media interest in a wide range of issues including: fur seals in the Coorong; the Granite Island and Martindale Hall unsolicited proposals; sale of Port Augusta Town Hall; climate change consultation; water planning and management costs; River Murray water allocation; Adelaide International Bird Sanctuary; and the anniversary of marine parks
- DEWNR's Twitter account (@SADEWNR), which has a strong focus on its media audience, had 2,148 followers by the end of the financial year.

CONNECTING SOUTH AUSTRALIANS TO PARKS AND NATURE

DEWNR actively promotes increasing connections between people and nature, recognising the range of social, economic, health and wellbeing benefits that this creates. Some initiatives during 2015-16 included:

- the Good Living blog, which celebrated its first anniversary in May 2016 and gathered 300 new subscribers this financial year, with the most popular blog being '5 alternative walks to Mount Lofty' (1,878 unique views)
- National Parks Facebook site, which now has 14,500 followers, reaching more than 2,000 people daily
- a new National Parks Instagram page, which had 1,680 followers by the end of the financial year

- promotion of 'a park of the month' through the partnership with NaturePlay SA
- presence at the 2015 Royal Adelaide show to increase public knowledge of parks and environmental issues, winning the Exhibitors Award for the Farm Expo area for the second year running.

A particularly popular Facebook post encouraged readers to be the first to walk the Kangaroo Island Wilderness Trail, reaching almost 69,000 people and resulting in more than 2,200 clicks through to the Kangaroo Island Wilderness Trail website.

During 2015-16, National Parks SA reviewed and updated their uniforms and signage design to better support the State's Nature-based Tourism strategy

ENGAGING SOUTH AUSTRALIANS ON THE 'BIG' ENVIRONMENTAL ISSUES

During 2015-16, engagement strategies were planned and implemented on significant issues to involve the community on matters such as dog and cat management reforms, carbon neutral Adelaide, unsolicited proposals, Crown Land Management Act, and others. Online engagement opportunities transitioned from the DEWNR website to the State Government's YourSAy portal.

Web content was significantly updated particularly information available on the River Murray, native vegetation, volunteering, hunting and climate change. A River Murray Update (e-newsletter) was developed along with a series of videos to inform stakeholders about the River Murray and Basin Plan implementation. South Australia's climate change website was launched in December 2015 to coincide with the COP21 Paris conference. Provisions for online booking were also improved.

Our mission to build DEWNR into an 'engaging organisation', one that involves the community in matters that interest or affect them, continued with:

- in-house training, and improved tools and resources
- new stand-out design and digital solutions for all major communications and marketing initiatives (including the Cleland 'Get Closer' campaign, carbon-neutral Adelaide, KI Wilderness Trail, Adelaide Gaol events, the NRM Science Conference and many others) produced by DEWNR's in-house visual communications team.

EASY ACCESS TO PARK INFORMATION

During 2015-16, DEWNR implemented a number of measures to improve visitor access to park information, in terms of ease of access, aesthetic appeal and quality of information. These included:

- updated content for 31 priority parks
- GPS enabled maps produced for the National Parks SA website, DEWNR's most visited website
- new website page design, including striking (constantly changing) images that come from park visitors
- software that enables visitors to create a PDF brochure of park information directly from the website.

The new Kangaroo Island Wilderness Trail has been supported with a new website. Other highlights include enhanced online booking for vehicle entry, camping and accommodation, and optimising Seal Bay and Naracoorte Caves websites to enable easy access from mobile devices (e.g. tablets and smart phones).

AN ENGAGED WORKFORCE

During 2015-16, an employee engagement strategy was developed to improve staff engagement and productivity, based on perspectives gathered via a staff survey.

Staff feedback was improved, with achievements highlighted in the Department's quarterly reports, and broadly shared and acknowledged. Information packages were developed and distributed via leaders to encourage distribution throughout the organisation.

Work health and safety approach

A key focus of 2015-16 has been the implementation of the Building Safety Excellence in the Public Sector 2015-2020 (BSE) Strategy and associated framework within the Department. This included measuring performance against safety performance targets contained within the strategy.

DEWNR also conducted its first assessment under the Audit and Verification System for Safety and Injury Management (AVS).

DEPARTMENTAL COMMITMENT

DEWNR's Health and Safety Executive Sub-Committee met quarterly during 2015-16 to manage the development and implementation of work health and safety (WHS) and injury management (IM) systems. The Committee's role is reflected in its terms of reference:

- 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 BSE strategies safety performance targets
- 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, and
- advising on outcomes of internal audits and AVS findings.

The Sub-committee is supported by the Department's framework of consultative committees. Mechanisms are in place for information to be shared between these committees to help resolve WHS issues. Safety is also a standing item on the agenda of work team meetings across the Department.

ACCOUNTABILITY AND IMPROVEMENT

DEWNR leaders receive regular reports on DEWNR performance against the Across Government Safety Targets for the Agency (see table below). At 30 June 2016, DEWNR had achieved all notional targets for targets for the previous 12 months.

Work Health and Safety Performance (Building Safety Excellence Targets) (notional targets in brackets)

Total new workplace injury claims	29 (42.24)
Significant injuries – where lost time exceeds one working week (expressed as frequency rate per 1,000 FTE)	6.12 (8.57)
Significant musculoskeletal injuries – where lost time exceeds one working week (expressed as frequency rate per 1,000 FTE)	4.9 (5.52)
Significant psychological injuries – where lost time exceeds one working week (expressed as frequency rate per 1,000 FTE)	0.61 (0.95)

DEWNR Leaders and Managers have been surveyed to identify priority areas for improvement, as arises from the Building Safety Excellence strategy. The outcomes of this survey will inform additional strategies for the coming year.

All Department officers under the WHS Act 2012 have been identified and undertake online training in 'Role of an officer' to ensure they are able to fulfill their duties under the Act. Additionally, managers and supervisors across the Department receive training in the legislative requirements of the Act. Worksite managers undertake worksite inspections in accordance with the Department's inspection schedule.

The Department's safety and injury management programs are reviewed by the Health and Safety Executive Sub-Committee, which produces a departmental plan 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

Safety risks are considered as part of the Corporate Risk Management Procedure and where relevant, included in the DEWNR Risk Register.

Comprehensive safety risk registers are maintained at various levels in the Department and are used to develop improvement plans. This year a new online Safety Risk Register (OSRR) was implemented which will increase accountability and improve reporting to senior managers.

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.

Health and safety evaluation

DEPARTMENTAL FORUM

The Health and Safety Executive Sub-Committee provides the Department's forum for evaluating performance and driving continuous improvement. Statistical reports, including performance against key performance indicators and safety performance 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 Sub-Committee and reports detailing findings and recommendations are sent to the appropriate Director and manager for action.

The Department's safety culture is measured through 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 AUDIT (AVS)

Audit of DEWNR's WHS and IM systems is conducted via the Audit and Verification System (AVS), which replaces the former external evaluation by Return to Work SA. The AVS was developed and is managed by the Office of the Public Sector (OPS) and conducted on their behalf by Deloitte.

DEWNR participated in its first assessment in late 2015, achieving a 'good' rating. A plan has been instituted to address any recommendations or observations identified during the AVS process and to further improve safety performance.

2015-16 WHS and IM performance

The tables below report the department's WHS and Injury Management performance for 2015-16.

Work health and safety prosecutions, notices and corrective action taken

Number of notifiable incidents pursuant to WHS Act Part 3	11
Number of notices served pursuant to WHS Act Sections 90, 191 and 195 (provisional improvement, improvement and prohibition notices)	0
Number of prosecutions pursuant to WHS Act Part 2 Division 5	0
Number of enforceable undertakings pursuant to WHS Act Part 11	0

Agency gross workers compensation expenditure for 2015-16 (compared with 2014-15)

Expenditure	2015-16 (\$)	2014-15 (\$)	Variation (\$) +/-	% Change +/-
Income support	\$241,554.93	\$353,479.85	-\$111,924.92	-31.66%
Hospital	\$7,920.30	\$10,894.80	-\$2,974.50	-27.30%
Medical	\$119,794.89	\$112,285.27	\$7,509.62	6.69%

Rehabilitation/return to work	\$0.00	\$9,597.35	-\$9,597.35	-100.00%
Investigations	\$5,457.85	\$13,607.30	-\$8,149.45	-59.89%
Legal expenses	\$114,542.47	\$29,569.21	\$84,973.26	287.37%
Lump sum	\$742,665.57	\$267,076.10	\$475,589.47	178.07%
Other	\$22,008.25	\$56,068.04	-\$34,059.79	-60.75%
Travel	\$8,511.89	\$9,367.03	-\$855.14	-9.13%
Total claim expenditure	\$1,262,456.15	\$861,944.95	\$400,511.20	46.47%

Workers' compensation costs have declined in most categories against previous years, continuing a downward trend. A lump sum payment to a deceased employee's family elevated this year's total above the 2014-15 total. Increased legal costs arose from negotiating settlements of several longstanding, complex matters.

Employee management and wellbeing

Details on human resources management within DEWNR, including workforce diversity, leave management, and performance development, are outlined in Appendix E.

DEWNR's Employee Assistance Program includes:

- employee counseling
- manager assistance
- critical incident debriefing and
- team counseling.

In addition, a new Psychological Wellbeing Strategy has been implemented with the aim of clearly identifying initiatives that the Department has or should have in place to support and promote psychological wellbeing in DEWNR. The Strategy is supported by a training program for managers and employees, providing an overview of mental health and the skills required to identify the early warning signs of mental health problems. Managers are trained to recognise and manage stress and mental health issues in their work groups, and promote positive wellbeing. Further work is underway to help managers identify and address psycho-social risks within their workplace.

Consultation with employees occurs through three legislative committees operating at the higher (Group) level within the Department, and supported by several regional and branch committees and consultative forums. Committees comprise senior managers, Health and Safety Representatives (HSRs) and employee representatives. A mechanism exists to escalate WHS issues to higher level committees (including the Executive WHS Sub-Committee) based on either their complexity or 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 these Representatives as part of hazard management processes including incident investigation, risk assessment and worksite inspection.

Measuring performance

DEWNR's progress in delivering key deliverables is measured by monitoring milestone achievements and tracking against key performance indicators. Performance reports are developed for the Executive and branches on a quarterly basis.

In late 2015, internal review of the Department's approach to organisational performance was undertaken. This resulted in a refreshed approach to business planning, monitoring and reporting that has been implemented in stages. Key changes include development and implementation of a new business planning toolkit, which provides clear line of sight between whole-of-government direction, corporate goals and priorities, an introduction to embedding public value into planning discussions, a streamlined planning template, and greater focus on results.

The approach is also clearly aligned with DEWNR's new Corporate Plan, which will be launched by the end of September 2016.

Further progress will be made in 2016-17, with key performance indicators developed to measure progress towards achieving our corporate goals and priorities.

Procedural and system improvements

DIGITAL STRATEGY

As part of DEWNR's commitment to the Government's Digital by Default Declaration, the Department is implementing a Digital Strategy that supports transformation of both internal and external business and services based around four priority areas:

- improve the digital experience of our **nature-based tourism customers**
- improve the digital experience of our **regulatory customers**
- increase access to and use of DEWNR's **open data**, licensed for commercial re-use
- ensure a modern and effective organisation is supported by a mobile workforce.

In 2015-16, 11% of transactions with the agency were conducted digitally, providing a baseline to measure improvements in digital engagement in the future.

Progress to date includes:

- Over 40 updated Land Use Potential map layers produced and made available to the public through NatureMaps (online spatial tool for environmental data), EnvMaps, and PIRSA's AgInsight website. The maps display land suitability (based on DEWNR soil mapping) for a range of crops, pastures, horticulture, and native fodder shrubs right across southern South Australia.
- All data about the State's plants and animals available to the public from Naturemaps, enabling regional communities, industry and policy makers to be better informed about land use, investment, and planning decisions.
- Enviro Data SA, the State Government's online portal for environmental data enhanced to allow users access to a range of DEWNR information including scientific data, mapping information and field photographs via their own personalised profile.

The current conservation status of all South Australia's reptiles, amphibians, freshwater fishes and native flora species have been assessed and are available online, providing up-to-date, easily accessible information on the status of South Australia's flora and fauna. This information can be used to guide conservation priority setting, environmental impact assessments, and sustainable planning and development. South Australia's threatened species lists have also been aligned more closely with those of the Australian Government and neighbouring states and territories, where appropriate.

CUSTOMER EXPERIENCE IMPROVEMENTS

Regulatory customers

In a significant step towards providing our customers with the online tools they need to manage compliance with licensing conditions, customers can use mobile technology to collect water meter readings. This enables near 'real-time' data for online meter reading forms, reduces the amount of data entry required of licensees, and helps licence holders monitor their water usage activities.

DIGITAL BY DEFAULT DECLARATION:

TRANSFORMING OUR SERVICES

DEWNR is committed to implement the Premier's Digital by Default Declaration to digitally transform services to modernise and transform our public services.

A modern public service should be paper-free and this declaration is an important step in that direction. DEWNR has consistently demonstrated leadership in the delivery of openly licensed data suitable for commercial reuse, and continues to expand its products and services available online to regulatory customers and tourists.

The Department is continuing to roll out *additional* online capability for bookings (park entry, camping and accommodation) in National Parks and reserves, and is also delivering on its Digital Strategy (see adjacent text).

Tourism customers

The Tourism Information Management 90-day project brought together information about how tourism information is managed across the organisation. This provides baseline metrics for the DEWNR Digital Strategy and a basis for developing an action plan organised around the visitor information journey: discover; plan and book; experience and enjoy; share and advocate.

DATA AND MAPPING ACCESSIBILITY

Open data

DEWNR is a keen supporter of open data initiatives. During 2015-16, the Agency released about 40 new data sets openly licensed for commercial and community re-use. These include data relating to bushfires, soils, recreational trails, herbarium collections and historic aerial photography. The Open Data website Enviro Data SA was improved to include tools for personalised access to specific data sets, and the addition of PhotoPoint images that record environmental changes in specific sites over a long period of time.

Online mapping

Publicly accessible NatureMaps and Fire Management maps were upgraded as part of DEWNR's GIS platform upgrade project. The streamlined user interfaces provide modern navigation and layer identification capabilities. These maps can now be used on tablets and smartphones, and users can see their GPS location when using them. The applications leverage 'base map' services delivered by the South Australian Government's data sharing initiative Location SA, in which DEWNR plays a significant role.

DEWNR also released NRMFarm, a tool that assists farmers with their seasonal and long-term farm planning. They can input their information and produce customised maps and reports using in-built aerial photography, soil type data, topography, and property boundaries.

RECORDS MANAGEMENT

During 2015-16, various paper and electronic records management approaches were consolidated into a single records management platform. This included the migration of more than one million records, with less than 1% encountering issues. As a result, this financial year saw a 200% increase in use of digital records (50,000 created digital by default).

The Agency also digitised about 60,000 frames of historic aerial photography to ensure long-term availability of this important state record. As part of this process, about 65,000 more digital photo-centres were made available online through MapFinder and NatureMaps, enabling the community and industry easy access to the scanned aerial photographs within the archive.

In partnership with other agencies and statutory bodies, DEWNR acquired new aerial imagery of the Adelaide metropolitan region, the River Murray between Locks 2 and 6, the Pinery Fire affected area, and the Murraylands region south of the River.

HIGH PERFORMANCE COMPUTING

A high performance computing (HPC) platform to deliver the fastest flood modeling results in Australia was introduced by DEWNR. This means that scientific models that once took a week to run can now be completed in a few hours. Projects that have benefitted include the South Australian Riverland Floodplains Integrated Infrastructure Program inundation projects, Riverine Recovery weir pool raising and lowering, and groundwater modelling for the Barossa.

SELF-SERVICE PORTAL

DEWNR launched a new self-service portal to speed internal user ICT service requests. This new portal was designed from the ground up with the users' experience in mind. It allows requests to be resolved faster, with some service requests now fully automated.

Sustainability initiatives

During 2015-16, around 900 DEWNR staff were consolidated into shared premises at 81 Waymouth Street. Key features of the refurbishment include state-of-the-art video conferencing facilities on all floors, fully integrated 'Voice over Internet' telephones, a new WiFi network and 'FollowYou Printing', all designed to increase staff mobility and collaborative working arrangements.

FollowYou Printing aims to reduce the Department's printing and paper use by 20%. More than 3,000 boxes of hardcopy paper records were processed into off-site archives as part of the move. Multi-function printing, copying and scanning devices were also reduced by more than half at the new premises, and stand-alone printers were reduced from 52 to two. These changes aim to improve agency efficiencies in the coming financial year, and reduce the agency's carbon footprint.

DEWNR have continued to make online forms easier and faster to use, increasing efficiency and reducing paper use.

Improved video conferencing facilities enhance communication between and with regional staff, increasing collaboration while reducing travel and its associated costs and workforce health and safety risks.

4. THE FUTURE

Challenges

Major future challenges facing DEWNR in the medium to long term are:

- continuing to develop our climate change preparedness strategies and actions, taking into account changing conditions and improving community understanding
- meeting our obligations under the Murray-Darling Basin arrangements and ensuring other Basin states meet their obligations
- effectively implementing our Nature-Based Tourism Strategy, working cooperatively with all stakeholders
- encouraging economic development that is socially, culturally, economically and ecologically sustainable
- facilitating the right kind of economic development without compromising our role as steward or custodian of the State's natural resources
- working effectively with our range of stakeholders and partners including building good working relationships with co-management bodies and associated Aboriginal groups
- educating the community about the role of our agency and future challenges we need to face together.

Priorities

DEWNR will be launching a new Corporate Plan in September 2016. The plan, which aligns with the State's economic priorities, the Premier's direction and whole-of-government strategies, will outline the Department's top goals and priorities for the next three years. These goals and priorities are centred around climate change; sustaining the State's natural resources; connecting people to nature, parks and places; and water management. The plan will also include a set of 'enablers', providing the foundation for how we operate including the resources, processes and systems that need to be in place to achieve results.

The work undertaken by DEWNR is critical to South Australia's future social, environmental and economic prosperity. Through delivery of the Climate Change Strategy, there is significant potential to attract more investment in clean energy, thereby creating opportunities for local industry participation and new jobs, as well as exporting the State's expertise in developing clean technologies and adaptation solutions to international markets. Regional and state-wide adaptation and response plans will be developed and implemented to mitigate and adapt to the impacts of climate change. We will also be working closely with Adelaide City Council to make the City of Adelaide the world's first carbon neutral city.

DEWNR's commitment to sustain and protect our biodiversity and natural systems remains a high priority – they underpin the State's businesses, industry and communities, which rely on them to be productive and thrive. We also have a key role in maximising potential economic opportunities for South Australia by enabling responsible use of our natural resources, while respecting and protecting our environment.

DEWNR's Nature-Based Tourism Strategy (launched February 2016) sets the direction for nature-based tourism experiences that include standout walking journeys, native and marine wildlife experiences and cutting-edge sensory experiences. Local, national and international visitors are attracted to our world-class parks, gardens and places. DEWNR will also build on delivery of a number of election commitments, including construction of the new five day KI Wilderness Trail, creation of the Adelaide Bird Sanctuary and establishing Mount Lofty region as an international mountain bike destination, to build and consolidate the appeal and value of these icon tourist sites.

Water management remains a significant priority for the Department. This includes supporting a healthy, working River Murray by implementing the Basin Plan and associated programs, and also keeping other jurisdictions accountable to implement the Plan, on time and in full. Effective water management also requires setting long term direction for urban water management across Greater Adelaide and preparing for the impacts of drought.

DEWNR's future efforts will also focus on progressing:

- the reconciliation agenda
- women in leadership strategies and
- improving the environmental performance of our business.

The Department will continue to proactively support violence prevention against women as a White Ribbon Accredited Workplace.

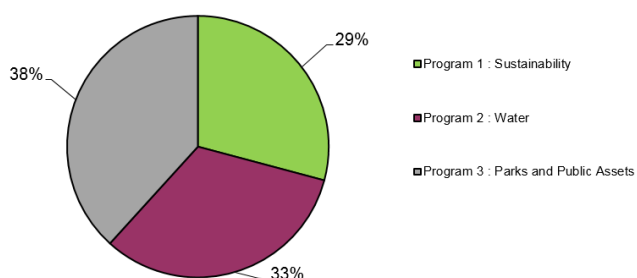
PART II: FINANCIAL REPORT

Summary

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 2015-16 as tabled in Parliament in July 2016 as part of the 2016-17 Agency Statements, and an abridged version of the actual financial statements as at 30 June 2016. The abridged report is formatted to include the Statement of Comprehensive Income; Statement of Financial Position; and Statement of Cash Flows.

PROGRAM EXPENDITURE



The three programs actual expenditure as a percentage of total expenditure are Parks and Public Assets (38%), Water (33%), and Sustainability (29%).

REVENUES AND EXPENDITURE

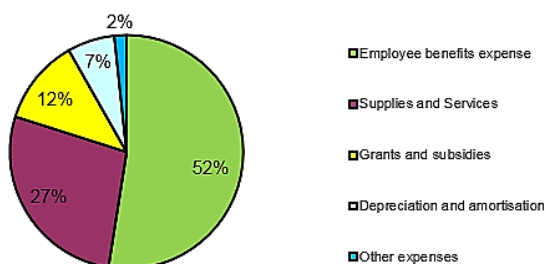
The following table provides a summary of income for the year ending 30 June 2016.

Summary statement for the year ending 30 June 2016

	Budget 2015-16 (\$'000)	Actual 2015-16 (\$'000)
Operating expenses	307 490	306 556
Operating revenues	169 748	171 099
Net cost of providing services	137 742	135 457
Revenues from SA Government	161 582	156 140
Payments to SA Government	(19 113)	(13 652)
Net income from / expenses to SA Government	142 469	142 488
Net result	4 727	7 031
Other comprehensive income	-	48 949
Total comprehensive result	4 727	55 980

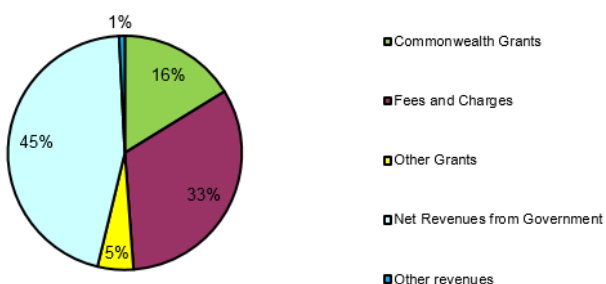
The actual comprehensive result was a net surplus of \$56 million, which included an increment for the net revaluation of land (\$48.9 million).

OPERATING EXPENDITURE



Operating expenses were approximately \$0.9 million lower than budgeted largely due to the loss on disposal (donation) of non-current assets during the year.

OPERATING REVENUES

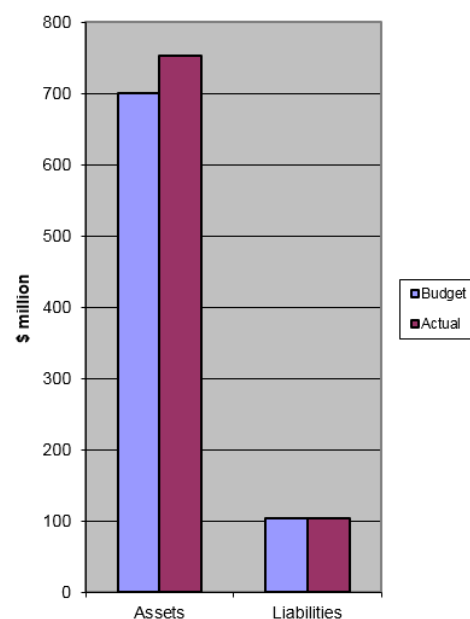


Operating revenue was approximately \$1.4 million higher than budgeted, largely as a result of Save the River Murray levy revenue recognised during 2016-17.

ASSETS AND LIABILITIES

As shown in the adjacent table, current assets for DEWNR are \$21.2 million higher than budget, primarily due to increased cash and cash equivalents of \$15.9 million, increased receivables of \$5.2 million and increased inventories of \$0.1 million. Non Current Assets are \$27 million higher than budget due to a net increase in land and plant and equipment assets of \$25.6 million and an increase in intangible assets of \$1.4 million.

Current liabilities are \$5.6 million lower than budget primarily due to lower than expected payables of \$7.1 million, which was partially offset by increased employee entitlements and short term provisions of \$1.5 million. Non Current Liabilities are \$2.2 million higher than budget largely due to an increase in payables of \$3.3 million and an increase in employee benefit liabilities of \$0.7 million; these were partially offset by a decrease in other non-current liabilities of \$1.8 million.



Summary statement of financial position and statement of changes in equity as at 30 June 2016

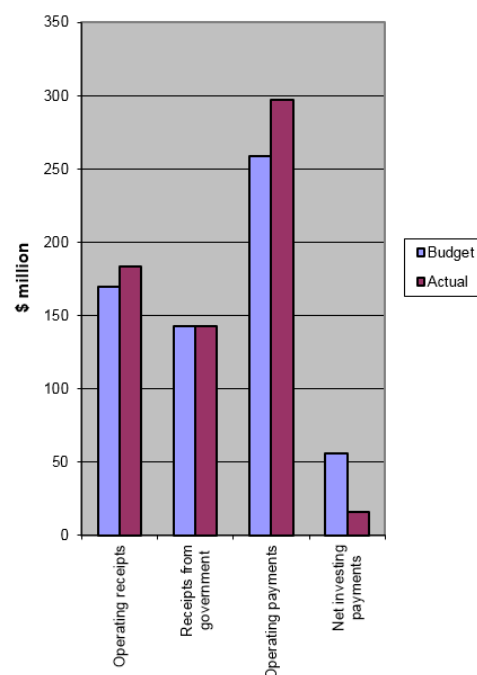
	Budget 2015-16 (\$'000)	Actual 2015-16 (\$'000)
Financial position		
Current assets	148 006	169 219
Non-current assets	552 672	579 707
Total assets	700 678	748 926
Current liabilities	45 055	39 473
Non-current liabilities	58 689	60 853
Total liabilities	103 744	100 326
Net assets	596 934	648 600
	Budget 2015-16 (\$'000)	Actual 2015-16 (\$'000)
Equity		
Equity at 30 June 2016	592 207	592 620
Surplus/(deficit) for the year	4 727	7 031
Net Increment for Asset Valuation adjustments	-	48 949
Equity at 30 June 2016	596 934	648 600

Net Assets and Equity is approximately \$51.7 million higher than budget, largely due to a non-budgeted \$48.9 million increment for the net revaluation of land.

CASH FLOWS: RECEIPTS AND PAYMENTS

As shown by the adjacent table, DEWNR's budget provided for a net decrease in cash of \$3.0 million. The actual result was a cash increase of \$13 million. This \$16 million variation (improvement) is comprised by:

- an investing cash improvement of \$38.7 million due to the reduction in expected payments for the purchase of property, plant and equipment that occurred during 2016-17.
- an operating cash deterioration of \$22.7 million as a result of higher than budgeted payments for supplies and services expenses (\$46.1 million) and lower than budgeted receipts from fees and charges (\$30.7 million). This was partially offset by higher than budgeted other operating receipts (\$32.2 million), GST receipts (\$11.9 million), lower expenditure on grants and subsidies (\$6.6 million) and employee benefit expenses (\$2.4 million), as well as higher interest received (\$0.6 million) and other lower other operating payments (\$0.4 million).



Summary statement of cash flows for the year ended 30 June 2016

	Budget 2015-16 (\$'000)	Actual 2015-16 (\$'000)
Cash flows from operating activities:		
Payments	(258 837)	(295 560)
Receipts	169 575	183 495
Cash flows from Government	142 469	142 488
Net cash provided by operating activities	53 207	30 423
Cash flows from investing activities:		
Payments	(56 161)	(17 475)
Receipts	-	30
Net cash used in investing activities	(56 161)	(17 445)
Cash flows from financing activities:		
Payments	-	-
Receipts	-	-
Net cash provided by financing activities	-	-
Net increase (decrease) in cash held	(2 954)	12 978
Cash at 1 July 2015	134 450	134 450
Cash at 30 June 2016	131 496	147 428

APPENDICES

Appendix A: Legislative role

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.

The following legislation was administered by DEWNR during 2015-16:

- *Adelaide Dolphin Sanctuary Act 2005* (transferred to Minister for the City of Adelaide on 19 January 2016)
- *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.*

ADMINISTRATIVE LEGISLATION:

DEWNR also derives its functions, authorities and responsibilities from a range of legislation that applies generally to the public sector 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*

Appendix B: DEWNR structure – major roles

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 operations and work health and safety.

Appendix C: Basin Plan status report

Action no.	Description	2015-16 Progress Update
1	Develop and implement water planning and management frameworks that comply with the sustainable diversion limit (SDL) requirements of the Basin Plan.	<p>Work continues on review of current water management arrangements in the River Murray Water Resource Plan area. A development program for the Eastern Mount Lofty Ranges Water Resource Plan has been submitted to the MDBA for review. A first draft of the SA Murray Region Water Resource Plan for review by the MDBA is almost complete.</p> <p>DEWNR officers continued to work with the MDBA and other states 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.</p>
2	Participate in, and influence, the development and implementation of the SDL adjustment mechanism and assessment of projects.	<p>DEWNR developed a number of projects to enhance environmental and socio-economic outcomes from the Basin Plan. Twelve upstream SDL adjustment business cases were evaluated to ensure there are no adverse impacts to South Australia's water shares, resources and environments. This work supported a decision by Basin Ministers, in April 2016, to progress an integrated package of projects to offset water recovery while maintaining environmentally equivalent outcomes, address constraints on environmental water delivery and recover an extra 450 GL through more efficient water use.</p> <p>South Australian representatives continued to represent the State's interests relating to SDL adjustment assessment, methods and modelling, providing feedback and detailed technical advice to the MDBA.</p>
3	Identify and develop potential South Australian SDL adjustment project proposals and implement approved projects.	South Australia has made a strong contribution to the development of SDL adjustment projects, putting forward six projects, and jointly responsible for another five projects.
4	Identify and support implementation of strategic water recovery projects, with advice from the Water Recovery Advisory Committee.	More than 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 in 2015-16.
5	Work with the Commonwealth Environmental Water Holder and the MDBA to ensure appropriate arrangements for environmental water delivery to South Australia.	<p>The Department secured delivery of 797 GL of held environmental water to improve the health of the riverine environment, floodplain wetlands and the Coorong, Lower Lakes and Murray Mouth.</p> <p>Environmental benefits observed in 2015-16 included a significant colonial waterbird breeding event around the Lower Lakes and the upstream migration of diadromous fish from the estuary through the barrage fish ways into the River Murray.</p> <p>Environmental water delivered through testing the Chowilla regulator in 2015 contributed ecological benefits including growth of River Red Gum and Cooba seedlings along banks and flood dependent and aquatic vegetation in riparian zones.</p>
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.	<p>DEWNR officers worked with the MDBA on development of the Basin annual environmental watering priorities for 2015-16 and for 2016-17, to ensure alignment with the SA annual environmental watering priorities.</p> <p>Departmental officers also worked closely with the Commonwealth Environmental Water Holder (CEWH) to align the CEWH's long term planning with the SA River Murray Long Term Watering Plan and to secure delivery of environmental water throughout the year.</p>
7	Develop and implement South Australia's long-term environmental watering plans and annual watering priorities.	South Australia's River Murray Long Term Environmental Watering Plan was completed and submitted to the MDBA. State annual environmental watering priorities were provided to the MDBA in May 2015 to inform their annual Basin-wide environmental watering priorities for 2015-16. Similarly, the priorities for 2016-17 were completed and submitted in May 2016.

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.	The South Australian business case for the constraints management strategy for the Lower River Murray was completed. This was approved as a package with other River Murray constraints management business cases by Basin Ministers in April 2016. South Australia is working collaboratively with other Basin jurisdictions to develop arrangements for progressing agreed constraints measures that will allow Basin governments to explore ways to maximise water flows, enhance environmental outcomes and effectively engage communities.
9	Facilitate the implementation of the Pike and Katarapko environmental works and measures project.	The \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIP) is being implemented with early works to commence on Pike and Katarapko Floodplains in 2016-17. Work progressed to develop infrastructure options and designs for managed watering of the floodplains and salinity management.
10	Develop and implement water quality management plans for South Australia's Murray-Darling Basin water resource plan areas.	<p>DEWNR officers contributed to the development and subsequent adoption of a new inter-governmental strategy, Basin Salinity Management 2030 (BSM2030) in November 2015. The joint commitment made in BSM2030 will ensure that South Australia remains the major beneficiary of ongoing efforts by Basin jurisdictions to manage salinity, including ongoing operation of salt interception schemes for another 15 years.</p> <p>DEWNR also continued to develop Water Quality Management Plans as part of implementing the Basin Plan. In 2015-16, the Water Quality Management Plan for the Eastern Mount Lofty Ranges was drafted and submitted to the MDBA for comment and the Murray Region Water Quality Management Plan was refined for submission to the MDBA as part of the Murray Region Water Resource Plan accreditation package.</p>
11	Develop water trading policies, protocols, and processes that comply with the Basin Plan.	The South Australian River Murray Private carryover policy was revised for consistency with the Basin Plan Water Trading Rules and published on the DEWNR website. The DEWNR website has been reviewed and updated to improve access to water market and water trade information.
12	Develop and implement water resource plans that are consistent with the Basin Plan.	<p>A development plan for the delivery of a Water Resource Plan for the Eastern Mount Lofty Ranges was finalised, including a comprehensive risk assessment, detailed gap analysis and draft water quality management plan. Work commenced on the River Murray Water Resource Plan with progress made on a gap analysis and risk assessment. The Water Resource Plan for the SA Murray Region is under development.</p> <p>The South Australian Nations Water Workshop was held in April 2016 for the nine Aboriginal Nations within SA's Murray-Darling Basin. The workshop facilitated discussion on how engagement for delivering Basin Plan requirements for Water Resource Plans could be improved to protect cultural knowledge.</p>
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, 123 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.	The Australian Government redirected funding from the Murray-Darling Basin Regional Economic Diversification program to a Regional Road Package for South Australia. The Department of Planning, Transport and Infrastructure have successfully negotiated a package of works.
15	Support implementation of the Water Industry Alliance River Murray Improvements Program (SARMS).	PIRSA continued to deliver the \$265 million South Australian River Murray Sustainability Program (SARMS) to support regional and industry projects and recover up to 40 GL of water entitlements for the environment. To date, almost \$177 million of investment has been offered through SARMS Irrigation Industry Improvement (3IP) resulting in around 35 GL of water available for return to the River.

16	Engage the community throughout the Basin Plan implementation process.	<p>The River Murray Engagement Plan continues to be implemented to inform and engage people about the implementation of the Murray-Darling Basin Plan and its various projects.</p> <p>The Department launched the River Murray Update to deliver the latest news, information and announcements about the River Murray and Basin Plan implementation. The updates can be found at http://www.environment.sa.gov.au/managing-natural-resources/river-murray/latest-news.</p> <p>Several videos have been produced to explain and promote features of the Basin Plan's implementation in South Australia. Recent topics include changes to the private carryover policy and the importance the Basin Plan.</p> <p>Changes to the DEWNR website have also been made in consultation with the community, focusing on providing more relevant River Murray information and news.</p>
17	Ensure South Australia's Basin Plan monitoring, evaluation and reporting arrangements are effective and efficient.	<p>DEWNR continues to work with the MDBA and other Basin States to refine and further develop the approach for reporting on the effectiveness of the Basin Plan. This work is currently identifying key things to be measured and reported in South Australia. DEWNR officers are also exploring synergies between programs and identifying opportunities to leverage existing work (by both South Australia and the Australian Government) to ensure monitoring, evaluation and reporting is efficient and effective.</p> <p>South Australia continues to deliver its annual reporting requirements (as described in schedule 12 of the Basin Plan). This information was used by the MDBA to prepare the Basin Plan Annual Report 2014-15.</p>
18	Ensure best available science supports South Australia's implementation of the Basin Plan.	<p>A range of science projects were undertaken by the DEWNR Science Monitoring and Knowledge Branch and Goyder Institute for Water Research to improve understanding of River Murray ecology and responses to environmental watering, implications of Sustainable Diversion Limit adjustment projects, floodplain salinity dynamics associated with environmental watering and the management and operations of infrastructure on floodplains for environmental outcomes.</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.	<p>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 relevant timeframes.</p>
20	Implement the Inter-governmental Agreement on Implementing Water Reform in the Murray-Darling Basin.	<p>South Australia has submitted its 2015-16 milestone report for Basin Plan implementation under the National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin and is awaiting a response from the Australian Government.</p> <p>South Australia achieved its 2014-15 milestones for Basin Plan implementation under the National Partnership Agreement on Implementing Water Reform in the Murray-Darling Basin.</p> <p>This achievement secures Commonwealth funding to partially offset implementation costs and continues to be an important step in progressing implementation of the Basin Plan.</p>
21	Ensure South Australia's interests are considered in any reviews or amendment of the Murray-Darling Basin Agreement.	<p>South Australian Government representatives actively represented the State's interests in discussions relating to the Agreement.</p>

Appendix D: Reporting under the *National Parks and Wildlife Act 1972*

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 2015-16 are categorised below:

PARK REVENUE \$	2015-16
Admissions and guided tours	\$ 8,664,773
Property rental and related income	\$ 1,204,430
Sale of goods	\$ 2,449,060
Camping, accommodation, parking and hire fees	\$ 1,444,303
Levies, licences and other	\$ 115,616
Total	\$ 13,878,182

Appendix E: Human resources management

Details of human resources management within DEWNR during 2015-16 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>.

HEADCOUNT AND FTE

DEWNR employees	Female	Male	Other	Total
Headcount	880	884	0	1764
FTE	752.9	856.8	0	1609.7

WORKFORCE DIVERSITY

DEWNR promotes workforce diversity and supports all employees with opportunities for career progression. A range of flexible work arrangements, adjustable work stations and workplace facilities are provided to support all employees (e.g. audio assistance and communication devices are provided for employees with hearing impairment). See also Appendices F and G.

The table below shows the age and gender profile of DEWNR employees.

Age bracket	Male	Female	Other	Total	% of total	2014 Workforce Benchmark*(%)
15-19	2	2	0	4	0.2	5.5
20-24	12	23	0	35	2.0	9.7
25-29	56	67	0	123	6.9	11.2
30-34	100	140	0	240	13.6	10.7
35-39	114	157	0	271	15.4	9.6
40-44	129	132	0	261	14.8	11.4
45-49	137	130	0	267	15.1	11.1
50-54	117	102	0	219	12.4	11.4
55-59	96	87	0	183	10.4	9.1
60-64	102	28	0	130	7.4	6.7
65+	19	12	0	31	1.8	3.6
TOTAL	884	880	0	1764	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.

The table below shows the gender, classification and employment status of DEWNR executives

Classification	Ongoing		Term Tenured		Term Untenured		Other (Casual)		Total				
	Male	Female	Male	Female	Male	Female	Male	Female	Male	%	Female	%	Total
EXEC0E						1					1	100%	1
SAES1					13	8			13	62%	8	38%	21
SAES2					3				3	100%			3
Total					16	9			16	64%	9	36%	25

EMPLOYEES WITH DISABILITIES

This assessment is carried out according to the Commonwealth DDA definition.

Male	Female	Other	Total	% of Agency
14	18	0	32	1.8%

The table below identifies the type of disability for the 32 DEWNR employees with disabilities (where specified).

Disability	Male	Female	Total	% of Agency
Disability requiring workplace adaptation	10	13	23	1.3%
Physical	7	7	14	0.8%
Intellectual	0	1	1	0.1%
Sensory	4	1	5	0.3%
Psychological/psychiatric	2	1	3	0.2%

LEAVE MANAGEMENT

The table shows average days leave per FTE employee.

Leave Type	2011-12	2012-13	2013-14	2014-15	2015-16*
Sick leave	7.68	6.78	7.52	6.97	7.8
Family carer's leave	1.23	1.11	1.28	1.28	1.4
Miscellaneous special leave	.75	.82	.87	.87	1.6

*Average FTE used for 2015-16 calculations = 1583.4

PERFORMANCE MANAGEMENT

The table shows the results of a documented review of individual performance management.

Employees with ...	% total workforce
A review within the past 6 months	10.3%
A review older than 6 months	71.4%
No review	18.3%

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

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

Training & Development	Total Cost	% of Total Salary Expenditure
Total Training & Development Expenditure	\$884,105.32	0.6%
Total Leadership & Management Expenditure	\$242,136.87	0.2%

Appendix F: Equal employment opportunities

TRAINEESHIPS, CADETSHIPS AND APPRENTICESHIPS

Jobs4youth is the state government's recruitment program for trainees and graduates. DEWNR has successfully participated in recruiting the following trainees and graduates in 2015 (round 2 of the program):

- Four (4) Trainees, Three (3) of which gained ongoing employment in DEWNR following the commencement of their traineeships.
- Two (2) Graduate Rangers – both employed on a 2 year contract and have undertaken Jobs4Youth program requirements in their initial 12 months:

ABORIGINAL RECRUITMENT PROGRAMS

DEWNR employs 42 Aboriginal people, 2.38% of its employees, which is above the State Strategic Plan target of 2% (Target 53). DEWNR employment projects and programs employ Aboriginal people in various capacities from full-time to one day's work in various regions and roles, as detailed below:

- Within the South Australian Murray-Darling Basin, approximately 16 Aboriginal people work on four Learning on Country teams, and another six on a Working on Country team.
- Within Alinytjara Wilurara, five staff are funded through Landcare, including two Landcare Facilitators, one of whom is co-sponsored by the Anangu Pitjantjatjara Yankunytjatjara Pastoral Program. The AWNRM Board is also trialing a school-based trainee in conjunction with the Ceduna Area School.
- In the South East, positions / roles include cultural rangers (three); Aboriginal Heritage Survey (four casual); heritage surveys for the South East Flows Restoration Project (eight); Labour hire partnership with Burrandies (five); and cultural conversations, three one-day workshops (four).
- Ongoing casual employment for up to two First Peoples of the River Murray and Mallee to undertake cultural heritage assessments as part of the South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP).
- In the Coorong Lower Lakes Murray Mouth (CLLMM), four Ngarrindjeri are employed under the CLLMM Ngarrindjeri Partnerships Project, and 10 FTE in Ngarrindjeri Ruwe Contracting working on CLLMM vegetation / land management contracts (including a seasonal pool of 15 casuals during planting seasons).
- In the South Australia Arid Lands, capacity building programs (Commonwealth funded) that support training programs for Aboriginal organisations and businesses staff have employed approximately 30 Aboriginal people over the last two years; one biodiversity assistant is employed part time (six months); and there are six casual labour positions.

ABORIGINAL TRAINING AND EDUCATION

DEWNR also provides and encourages Aboriginal training and education opportunities including:

- two field-based trainees (Jesse Evans AMLR, Chris Alchin Botanic Gardens)
- two Jobs 4 Youth administrative trainees (Casey Reynolds, Tisana Carter)
- sponsored a student in their final year of study through the Gavin Wanganeen Indigenous scholarship
- two DEWNR Aboriginal employees completed the Integral Leadership program

DEWNR also partnered with the Northern Adelaide Senior College to train approximately ten students in Cert II Conservation and Land Management.

DISABILITY EMPLOYMENT REGISTER

DEWNR uses demographic data from employment forms to monitor the employment rate of people with disabilities. As at 30 June 2016, a total of 32 people were identified as having a disability.

Appendix G: Disability Access and Inclusion

Through strategies identified in the Disability Action Plan, DEWNR aims 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.

DISABILITY RIGHTS AND JUSTICE

DEWNR recognises the rights of people with disabilities and provides, as far as is practicable, opportunities for all 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* (DDA) and *Equal Opportunity Act 1984*, supported by the DEWNR Disability Access and Inclusion Plan and staff induction, which includes paper-based and online modules on disability awareness, Code of Ethics and fair treatment in the workplace.

For NRM regions, community members are able to provide planning input (e.g. to Business Plans or Water Allocation Plans) in multiple formats (via mail, email, online form), or can ring and talk to a DEWNR employee to record their submission or feedback.

INCLUSIVE AND ACCESSIBLE COMMUNITIES

Facilities upgrades at DEWNR sites during 2015-16 to encourage accessibility and inclusive communities include:

- Millicent – expansion and signs for disabled parking; disabled toilet; and reduced steps
- Cleland Wildlife Park – improved paths and maintenance; rails installed in the wetlands feeding area; space for viewing and stopping/turning of wheelchairs along the boardwalk in the forest aviary; and more disability car spaces
- Seal Bay Conservation Park – ramp to visitor centre; double access doors to visitor centre to accommodate wheelchairs and other mobility aids; disabled toilet and car parks; wheelchair-friendly boardwalk
- Kelly Hill Conservation Park – disabled parking and ramp to access visitor centre

Waymouth St offices – new fit-out includes AS recognized desk height of 720mm with sit/stand options; DDA accessible sections built into counters and café sinks for wheelchair access; and automatic opening doors on both entrances on each floor.

DEWNR also considers access and the physical capacity of participants when planning one-off events, and ensures appropriate signage for access information is provided.

Other initiatives to support disability access and inclusion include:

Cleland

- service and ongoing maintenance carried out on wheelchairs available for hire
- volunteer coordinator runs a program for children with Asperger's and learning disabilities
- program in place to support volunteers with disabilities
- the bi-annual Cleland Wildlife Park Blitz supports involvement from people with a disability

Adelaide Gaol

- wheelchair access ramps and level grounds provided throughout
- wheelchairs available for hire

- emergency telephone numbers located throughout, allowing visitors to contact office staff for immediate assistance
- education tours are diverse to accommodate all ages, groups and services
- multimedia app provides visual aids during tours.

Seal Bay Conservation Park

- information sheets available on Australian Sea Lions for hearing impaired
- interpretive guide provides verbal information when taking visitors onto the beach
- employees trained to provide assistance if required

Kelly Hill Caves

- information sheets available for hearing impaired
- brochure provided with map describing the walks within the Conservation Park
- employees trained to provide assistance if required.

Tantanoola Caves

- only wheelchair accessible tourist cave site in South Australia
- wheelchair access to the Tourist Cave, visitor centre and toilets

Botanic Gardens of South Australia (Adelaide, Mount Lofty and Wittunga)

- Inclusive volunteering programs provide opportunities for people with disabilities to engage in community activities.

Appendix H: Asbestos management in Government buildings

DEWNR prepares an annual Asbestos Risk Reduction Report. Asbestos remediation works undertaken by DEWNR during 2015-16 include:

- Mt Dare (in Witjira NP) – removed all asbestos from DEWNR owned buildings on the site; funded and managed by DPTI
- Cape Borda (in Flinders Chase NP) – removed all asbestos roofing, guttering, downpipes etc and replaced with DAC-approved roofing materials (State Heritage site); funding and project management assistance from DPTI
- Innes NP – loose surface asbestos pick-up in helipad area
- Southend (residence) – removed asbestos fence from DEWNR-owned staff housing property
- Eagle View (residence) – removed asbestos materials from DEWNR-owned staff housing property
- Wilpena (Flinders Ranges NP) – removed small, disused huts; funded by DPTI.

The following table provides an inventory of asbestos affected sites as at the end of 2015-16:

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	14	12	Remove as soon as practicable	Should be scheduled for removal at a practicable time
3	14	14	Use care during maintenance	May need removal during maintenance works
4	13	14	Monitor condition	Has asbestos present. Inspect according to legislation and policy
5	5	6	No asbestos identified / identified asbestos has been removed	All asbestos identified as per WH&S Regulations 2012 (Chapter 8 - Asbestos) has been removed
6	49	61	Further information required	These sites not yet categorised or some asbestos items do not have recommended actions

Definitions:

Category: The site performance score, determined by the worst item performance score at each site.

Number of sites in category: A count of how many sites have the corresponding site performance score, with separate counts done at the start and the end of each year.

Category description: Indicates the recommended action corresponding to the worst item performance score (recorded in the asbestos register by a competent person, as per WH&S Regulations 2012 (Chapter 8 - Asbestos).

Interpretation: A brief real-world example of what each category implies for a site.

Appendix I: Urban Design Charter

DEWNR is continuing to progress implementation of the Government's Water Sensitive Urban Design (WSUD) policy with the aim of creating more liveable and water sensitive cities in South Australia.

A system approach is being pursued to encourage uptake of WSUD approaches across new development and re-developments within South Australia, and includes:

- development of a framework and guidelines to ensure that WSUD is embraced as part of Government infrastructure projects
- development of planning policy modules to incorporate WSUD provisions in development plans and
- establishment of a capacity building program, Water Sensitive SA.

Some specific WSUD projects occurring during 2015-16 and the urban design principles they exhibit are listed in the table below.

Project	Urban Design Principle
1 Mountain bike trails at Kinchina and Monarto woodlands	Searching out community aspirations Being environmentally responsible
2 Proclamation of new conservation parks – Kinchina and Monarto woodlands	Searching out community aspirations Being environmentally responsible
3 River Murray walking trail	Combining community interest public property and private initiative
4 Partner of the Murray Coorong Walking trail	Combining community interest public property and private initiative
5 Meningie foreshore improvement (Coorong, Lower Lakes and Murray Mouth)	Reinforcing local character Formulating concepts and testing ideas
6 River Murray National Park campsite redevelopment	Being environmentally responsible

Appendix J: 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.

Appendix K: Whistleblowers Statement

DEWNR has appointed responsible officers for the purposes of the *Whistleblowers Protection Act 1993* (WPA) pursuant to Section 7 of the *Public Sector Act 2009*.

During 2015-16, there were no instances of disclosure of public interest information to a responsible officer of the Department under the WPA.

Appendix L: Public complaints

Under DEWNR'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.

During 2015-16, of the matters addressed by the Chief Executive:

- seven matters were carried across from previous financial years, and five of these were resolved during 2015-16
- seven new matters were raised, with four of these resolved by the end of 2015-16.

As a result of matters raised, the Department continues to undertake a number of responsive measures, namely:

- reviewing financial authorisations
- reviewing various policies and procedures
- promoting staff training on the code of conduct
- counseling and advice to staff on specific matters.

Appendix M: Sustainability reporting

WAYMOUTH STREET PREMISES

The new fit-out at DEWNR's Waymouth Street offices is registered with the Green Building Council of Australia (GBCA) to obtain a 6-Star Green Star Interiors v1 Certified rating as-built. This is the highest rating possible, signifying world leadership in sustainable workplace design.

To secure DEWNR as the major tenant, the building owner was required to carry out major refurbishment of the building and base engineering services to a standard that is capable of achieving a 5-Star NABERS Energy and 5-Star NABERS Water annual rating.

Construction works were undertaken by Schiavello, in accordance with a comprehensive Environmental Management System (EMS) certified to ISO 14001 standards, with construction waste minimised and 90.4% of all construction waste diverted from landfill for recycling. Local procurement of trade labour was a priority with preference given to South Australian residents within 50km of the site. Green Star Accredited Professionals were engaged from the initial stages, and an in-house DEWNR/GISA Green Management Group established to ensure that sustainability was delivered in every aspect of the tenancy.

Regarding indoor environment quality, the interior design is predominantly open plan, maximising daylight access and connectivity, with a focus on active working. More than 30% of workstations 'sit to stand', and centralised staff break out and printing stations promote walking, talking and collaboration rather than remaining desk-bound. All interior finishes (paints, carpets, sealants, adhesives) are low VOC (volatile organic compounds) and low formaldehyde, both of which can cause headaches and fatigue. Extensive green planting (including vertical greenery) reduces indoor carbon dioxide levels and improves staff general health and wellbeing. A new staff position has been created to care for workplace plantings.

All air conditioning systems have high grade filters, and provide outdoor air at a rate 50% higher than required by Australian Standards. Dedicated exhaust systems are provided to toilet and amenity areas. All new printers and copiers are certified zero emissions, and all lighting is flicker-free LED with colour rendering and a uniformity that provides a high quality lighting environment. Daylight controls promote access to daylight in preference to artificial light. All office furniture has been assessed as being of high ergonomic quality.

Regarding energy use and emissions, the building has been designed to achieve a minimum 5 Star NABERS Energy rating. Predicted annual Greenhouse Gas (GHG) emissions are 568 tonnes per annum, 253 tonnes (or 45%) less than standard practice. All lighting is LED with digital automated control systems to minimise lighting use during high daylight hours, or when spaces are unoccupied. Air conditioning systems are controlled in small thermal zones to minimise over conditioning, and allow systems to be automatically shut down when zones are unoccupied. Air conditioning systems are controlled by a fully automated Building Management System (BMS), which logs all operating conditions and allows the FM team to analyse, tune, and improve the energy efficiency of the systems. All information technology and general office equipment has been selected with high energy star ratings and automated power saving hibernation software.

Regarding transport, a Sustainable Transport Plan was prepared which established a high priority for transport options that provide an alternative to private cars. More than 264 secure bicycle racks with showers, change rooms, and lockers provide end of trip facilities for over 30% of staff, double that required for a 5 Star Green Star building and at least six times those provided in a standard building.

Regarding water, the tenancy has been designed to achieve a minimum 5 Star NABERS Water rating. Predicted annual water consumption is 3,100kL per annum, less than half the standard water use – this

translates to an annual water saving of 80 domestic swimming pools. Water fittings have high WELS Star ratings (Taps 6 Stars, WCs 4 Stars, and Showers 3 Stars).

Regarding materials, a 'whole of life' approach was adopted to select furniture and workstations, with priority given to Australian-made or assembled items with a low embodied carbon footprint. The fit-out was subject to a detailed Life Cycle Analysis (LCA) in accordance with EN 15978. The DEWNR tenancy has a whole of life carbon footprint 35% lower than a business as usual fit-out (equivalent to 4,590 tonnes of carbon saved over the life of the tenancy). PVC use has been minimised, and all timber used is sustainably sourced (certification provided by the Forestry Stewardship Commission or FSC). The open plan design saved over 1,800 square metres of partitioning materials, and the centralised printing and paperless office policies are expected to save over 3,600 reams of office paper per annum.

Ongoing benefits

- Social Return on Investment – A detailed economic benefit study was undertaken to assess the direct and indirect economic benefits of the sustainability choices made for the Weymouth offices. This Social Return on Investment (SROI) was calculated as \$384,000:1 for direct benefits, and \$12.56:1 for indirect benefits, over a five-year operating period. This means that for every \$1 spent on direct benefits (such as energy efficiency initiatives that provide a direct saving on energy bills) led to a return or saving of \$384,000.
- Marketing – The GBCA would like to see a better program of education and marketing of the sustainability features and benefits of a well-designed workplace. DEWNR formulated a comprehensive marketing plan to address this challenge.
- Occupant engagement – DEWNR conducted a comprehensive staff engagement and survey. BOSSA were commissioned to undertake a survey to determine staff levels of satisfaction with their environment and a list of features they would like to see in the new workplace. DEWNR have subsequently committed to a post-occupancy survey and ongoing annual staff surveys to continually improve the quality of the indoor workplace environment.

Appendix N: Public lands and coastal conservation

Special circumstance sales under the *Crown Lands Management Act 2009*

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

PERPETUAL LEASES

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

Single perpetual lease	\$6,000 or twenty times the annual rent, whichever is the greater, except where a lower purchase price is fixed PLUS documentary fees.
Multiple perpetual leases	\$6,000 for up to four leases; \$1,200 for each additional lease in the application up to 10; \$900 for each between 10-20; and \$600 for any lease above 20; or Twenty times the rent, whichever is the greater PLUS documentary fees.
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 439 Town of Berri	\$89,000.00	\$6,000.00
Section 5 Hundred of Borda	\$850,000.00	\$30,123.00
Sections 421, 422 & 423 Hundred of Killanoola	\$1,800,000.00	\$21,546.00
Section 444 Hundred of Penola	\$1,350,000.00	\$16,448.00
Section 846 Hundred of MacDonnell	\$1,075,000.00	\$18,926.00
Allotment 12 DP 74057 Hundred of Fisher	\$410,000.00	\$2,539.50
Allotment 297 Town of Berri	\$62,000.00	\$6,000.00
Section 419 Hundred of Gordon	\$142,000.00	\$1,800.00
Sections 428 & 429 Hundred of Gordon	\$170,000.00	\$5,100.00
Section 300 Hundred of Gordon	\$62,000.00	\$6,000.00

LAND DESCRIPTION	MARKET VALUE*	CONSIDERATION
Allotment 1 DP 76279 Hundred of Hutchinson	\$225,000.00	\$8,319.00
Section 26 Hundred of Gosse	\$290,000.00	\$31,104.00
Section 433 & Allotment 1 DP 39598 Hundred of Gordon	\$161,000.00	\$1,475.00
Section 318 Hundred of Terowie	\$80,000.00	\$6,000.00
Sections 50 & 51 Hundred of Yaninee	\$9,500.00	\$6,000.00
Section 66 & 67 Hundred of Boothby	\$108,000.00	\$6,000.00
Section 239, 240 & 407 Hundred of Waterhouse	\$1,000,000.00	\$6,000.00
Section 297 Hundred of Yankalilla	\$93,000.00	\$6,000.00
Section 78 Hundred of Cummins	\$2,125,000.00	\$21,594.00
Allotment comprising pieces 20 & 21 DP 54282 and Allotment 28 FP 52722 Hundred of Brinkley	\$900,000.00	\$20,378.00
Allotment 10 DP 25772 Hundred of Wanilla	\$1,375,000.00	\$18,064.00
Sections 13 29 & 33 Hundred of Glynn	\$260,000.00	\$6,000.00
Sections 443 & 444 Hundred of Gordon	\$169,000.00	\$4,250.00
Section 690 & Allotment 1 DP 22878 Berri Irrigation Area	\$76,000.00	\$6,000.00
Section 15 & 87 Hundred of Markaranka	\$495,000.00	\$2,000.00
Allotment 100 DP 22958 Hundred of Coonarie	\$355,000.00	\$2,000.00

The Minister has determined that the property known as the Wallaroo Shores Development comprised of the following parcels:

- Portion of allotment 312 Town of Wallaroo, Hundred of Wallaroo;
- Allotment 313 Town of Wallaroo, Hundred of Wallaroo;
- Portion of allotment 314 Town of Wallaroo, Hundred of Wallaroo;
- Allotment 32 in Deposited Plan 90525, Hundred of Wallaroo can be sold without a market process at market value due to special circumstances. The disposal of these properties is anticipated to be finalised next financial year.

*Note: the nominated Market Value was taken from the Valuer-General's site value as at June 2016.

Appendix O: Reporting under the *River Murray Act 2003*

River Murray – Compliance operations 2015-16

DEWNR continued routine compliance patrols of the River Murray and catchment throughout the year.

Follow-up of a major compliance operation conducted towards the end of 2014-15 continued into 2015-16 with three formal directive letters sent to large irrigators drawing water from the River Murray in relation to eight inoperative meters. These issues have all been resolved. There has been a marked improvement in levels of compliance and DEWNR was particularly pleased that a major irrigation trust replaced all non-operative meters and resumed submitting usage data. Local staff also reported an increase in compliance related enquiries from local water users - including applications from 'shack' owners for water licences and allocations.

Thirty-nine directive letters were sent to residential users (primarily shack owners at Walkers Flat) requiring they submit meter reads. At time of reporting over 99% of usage data for water drawn from the Murray has been successfully collected. As this was the first year of requiring self-meter reads, an education/reminder approach was taken and no prosecutions initiated. Commencing 1 July 2016 expiation notices will be issued for licensees who fail to respond to meter read reminder letters.

A number of minor reports of unlawful constructions and riverbank clearance were satisfactorily resolved by warning and education. One Crown land lessee at Idyll Acres was charged with unlawful excavation and land clearing on the riverbank. This was the first ever prosecution under the *Crown Lands Management Act 2009*. The defendant was subsequently convicted at Berri Magistrates Court and fined \$1,000 plus costs. The case was reported by most Riverland media outlets and DEWNR is hopeful the outcome will send a useful deterrent message to other landowners/lessees along the riverbank.

River Murray – Development control 2015-16

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 385 development applications under delegation from the Minister for Water and the River Murray. Input to one development plan amendment was also provided under delegation from the Minister.

Referral of matters under the related operational Acts

In 2015-16 there were 426 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	385	1
Mining Act 1971	8	0

Harbors and Navigation Act 1993	20	0
Fisheries Management Act 2007	13	0
Total	426	1

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 51 percent of the referrals, while river structures comprised of around 22 percent, and land divisions nine percent. The remaining 18 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 2015-16 were mandatory referrals under schedule 8 of the *Development Regulations 2008*. All were addressed within the statutory time frame of eight weeks.

In addition, four 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, 20 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 10 to 15 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)	77
Crown Lands (DEWNR)	19
Marine Transport Safety (DPTI)	14
Water Licensing (DEWNR)	6
Native Vegetation Management (DEWNR)	5
Natural Resources (DEWNR)	4
State Heritage (DEWNR)	2
Maritime Heritage (DEWNR)	1
Coast Protection (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 92 percent) of mandatory referrals during 2015-16 related to activities occurring within the River Murray Floodplain Area. Seven 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 2015-16 to the Minister for Water and the River Murray as required under section 24(3) of the *Development Act 1993*. This included one DPA 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 eight mining applications were referred in 2015-16 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 20 Aquatic Activity Licence applications were referred in 2015-16 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 2015-16, 13 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

Amendments to the Development Regulations 2008 which came into effect on 25 June 2015 resulted in a reduction of development applications requiring referral to the Minister for Water and the River Murray (from 483 in 2014-15 to 385 in 2015-16). The amendments included 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.

Appendix P: Reporting under the *Adelaide Dolphin Sanctuary Act 2005*

This report is for the financial year 1 July 2015 to 30 June 2016 and is presented to fulfil the requirements of section 26 of the *Adelaide Dolphin Sanctuary Act 2005* (referred to as 'the Act' in this appendix).

Objects and objectives of the Act

Section 7 of the Act defines the objects of the Act as:

- (a) to protect the dolphin population of the Port Adelaide River estuary and Barker Inlet; and
- (b) to protect the natural habitat of that population.

These objects are to be accomplished by the achievement of the following six objectives, as defined under section 8(1) of the Act:

- (a) the protection of the dolphin population of the Port Adelaide River estuary and Barker Inlet from direct physical harm is to be maintained and improved;
- (b) the key habitat features in the Port Adelaide River estuary and Barker Inlet that are necessary to sustain the dolphin population are to be maintained, protected and restored;
- (c) water quality within the Port Adelaide River estuary and Barker Inlet should be improved to a level that sustains the ecological processes, environmental values and productive capacity of the Port Adelaide River estuary and Barker Inlet;
- (d) the interests of the community are to be taken into account by recognising indigenous and other cultural, and historical, relationships with the Port Adelaide River estuary and Barker Inlet and surrounding areas, and by ensuring appropriate participation in processes associated with the management of the Port Adelaide River estuary and Barker Inlet;
- (e) public awareness of the importance of a healthy Port Adelaide River estuary and Barker Inlet to the economic, social and cultural prosperities of the local communities, and the community more generally, is to be promoted;
- (f) the principles of ecological sustainable development in relation to the use and management of the Port Adelaide River estuary and Barker Inlet are to be promoted.

For the purposes of subsection 8(1)(f) above, the Act declares the following as principles of ecologically sustainable development:

- (a) that the use, development and protection of the environment should be managed in a way, and at a rate, that will enable people and communities to provide for their economic, social and physical well-being and for their health and safety while—
 - (i) sustaining the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations; and
 - (ii) safeguarding the life-supporting capacity of air, water, land and ecosystems; and
 - (iii) avoiding, remedying or mitigating any adverse effects of activities on the environment;
- (b) that proper weight should be given to both long and short term economic, environmental, social and equity considerations in deciding all matters relating to environmental protection, restoration and enhancement;
- (c) that, if there are threats of serious or irreversible environmental harm, lack of full scientific certainty should not be taken to justify the postponement of decisions or measures to prevent the environmental harm.

Achievement of South Australia's Strategic Plan

In 2005, the *Adelaide Dolphin Sanctuary Act 2005* was proclaimed and the Adelaide Dolphin Sanctuary (ADS) was established to address community concerns about the safety of the dolphins living in the Port Adelaide River and Barker Inlet. During 2015-16 DEWNR staff undertook actions outlined in the ADS Management Plan and Annual Implementation Program. These actions support the following targets of South Australia's Strategic Plan (SASP):

T3.1 Biodiversity - Lose no species. Resource protection activities were conducted within the ADS, Port Gawler, Buckland Park and Torrens Island Conservation Parks to manage significant existing threats to biodiversity conservation, including action to conserve threatened species and communities.

Adelaide Dolphin Sanctuary Management Plan

The Act requires the Minister to prepare and implement a Management Plan for the Sanctuary. The adopted ADS Management Plan was launched by the Minister on 26 September 2008.

The ADS Management Plan sets out the South Australian Government's plans to achieve the objects and objectives of the Act. It broadly charts the direction for Government and stakeholders to pursue in managing the local dolphin population and their environment. The Management Plan covers a seven year period, and actions will be progressed in stages over this time.

The plan is structured around the achievement of each of the six ADS Act objectives. For each objective, the plan:

- describes issues to support its achievement
- defines a strategic direction
- makes a priority assessment
- identifies government agency responsibilities
- proposes actions to fulfil the strategy.

DEWNR is working with the other agencies responsible for furthering the objects and objectives of the Act to implement the actions outlined in the plan.

SUPPORTING DOCUMENTS

The Management Plan is supported by four companion documents:

- **Three reference papers** which compile specific information about the three main environmental objectives – Dolphins, Key Habitat Features and Water Quality. The papers provide a summary of the information that has informed the Plan. These may be updated as new scientific research becomes available and new initiatives begin.
- An **Annual Implementation Program** which forms part of the Minister's Report to Parliament. This Implementation Program sets specific annual targets and tasks for the coming year, how these will achieve the actions established by the management plan and assess the achievement of the previous year's program.

Achievement of the ADS Object and Objectives

Actions undertaken aim to ensure the objectives of the Act are achieved. The actions undertaken during 2015-16 are detailed below.

OBJECTIVE 1 – PROTECTION OF THE DOLPHINS

A key aim of the ADS is to maintain and improve the protection of the resident dolphin population from direct and physical harm.

Pathological examination of dolphins stranded in the Adelaide and Mt Lofty Ranges Natural Resources Management Region is undertaken by the South Australian Museum, supported by funding from the Adelaide and Mt Lofty Ranges Natural Resource Management Board (AMLR NRM Board).

AMLR Natural Resources in liaison with the EPA funded initial toxicological testing for a likely stillborn neonate ADS dolphin known as Marea (body collected during 2014-15). Results for PFCs (perfluorinated compounds) were high relative to worldwide literature. PFCs are used in industry for a variety of purposes but particularly as flame retardants. They are water soluble pollutants which bio-accumulate and are known to persist in the environment for some time. The levels of PFCs found in the ADS neonate dolphin prompted further testing of another dozen dolphin carcasses which were collected from across South Australia including from the ADS.

Further testing of water and marine life throughout the Port River and Barker Inlet was also conducted by the EPA with levels in edible tissue found to be below the maximum allowable concentrations.

The levels found in the ADS dolphins were found to be higher than those across the state but of a similar level found in dolphins living in a similar industrial habitat interstate, i.e. dolphin population in Swan River, Western Australia. The impacts of these concentrations aren't well documented. This situation highlights the importance of carcass collection in determining health of both the dolphin population and of the broader Port River and Barker Inlet environment.

During 2015-16 four dolphin deaths were recorded in the Adelaide Dolphin Sanctuary: two adult males, an adult female and a male neonate (newborn calf). There were no suspicious causes of death.

Table 1: Dolphin deaths recorded in the Adelaide Dolphin Sanctuary 2015-16

No.	Date	Species/Sex/Age	Location	Necropsy Findings/cause of death
1.	26/10/2015	Bottlenose Dolphin, Female adult	North Haven Beach	Dolphin known as "Crinkle", 41 years old. Disease (possible circulatory disorder associated with multiple organ infections and a large abscess at the shoulder joint). The animal was emaciated
2.	12/11/2015	Bottlenose Dolphin, Male adult	Mutton Cove	Dolphin known as "Unhap", 22 years old. Unknown (sudden death) body condition was good and blunt trauma had reached to deep muscle.
3.	9/12/2015	Bottlenose Dolphin, Male adult	North Arm	Dolphin known as "Jumper", 14 years old. Disease (multiple organ infections, especially severe parasite infection on the liver, intestines and lung. Evidence of blunt force trauma was also found.
4.	17/12/2015	Bottlenose Dolphin, Male, neonate	Outer Harbour	Calf of Dolphin known as Boss. Carcass was quite decomposed, difficult to determine the cause of death.

On 18 July 2015, a Humpback Whale was sighted in the Inner Port at Jervois Bridge. ADS officers together with Flinders Ports, Department of Transport Marine Safety Officers, SA Police, Australian Marine Wildlife Research Rescue Organisation and the Volunteer Coast Guard coordinated vessel traffic to avoid any potential collisions. Staff monitored the whale while the large bulk carrier *MV Accolade* came into berth and a number of other large vessels were delayed and cancelled until the whale had safely left the River the next day.

Regular patrols and observations of the resident dolphin population were undertaken by staff to observe any notable changes in behaviour. Staff were assisted by ADS Action Group volunteers who undertook regular observations of the dolphin population, monitoring individual resident dolphins to increase the knowledge about the ADS dolphins.

Three dolphins were observed with fishing line entanglements. Two of the three dolphins dropped the entanglement without intervention.

An adult male dolphin known as Bella was reported with a monofilament fishing line entanglement around its tail fluke in February 2016. Four rescue attempts have been coordinated by ADS staff with other agencies and organisations to free the animal of the entanglement. One rescue attempt managed to remove the trailing line of the entanglement, leaving only the line wrapped around the tail fluke. This action has reduced the chance of the trailing line snagging and algal growth on the line which over time can impact on the animal's ability to feed and manoeuvre. The other rescue operations have been unsuccessful to date due to unsuitable weather and tide conditions, inability to locate the animal, the animal charging the net and escaping. The dolphin is free swimming, and its body condition and the entanglement is being monitored regularly.

A resident ADS calf known as June was reported in the Patawalonga Glenelg, entangled in fishing line attached to the mouth. Another dolphin known as Unhap (now deceased) was observed with fishing line entanglement around its dorsal fin. In both cases the animal freed itself of the entanglement and the animal's health wasn't affected.

To ensure compliance with the legislation to protect dolphins, habitat and water quality, staff completed over 40 water patrols. There were no recorded incidents of speeding vessels, harassment or feeding of dolphins. There were no reported offences under Section 68 of the *National Parks and Wildlife Act 1972* and *National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010* were investigated. It is the first time in three years that no compliance related offences were recorded in the ADS.

OBJECTIVE 2 – PROTECTION OF KEY HABITAT FEATURES

The ADS contains mangroves, seagrass, saltmarsh, tidal flats, tidal creeks and estuarine rivers which all combine to provide habitat for the ADS dolphins and for their food resources. The Act requires that key habitat features in the Port River and Barker Inlet necessary to sustain the dolphin population and are to be maintained, protected and restored.

The following actions in table two were undertaken by Natural Resources, Adelaide and Mt Lofty Ranges (NR, AMLR) staff to address threats to specific vegetation communities within the ADS. Works were undertaken to assess and improve the vegetation condition with priority for the control of declared weeds in highest conservation priority areas as identified in the *Metropolitan Adelaide and Northern Coastal Action Plan 2009*. Funding has also been provided by the Australian Government via an AMLR NRM Board Samphire Coast Icon Project, which aims to improve biodiversity conservation of saltmarsh and shorebird habitats and increase community awareness of the conservation significance of coastal habitats in the Northern Adelaide area.

Table 2: Habitat protection and restoration works within the ADS

Location	Investment	Works
Mutton Cove	\$20,446 (Samphire Coast Biodiversity Fund)	Weed control (Bridal Creeper, Boxthorn, Olive, False Caper, Onion Weed, Galenia, weedy grasses etc) site preparation for revegetation Revegetation with 1110 seedlings.
Port Gawler	\$8,659 (Samphire Coast Biodiversity Fund) \$2,843 (AMLR NRM Board)	Bridal creeper, Calomba Daisy control contractors/ watering
Buckland Park	\$3,600 (AMLR NRM Board) \$25,031 (Samphire Coast Biodiversity Fund)	Watering and Gahnia plantings, Weed control (<i>Casuarina glauca</i> , African, Artichoke, <i>Juncus acutus</i>) Boxthorn, Euphorbia, Bridal Creeper, Horehound Sharp Rush
Mutton Cove North	\$24,787 (Samphire Coast Biodiversity Fund).	Council installed bollards and a gate to prevent vehicle access onto the shore of the river. Samphire Coast funded site prep, weed control and revegetation of 4,050 seedlings. Green Army and a school group assisted with planting 550 of these seedlings.
Torrens Island Conservation Park	\$14,300 (Samphire Coast Biodiversity Fund)	Weed control (Bridal Creeper, Boxthorn, Pyp Grass, etc) Revegetation – supply of 500 seedlings for planting day with Kaurana community
St Kilda	\$1,731 (AMLR NRM Board) \$1,000 (Samphire Coast Biodiversity Fund)	Revegetation Gahnia Weed control Medic species, common stock, matthiola incana, coastal Galenia
Bird Island	\$4,065 (AMLR NRM Board) \$4,015 (Samphire Coast Biodiversity Fund)	Rat Control/revegetation Boxthorn Control coastal Galenia Euphorbia paralias
Little Para Estuary	\$1,944 (AMLR NRM Board) \$1,682 (Samphire Coast Biodiversity Fund)	Revegetation Weed control Sharp Rush, <i>Juncus acutus</i> , curled Dock, <i>Rumex crispus</i>
Brooks Road Site	\$1,075 (AMLR NRM Board)	Plantings and watering
TOTAL	\$115,178	

OBJECTIVE 3 – IMPROVEMENT OF WATER QUALITY

The EPA is the lead agency in monitoring coastal, estuarine and marine water quality off the Adelaide coastline and for Gulf St Vincent. They are identified as a key agency under this objective in the ADS Management Plan.

The Port River and Barker Inlet Estuary has large areas of shallow, warm waters with restricted flushing from the Gulf waters. The Port River and Barker Inlet waters tend to retain poorer quality water, maintain favourable conditions for algal growth, and have an increased risk of environmental impacts.

ADS continued to work with the EPA regarding water quality issues in the ADS waters. The EPA investigated and provided information to the ADS and the community on the compliance of water-based industrial activities and instances of fuel spills throughout the Port River.

Other highlights included:

- Nine Aquatic Activity Licences referred to the ADS under the *Harbors and Navigation Act 1993* were assessed for their potential to cause turbidity.
- Developments, activities and planning documents were referred to ADS and were assessed for their potential impact on sediment disturbance and appropriate actions were recommended to minimise any disturbance.
- A clean-up day on Bird Island in the ADS was undertaken on 6 June 2016 with volunteers from the ADS Action Group, Friends of the Adelaide International Bird Sanctuary, Pelican Monitoring Group and Friends of Torrens Island. A significant amount of rubbish and small plastics were collected and taken back to shore via boat.
- ADS staff continued to remove and document floating marine debris while on patrol.

OBJECTIVE 4 – RECOGNITION OF LOCAL INTERESTS AND PARTICIPATION IN MANAGEMENT PROCESSES

There are significant indigenous and other cultural and historical relationships within the Port Adelaide River estuary and Barker Inlet which must be considered in the management of the ADS environment. Without the support of all the diverse users of the ADS environment, it would not be possible to achieve the ADS Act objectives of protecting the dolphins and their habitat.

A Kurna repatriation event was held on Torrens Island on 23 July 2015. The Kurna Nation Cultural Heritage Association and the Adelaide and Mount Lofty Ranges NRM Board hosted an important Kurna event. The event was the final stage of a repatriation project on Torrens Island where 66 ancestral remains previously stored in museums were reburied. The event saw students from Largs Bay primary school and Kurna students work with AMLR and ADS staff to revegetate the dunes and clean up Torrens Island beach.

The ADS Action Group, established in 2012, has over 50 registered volunteers who contributed over 900 volunteer hours a year supporting the achievement of the ADS management plan objectives through water patrols, administration tasks, community engagement and outreach projects.

ADS staff delivered several training programs for ADS Action Group volunteers including dolphin identification, introduction to the ADS and marine safety training.

ADS staff provided advice and conducted assessments for new and existing ADS Commercial Tour Operators permit applications issued under the Tour Operator Licensing and Permitting Policy in support of the *National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010*.

ADS staff distributed the ADS Users Guide throughout community engagement and outreach outlets throughout the ADS. The guide provides specific information about the ADS dolphins and their habitats, and highlight the importance of the Port River and Barker Inlet environs for SA.

OBJECTIVE 5 – PROMOTION OF PUBLIC AWARENESS OF ECOLOGICAL IMPORTANCE OF THE AREA

A special forum for ADS stakeholders, *ADS 10+*, was held on 10 November 2015 to reflect on the achievements and challenges of the past 10 years of operation of the ADS. Ninety participants attended the day opened by the Hon. Ian Hunter MLC, Minister for Sustainability, Environment and Conservation.

The Minister and the DEWNR Chief Executive, Sandy Pitcher, joined the ADS staff on a boat patrol in the Adelaide Dolphin Sanctuary in October 2015.

All community engagement activities aimed to raise the profile of the ADS within the community and encourage users of the ADS waters to understand and appreciate the unique resident dolphin population and supporting habitats within the Sanctuary.

The ADS Management Plan aims and objectives were promoted to the community through presenting information to community groups and public forums including:

- Marina Adelaide Boat Show
- Port Festival
- North Haven Primary School Junior Dolphin Ranger annual training day, SA Maritime Museum, March 2016.
- Royal Adelaide Show September 2015
- Mutton Cove Planting Day
- Regular community engagement days at boat ramps within the ADS
- Adelaide Boat Show
- Flotilla for Kids
- Junior Dolphin Ranger Training Day
- Port Festival
- Adelaide Royal Show.

At these events staff and volunteers promoted opportunities for the community to get involved and understand the environmental importance of the ADS through the activities of the ADS Action Group.

The AMLR NRM Board's Australian Government funded Samphire Coast Icon Project seeks to conserve and rehabilitate nationally threatened samphire species and migratory shorebird habitats around the Adelaide Dolphin Sanctuary. Actions include on-ground conservation works, community awareness and planning opportunities for habitat retreat with increasing sea level rise. Saltmarsh and shorebird workshops assisted with public awareness of important areas within the Adelaide Dolphin Sanctuary.

OBJECTIVE 6 – PROMOTION OF THE PRINCIPLES OF ECOLOGICAL SUSTAINABLE DEVELOPMENT

ADS worked with new and existing industries to support the achievement of ecological sustainable development principles. The Act aims to protect and improve the environment of the Port River and Barker Inlet ecosystems including the habitat of the resident dolphin population; it recognises that a wide range of multiple uses of the area will continue and identifies provisions aimed at preventing or minimising environmental impact of these activities and of new developments. Through the referral process DEWNR has continued to assess development proposals under the Act's 'general duty of care' ensuring that all reasonable measures to prevent or minimise any harm to the Sanctuary have been identified in their actions or activities.

ADS provided advice on nine referrals under the *Harbors and Navigation Act 1993*, four under the *Fisheries Management Act 2007* and three comments on development related projects or plans. A summary of referrals can be seen in the table below.

<i>Harbors and Navigation Act</i>	
1	Port Adelaide Sailing Club
2	Port Adelaide Speedboat Club
3	St Peters College Sailing Program
4	Port Adelaide Enfield Council
5	Port River Sailing Club
6	Port Adelaide Rowing Club
7	Flotilla for Kids Little Heroes
8	Port Adelaide Sailing Club
9	AAC (fireworks display)
<i>Fisheries Management Act</i>	
1	PIRSA
2	University of South Australia
3	Adelaide University
4	Adelaide University

Development Advice

- | | |
|---|---|
| 1 | Hobart Class: Acoustic Systems
Trials Environmental Assessment –
Common User Facility |
| 2 | CERES Project (cable installation) |
| 3 | Port Adelaide Enfield Council Biodiversity Management Plan 2016 |

Enforcement of General Duty of Care

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

Issuance of protection or other orders

No protection or reparation orders/authorisations were issued.

Annual implementation program for Management Plan

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

The Annual Implementation Program provides a means for addressing specific actions that will be undertaken and can be updated annually. It allows for incorporation of unexpected events and is an annual accountability mechanism.

The Annual Implementation Program for 2016-17 is below and has been prepared in line with the strategies and actions outlined in the ADS Management Plan.

ADS Annual Implementation Program 2016-17

The following actions will be undertaken by staff in Natural Resources, Adelaide & Mt Lofty Ranges Region and supporting agencies during 2016-17 to achieve the objectives of the *Adelaide Dolphin Sanctuary Act 2005* and strategies outlined in the ADS Management Plan 2008.

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

Issue 1.1 Lack of scientific knowledge about ADS dolphins

ACTIONS:

- Support on-going research into ADS dolphins and other South Australian dolphins where relevant and appropriate, and seek partnerships with local and interstate universities, the SA Museum and other researchers to explore possibilities for collaborative and low impact, non-invasive research in the ADS.
- Continue the collection of dead dolphins for examination by the SA Museum to inform the ADS dolphin research and monitoring program.

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

ACTIONS:

- DEWNR and DPTI to implement preventative measures as required.
- DEWNR and DPTI will review speed limits in the ADS to assess dolphin safety.

Issue 1.3 Entanglement in vessel and fishing gear

ACTIONS:

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

Issue 1.4 Intentional harm

ACTIONS:

- Continue regular land and sea patrols of the ADS to ensure compliance with the *National Parks and Wildlife (Protected Animals—Marine Mammals) Regulations 2010*.
- ADS staff will develop a compliance strategy.
- ADS education programs will increase awareness of dolphins and support members of the public who report observations of any actual or potential incidents.

Issue 1.5 Impacts from human interaction

ACTIONS:

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

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

Issue 2.1 Food Supply

ACTIONS:

- Support research to determine specific prey species of ADS dolphins.

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

ACTIONS:

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

Issue 2.3 New developments

ACTIONS:

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

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

ACTIONS

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

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

Issue 3.1 Discharges - nutrients

ACTIONS

- Work with the EPA to implement the Port Waterways Water Quality Improvement Plan and address recommendations outlined in the Adelaide Coastal Waters Study which are relevant to the ADS.
- Work with the EPA to monitor pollutants of concern including PFOC and POP's
- Support research efforts into the effect of excess nutrients, particularly as they relate to prey species, vegetation health and pest species.

Issue 3.2 Discharges - pollutants

ACTIONS

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

Issue 3.3 Turbidity and release of toxins from sediment

ACTIONS

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

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

Issue 4.1 Inclusion of all stakeholders

ACTIONS

- Undertake planning for the future strategic direction of the ADS with key government and external stakeholders prior to the review of the management plan.
- Public consultation on any ADS Management Plan amendments will follow statutory process.
- The Minister for Sustainability, Environment and Conservation's Annual Report and Annual Implementation Program will be made available to all stakeholders.
- Review and improve online presence of ADS

Issue 4.2 Support of recreational users

ACTIONS

- DEWNR will continue ongoing assessment of referrals for aquatic licences (under section 26 of *Harbours and Navigation Act 1993*).

Issue 4.3 Support of industry interests

ACTIONS

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

Issue 4.4 Protection of indigenous values in the area

ACTIONS

- Work with Kaurna people to ensure ADS information reflects Kaurna culture accurately and appropriately.

Issue 4.5 Support for tourism activities

ACTIONS

- Liaise with existing operators to assess the current cumulative impact of activities and work with operators to develop appropriate ADS interpretative material.
- Work with operators and the public to ensure understanding of the *National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010* and support compliance with these Regulations.
- Support *the Nature like No Where else: Activating Nature-based Tourism in South Australia* strategy

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

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

ACTIONS

- Compile an ADS communications strategy, including an assessment of existing information, and ensure the strategy includes appropriate actions to support implementation of the plan.
- DEWNR will work with relevant government agencies, including PIRSA Fisheries, DPTI and EPA, to ensure a consistent delivery of messages.
- DEWNR will continue to support and distribute the ADS Education Resource kit.

Issue 5.2 ADS Sign Strategy

ACTIONS

- In collaboration with DPTI, PIRSA Fisheries, Port Adelaide Enfield Council and City of Salisbury, ADS staff will develop a sign strategy for the ADS and investigate funding opportunities.
- ADS and DPTI will determine the best means to sign-post vessel speed limits as part of the overall signage strategy for the area.

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

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

ACTIONS

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

Appendix Q: Regional Impact Assessment Statements

Marine Park Regional Impact Assessment Statements (RIAS) for Ceduna, Kangaroo Island and Port Wakefield were released publicly on 1 October 2015. The Regional Impact Assessment Statements were independently prepared for Ceduna, Kangaroo Island and Port Wakefield to investigate the impacts of implementing the marine parks in these areas. The Government has carefully considered the findings of the report and acknowledges that no region-wide impacts were discovered. The Government believes this demonstrates that the hard work done by Marine Park Local Advisory Groups, community members, stakeholder groups and Government agencies to develop the marine parks zoning is paying off. Further information can be found at <http://www.environment.sa.gov.au/marineparks/home/media/articles/151001-marine-parks-rias>

The RIAS for the South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) was published in May 2016. This program is a package of environmental works and measures that will allow periodic managed inundation of the Pike floodplain near Renmark and Katarapko floodplain near Berri. It will also lead to changes in the operation of the River Murray between Lock 1 (Blanchtown) and Lock 6 (SA border) for environmental benefit. A copy of the report can be obtained from [http://www.pir.sa.gov.au/_data/assets/pdf_file/0011/278660/South Australian Riverland Floodplains Integrated Infrastructure Program.pdf](http://www.pir.sa.gov.au/_data/assets/pdf_file/0011/278660/South_Australian_Riverland_Floodplains_Integrated_Infrastructure_Program.pdf)

The Riverine Recovery Project (RRP) Phase 2 Wetlands RIAS is being progressed to the Minister for submission to Minister Brock. The RRP is focused on recovering environmental water, maintaining and improving water-dependent ecosystem health, optimising conditions for ecological recovery, increasing community knowledge, and improving scientific knowledge and understanding for the management of floodplains, wetlands and environmental river management.

Appendix R: Financial performance

Contractual arrangements

Information on DEWNR's contracts and tenders during 2015-16 can be found at:
<https://www.tenders.sa.gov.au/tenders/index.do>

Fraud

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*.

No incidents of fraud were detected in the 2015-16 financial year.

Consultants

The following table summarises the consultancies undertaken by DEWNR during 2015-16.

Consultant	Purpose of consultancy	Number	Total \$
Value below \$10 000			
Various	Various	12	\$44,000
Value \$10 000 - \$50 000			
Pitt & Sherry (Operations) P/L	Carbon Neutral Adelaide - multi criteria analysis and additional analytical services	1	\$21,000
D. R. Mutton	Natural Resource Management and regional service delivery	1	\$14,000
Value above \$50 000			
Marsden Jacobs Associates Pty Ltd	Cost benefit analysis of using the Adelaide desalination plant during dry conditions	1	\$83,000
Communicate et al Pty Ltd	Services relating to the Monarto water supply	1	\$56,000
Total for 2015-16		16	\$218,000

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>



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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 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2016
- a Statement of Administered Financial Position as at 30 June 2016
- a Statement of Administered Changes in Equity for the year ended 30 June 2016
- a Statement of Administered Cash Flows for the year ended 30 June 2016
- a Schedule of Administered Expenses and Income attributable to administered activities for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the 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 evaluating the overall presentation of the financial report.

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

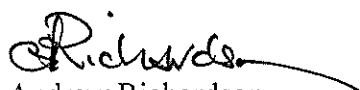
My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the Department of Environment, Water and Natural Resources' website nor does it provide an opinion on any other information which may have been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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

Unallotted Crown land error correction

I draw attention to note A11 which describes a \$553.9 million error correction to the administered financial statements to recognise unallotted Crown land assets as at 1 July 2015. Asset information was not available for prior reporting periods to enable restatement of comparative information in the financial report. The error correction was adjusted against retained earnings as at 1 July 2015.



Andrew Richardson

Auditor-General

20 September 2016

Department of Environment, Water and Natural Resources

Financial Statements

For the year ended 30 June 2016

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 2016 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.



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

16 September 2016



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

15 September 2016

Department of Environment, Water and Natural Resources
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits	5	160 552	147 694
Supplies and services	6	83 908	92 931
Grants and subsidies	7	36 352	31 561
Water recovery / acquisition	8	807	738
Depreciation and amortisation	9	20 297	20 861
Net loss from disposal of non-current assets	10	2 149	12 826
Other	11	2 491	1 261
Total expenses		306 556	307 872
Income			
Fees and charges	13	63 206	75 834
Grants	14	66 333	55 707
Interest	15	683	1 061
Other	16	40 877	33 641
Total income		171 099	166 243
Net cost of providing services		135 457	141 629
Revenues from / payments to SA Government			
Revenues from SA Government	17	156 140	141 670
Payments to SA Government	17	(13 652)	(1 200)
Total net revenues from SA Government		142 488	140 470
Net result		7 031	(1 159)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	23	48 949	11 914
Total other comprehensive income		48 949	11 914
Total comprehensive result		55 980	10 755

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 2016

		2016	2015
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	18	147 428	134 450
Receivables	19	18 117	12 831
Inventories	20	2 423	2 365
Other assets	21	1 251	1 257
Total current assets		169 219	150 903
Non-current assets			
Receivables	19	34	64
Other financial assets	22	3	3
Property, plant and equipment	23	574 397	511 784
Intangible assets	24	5 273	5 185
Total non-current assets		579 707	517 036
Total assets		748 926	667 939
Current liabilities			
Payables	26	21 893	25 544
Employee benefits	27	14 381	12 419
Provisions	28	913	584
Other liabilities	29	2 286	213
Total current liabilities		39 473	38 760
Non-current liabilities			
Payables	26	3 287	2 894
Employee benefits	27	35 140	31 724
Provisions	28	1 936	1 846
Other liabilities	29	20 490	95
Total non-current liabilities		60 853	36 559
Total liabilities		100 326	75 319
Net assets		648 600	592 620
Equity			
Contributed capital	30	22 612	22 612
Retained earnings	30	286 382	279 351
Asset revaluation surplus	30	339 606	290 657
Total equity		648 600	592 620
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 2016

		Contributed	Asset	Retained	
	Note	Capital	Revaluation	Earnings	Total
		\$'000	Surplus	\$'000	\$'000
Balance at 30 June 2014		22 612	279 791	284 771	587 174
Error correction - intangible assets	2(l)	-	-	(239)	(239)
Error correction - property, plant and equipment	2(l)	-	(1 048)	472	(576)
Error correction - other liabilities	2(m)	-	-	(59)	(59)
Error correction - receivables	2(l)	-	-	(65)	(65)
Error correction - employee benefits	2(m)	-	-	(4 370)	(4 370)
Restated balance at 30 June 2014		22 612	278 743	280 510	581 865
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	279 351	592 620
Net result for 2015-16		-	-	7 031	7 031
Gain on revaluation of property, plant and equipment		-	48 949	-	48 949
Total comprehensive results for 2015-16		-	48 949	7 031	55 980
Balance at 30 June 2016	30	22 612	339 606	286 382	648 600

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 2016

		2016	2015
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(154 005)	(144 557)
Payments for supplies and services		(102 041)	(109 328)
Payments of grants and subsidies		(38 342)	(34 950)
Water recovery / acquisition expenses		(807)	(738)
Other payments		(365)	(252)
Cash provided by (used in) operations		(295 560)	(289 825)
Cash inflows			
Fees and charges		59 153	99 189
Receipts from grants		69 400	57 280
Interest received		712	1 024
GST recovered from the Australian Taxation Office		11 886	12 596
Other receipts		42 344	37 000
Cash generated from operations		183 495	207 089
Cash flows from SA government			
Receipts from SA government		156 140	141 670
Payments to SA government		(13 652)	(1 200)
Cash generated from SA government		142 488	140 470
Net cash provided by operating activities	31	30 423	57 734
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(17 475)	(28 983)
Cash used in investing activities		(17 475)	(28 983)
Cash inflows			
Proceeds from the sale of property, plant and equipment		30	250
Cash generated from investing activities		30	250
Net cash used in investing activities		(17 445)	(28 733)
Net increase in cash and cash equivalents		12 978	29 001
Cash and cash equivalents at the beginning of the period		134 450	105 449
Cash and cash equivalents at 30 June	18	147 428	134 450

Department of Environment, Water and Natural Resources
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2016

Disaggregated disclosures - expenses and income

	Sustainability		Water		Parks and Public Assets		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Employee benefits	58 150	53 902	37 912	33 972	64 490	59 820	160 552	147 694
Supplies and services	25 177	22 754	24 023	31 442	34 708	38 735	83 908	92 931
Grants and subsidies	2 274	3 348	32 018	26 798	2 060	1 415	36 352	31 561
Water recovery / acquisition	-	-	807	738	-	-	807	738
Depreciation and amortisation	3 329	3 150	5 358	6 258	11 610	11 453	20 297	20 861
Net loss from disposal of non-current assets	301	1 030	78	369	1 770	11 427	2 149	12 826
Other	365	379	1 285	740	841	142	2 491	1 261
Total expenses	89 596	84 563	101 481	100 317	115 479	122 992	306 556	307 872
Income								
Fees and charges	8 673	5 057	27 205	47 185	27 328	23 592	63 206	75 834
Grants	8 055	8 047	52 337	41 992	5 941	5 668	66 333	55 707
Interest	7	13	650	1 014	26	34	683	1 061
Other	31 141	32 005	9 377	1 342	359	294	40 877	33 641
Total income	47 876	45 122	89 569	91 533	33 654	29 588	171 099	166 243
Net cost of providing services	41 720	39 441	11 912	8 784	81 825	93 404	135 457	141 629
Revenues from/payments to SA Government								
Revenues from SA Government	65 535	55 188	18 579	24 154	72 026	62 328	156 140	141 670
Payments to SA Government	(2 396)	(482)	(8 622)	(173)	(2 634)	(545)	(13 652)	(1 200)
Total net revenues from SA Government	63 139	54 706	9 957	23 981	69 392	61 783	142 488	140 470
Net result	21 419	15 265	(1 955)	15 197	(12 433)	(31 621)	7 031	(1 159)

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

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 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 not-for-profit entities, as DEWNR is a not for profit entity.

Except for AASB 2015-7 which DEWNR 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 2016 (refer 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 Standards require the following note disclosures, that 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

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (b) Basis of preparation (continued)

- (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 2016 and the comparative information presented.

(c) Reporting entity

DEWNR is a government department of the State of South Australia and operates within 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 DEWNR 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.

The financial statements and accompanying notes include all the controlled activities of DEWNR (refer to the disaggregated schedule for details of the DEWNR'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 amounts 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 (2015-16 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information.

These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 Summary of significant accounting policies (continued)

(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 that:

- where 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 ATO 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.

(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:

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (i) Income (continued)

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).

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

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

Resources received free of charge

Resources received free of charge are recorded as income 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 the 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 has been determined by comparing proceeds with the 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 passed to the buyer and is determined after deducting the cost of the asset from 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 DEWNR 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:

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (j) Expenses (continued)

Employee benefits

Employee benefits 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 DEWNR staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole-of-government general purpose 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	5-50
Lower Murray embankments	200
Park infrastructure	3-200
Patawalonga seawater circulation and Barcoo Outlet	6-99
Plant and equipment	2-50
Roads, tracks and trails	4-35
Salinity disposal schemes	15-99
Surface water monitoring network	5-80
Waste disposal stations	50
Sand pumping infrastructure	10-50
Leasehold improvements	12
Other	3-60
Intangible assets	
Externally acquired	2-10
Internally acquired	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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (j) Expenses (continued)

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 \$0.065 million has been disclosed in the Statement of Changes in Equity in respect of the 2013-14 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 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 other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (l) Assets (continued)

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 also 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 restructure of administrative arrangements then the assets are recognised at book value; that is the amount recorded by the transferor public authority immediately prior to the restructure.

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

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

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

Revaluation of non-current assets

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

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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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2 (I) Assets (continued)

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 cost. 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 \$0.472 million (property, plant and equipment) and \$0.239 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 a net decrease to the carrying values of intangible assets. The error correction relates to first time recognition of assets and data dictionary asset revisions.

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.

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

Unallotted Crown Land has been included in DEWNR's Administered Statement of Administered Financial Position for the first time as at 1 July 2015.

During the reporting period DEWNR undertook work to reliably identify and value relevant land holdings, and to formulate a suitable methodology supporting the reliable measurement of the integrity and value of these holdings.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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2 (I) Assets (continued)

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.

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.

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

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

Department of Environment, Water and Natural Resources
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(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 DEWNR'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).

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.

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.

During the reporting period DEWNR engaged in a new lease incentive for DEWNR's new CBD accommodation. Refer notes 23 and 29 for disclosure regarding the lease incentive asset (leasehold improvements) and liability.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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2 (m) Liabilities (continued)

Error correction

An error correction of \$0.059 million has been disclosed in the Statement of Changes in Equity in respect of the 2013-14 financial year. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to other liabilities. The error correction related to a lease incentive relating to the Tasman Terrace, Port Lincoln 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 in respect of the 2013-14 financial year. 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 DEWNR 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.

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

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2016 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of 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, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value. Additional commitments in relation to DEWNR's new CBD accommodation are reported in note 34, and account for the increase operating lease commitments later than one year.

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.

3 New and revised accounting standards and policies

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

Accounting standards

Except for AASB 2015-7 which DEWNR 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 2016.

AASB 16 Leases will apply for the first time in DEWNR's 30 June 2020 financial report. This standard will require DEWNR to recognise all leased items in the Statement of Financial Position as assets to represent the value of what DEWNR leases, and liabilities to represent expected future lease payments. This could see significant assets and liabilities being recognised and, over the lease term, amortised.

DEWNR has assessed the impact of other new and amended standards and interpretations and considers there will be no impact on accounting policies or the financial statements of the department.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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4 Activities of DEWNR

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 2016 and 30 June 2015.

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
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5 Employee benefits expenses

	2016	2015
	\$'000	\$'000
Salaries and wages	119 152	111 057
Annual leave	11 023	9 863
LSL	6 078	4 179
SERL	618	555
Employment on-costs - superannuation	13 507	12 695
Employment on-costs - other	9 458	7 561
TVSPs (refer below)	113	1 117
Board and committees fees	253	242
Other employee related expenses	350	425
Total employee benefits expenses	160 552	147 694

	2016	2015
	\$'000	\$'000
Amounts paid during the reporting period to separated employees:		
TVSPs	113	1 117
Annual leave, LSL and SERL paid to those employees	75	354
	188	1 471
Recovery from the Department of Treasury and Finance	-	(8 465)
Net cost to DEWNR	188	(6 994)

Number of employees who received a TVSP during the reporting period	1	11
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Remuneration of employees

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

	2016	2015
	Number	Number
\$145 001 – 155 000	3	2
\$155 001 – 165 000	5	3
\$165 001 – 175 000	4	4
\$175 001 – 185 000	4	5
\$185 001 – 195 000	4	3
\$195 001 – 205 000	1	-
\$205 001 – 215 000	1	2
\$225 001 – 235 000	1	1
\$235 001 – 245 000	-	2
\$245 001 – 255 000	2	-
\$265 001 – 275 000	1	-
\$275 001 – 285 000	-	1
\$285 001 – 295 000	1	-
\$315 001 – 325 000	1	1
\$335 001 – 345 000	1	-
\$355 001 – 365 000	1	-
\$405 001 – 415 000	-	1
Total	30	25

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Department of Environment, Water and Natural Resources
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5 Employee benefits expenses (continued)

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$6.127 million (2015: \$5.056 million).

6 Supplies and services

	2016	2015
	\$'000	\$'000
Accommodation and property management	16 795	15 313
Consultants	218	165
Contractors	3 434	4 776
Cost of goods sold	1 634	1 674
Fee for service	21 920	26 208
General administration	10 669	12 125
Information technology & communication	9 513	8 967
Minor works, maintenance & equipment	4 173	7 163
Monitoring fees	110	143
Sand replenishment	3 303	3 140
Scientific and technical services	334	130
Transportation	334	373
Travel and accommodation	1 874	1 819
Vehicle and aircraft	4 790	5 557
Staff development	1 401	1 696
Other	3 406	3 682
Total supplies and services	83 908	92 931

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

	2016	2015	2016	2015
	Number	Number	\$'000	\$'000
Below \$10 000	12	7	44	25
Above \$10 000	4	5	174	140
Total paid/payable to consultants engaged	16	12	218	165

7 Grants and subsidies

	2016	2015
	\$'000	\$'000
Administration of the <i>Animal Welfare Act 1985</i>	1 051	1 025
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	3 903	4 961
Goyder Facilitating Long-term Outback Water Solutions (G-FLOWS)	-	1 000
Goyder Institute	2 000	5 000
Great Artesian Basin Sustainability Initiative	2 166	-
Marine parks	1 051	-
Murray Darling Basin Authority	19 054	13 031
River Murray Improvement Program	2 000	2 000
Other	5 127	4 544
Total grants and subsidies	36 352	31 561

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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7 Grants and subsidies (continued)

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

Coorong, Lower Lakes and Murray Mouth - Long Term Plan	545	290
Marine parks	285	-
River Murray Improvement Program	2 000	2 000
Other	1 310	264
Total grants and subsidies - SA Government entities	4 140	2 554

8 Water recovery / acquisition expenses

	2016	2015
	\$'000	\$'000
Environmental water purchase	807	738
Total water recovery / acquisition expenses	807	738

9 Depreciation and amortisation expense

	2016	2015
	\$'000	\$'000
Depreciation		
Buildings and improvements	3 069	3 206
Park infrastructure	4 141	4 137
Roads, tracks and trails	4 396	5 131
Groundwater monitoring wells	2 259	2 228
Salinity disposal schemes	458	456
Patawalonga seawater circulation and Barcoo outlet	688	711
Sand pumping infrastructure	1 006	1 006
Surface water monitoring network	159	157
Waste disposal stations	168	156
Lower Murray embankments	69	69
Plant and equipment	2 465	2 450
Leasehold improvements	307	-
Other	18	19
Total depreciation	19 203	19 726
Amortisation		
Application software - internally generated	832	1 113
Application software - externally purchased	240	-
Other - war services leases	22	22
Total amortisation	1 094	1 135
Total depreciation and amortisation expense	20 297	20 861

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.

Department of Environment, Water and Natural Resources
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10 Net loss from disposal of non-current assets

	2016	2015
	\$'000	\$'000
Land		
Proceeds from disposal	-	61
Less net book value of assets disposed	-	(94)
Net (loss)/gain from disposal	-	(33)
Buildings and improvements		
Proceeds from disposal	1	-
Less net book value of assets disposed	(87)	-
Net (loss)/gain from disposal	(86)	-
Park infrastructure		
Proceeds from disposal	-	-
Less net book value of assets disposed *	(376)	(12 624)
Net (loss)/gain from disposal	(376)	(12 624)
Roads, tracks and trails		
Proceeds from disposal	-	-
Less net book value of assets disposed *	(840)	(162)
Net (loss)/gain from disposal	(840)	(162)
Plant and equipment		
Proceeds from disposal	29	9
Less net book value of assets disposed *	(876)	(16)
Net (loss)/gain from disposal	(847)	(7)
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	30	250
Less total net book value of assets disposed	(2 179)	(13 076)
Total net (loss) from disposal of non-current assets	(2 149)	(12 826)

***Assets transferred free of charge**

During the current year, assets to the value of \$1.684 million (2015: \$10.270 million) were transferred to the Board of the Botanic Gardens and State Herbarium and the Murray Darling Basin Authority free of charge.

	2016	2015
	\$'000	\$'000
Park infrastructure	376	10 094
Roads, tracks and trails	840	162
Plant and equipment	468	14
Total assets transferred free of charge	1 684	10 270

Department of Environment, Water and Natural Resources
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11 Other expenses

	2016	2015
	\$'000	\$'000
Bad and doubtful debts	60	201
Capital project costs not capitalised	2 153	809
Audit fees	405	480
Movement in Inventory	(129)	(229)
Other	2	-
Total other expenses	2 491	1 261

12 Auditors remuneration

	2016	2015
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	405	454
Total audit fees	405	454

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

13 Revenues from fees and charges

	2016	2015
	\$'000	\$'000
Admissions and guided tours	8 882	8 353
Fees, levies and licences	2 499	2 467
Property rental and related income	6 082	6 085
Taxation revenue - River Murray rehabilitation levy	1 453	24 958
Service recoveries	17 556	17 128
Other property related income	10	212
Sale of goods	3 892	3 580
Sale of professional services	8 117	5 090
Sale of support services	13 673	6 865
Sale of spatial information	840	1 014
Sale of freehold titles	202	82
Total revenues from fees and charges	63 206	75 834

Department of Environment, Water and Natural Resources
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14 Grant revenues

	2016	2015
	\$'000	\$'000
Grant revenues from the Commonwealth		
Constraints Management Strategy Implementation	830	-
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	5 003	18 719
Great Artesian Basin Sustainability Initiative	2 698	273
Implementing the Murray Darling Basin reform	2 043	2 322
Murray Futures - Riverine Recovery	7 875	6 394
National Bushfire Mitigation Program	907	-
National framework for compliance and enforcement systems	778	1 559
National Partnership Agreement - Bioregional Assessment Arckaringa/Pedirka	-	450
National Partnership Agreement - Bioregional Assessment Lake Eyre Basin	250	1 026
Nature Links	351	409
SA Riverland Floodplain Infrastructure Program	25 000	7 000
SA State Priority Project Design Funding	1 965	-
The Living Murray - Chowilla	1 015	827
The Living Murray - Lower Lakes, Coorong and Murray Mouth	888	538
Tourism Demand Driver Infrastructure	959	-
Other	287	1 429
Total grant revenues from the Commonwealth	50 849	40 946
Grant revenues from SA Government		
Adelaide Living Beaches strategy	2 590	2 512
Botanic Gardens - Aquifer Storage and Recovery	655	655
Community Emergency Services Funding	3 321	2 700
Compliance and Monitoring	690	624
Highbury Aqueduct fire prevention	282	275
One million trees	250	250
Securing low flows	590	460
Water Industry Act	200	79
Other	5 155	5 137
Total grant revenues from SA Government	13 733	12 692
Grant revenues from private industry and local government		
Implementing the Limestone Coast and Coorong Coastal Action Plan	489	479
Other	1 262	1 590
Total grant revenues from private industry and local government	1 751	2 069
Total grant revenues	66 333	55 707

Contributions with conditions of expenditure

DEWNR received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2016 \$58.597 million (2015: \$39.526 million) of grants, which have been recognised as revenues in the Statement of Comprehensive Income, are yet to be spent in the manner specified by the contributors.

15 Interest revenues

	2016	2015
	\$'000	\$'000
Interest	683	1 061
Total interest revenues	683	1 061

Department of Environment, Water and Natural Resources
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16 Other income

	2016	2015
	\$'000	\$'000
Insurance recoveries	28	38
Salaries and wages recoveries	32 499	33 295
Sponsorships, donations, commissions and bequests	114	19
Water sales	8 007	71
Other sundry revenue	229	218
Total other income	40 877	33 641

17 Revenue from / payments to SA Government

	2016	2015
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	155 185	132 698
Appropriations from contingency funds	955	8 972
Total revenues from SA Government	156 140	141 670
Payments to SA Government		
Return to consolidated account	(9 932)	(1 200)
Return of surplus cash	(3 720)	-
Total payments to SA Government	(13 652)	(1 200)

Total revenues from government consist of \$143.094 million (2015: \$120.581 million) for operational funding and \$12.091 million (2015: \$12.117 million) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

18 Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer	147 246	134 265
Imprest account / cash on hand	182	185
Total cash and cash equivalents	147 428	134 450

Deposits with the Treasurer

This includes \$59.226 million (2015: \$50.513 million) 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 Fund, SA Lower Lakes Bioremediation and Revegetation (CLLMM) account, Adelaide Stormwater Project Fund, Murray Futures Fund and the SA Riverland Floodplains Integrated Infrastructure Program.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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18 Cash and cash equivalents (continued)

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

	2016	2015
	\$'000	\$'000
Current		
Receivables	14 478	8 375
Less allowance for doubtful debts	(489)	(435)
	13 989	7 940
Accrued revenues	58	87
GST input tax recoverable	4 056	4 785
Workers compensation recoveries	14	19
Total current receivables	18 117	12 831
Non-current		
Workers compensation recoveries	34	64
Total non-current receivables	34	64

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.

	2016	2015
	\$'000	\$'000
Carrying amount at the beginning of the period	435	234
Amounts written off	(6)	-
Increase in the allowance	60	201
Carrying amount at the end of the period	489	435

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. 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 note 38.

(b) **Categorisation of financial instruments and risk exposure information** - refer to note 38.

Department of Environment, Water and Natural Resources
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20 Inventories

	2016	2015
	\$'000	\$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	507	538
Total inventories held for distribution at no or nominal amount	507	538
 Inventories held for resale - at cost		
Finished goods held for resale - at cost	1 916	1 827
Total inventories held for resale - at cost	1 916	1 827
 Total inventories	 2 423	 2 365

21 Other assets

	2016	2015
	\$'000	\$'000
Current		
Prepaid supplies and services	1 245	1 253
Other	6	4
Total other current assets	1 251	1 257

22 Other financial assets

	2016	2015
	\$'000	\$'000
Non-current		
Equity in listed entities	3	3
Total non-current other financial assets	3	3

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment

	2016	2015
	\$'000	\$'000
Land		
Independent valuation ⁽ⁱ⁾	258 890	209 941
At cost ⁽ⁱⁱ⁾	8 245	7 951
Total land	267 135	217 892
Buildings and improvements		
Independent valuation ⁽ⁱ⁾	145 491	145 491
At cost ⁽ⁱⁱ⁾	8 528	7 827
Less accumulated depreciation	(107 200)	(104 455)
Total buildings and improvements	46 819	48 863
Park infrastructure		
Independent valuation ⁽ⁱ⁾	174 267	174 267
At cost ⁽ⁱⁱ⁾	30 087	19 566
Less accumulated depreciation	(167 456)	(163 226)
Total park infrastructure	36 898	30 607
Roads, tracks and trails		
Independent valuation ⁽ⁱ⁾	194 721	194 721
At cost ⁽ⁱⁱ⁾	11 340	8 229
Less accumulated depreciation	(183 188)	(178 883)
Total roads, tracks and trails	22 873	24 067
Groundwater monitoring wells		
Independent valuation ⁽ⁱ⁾	130 256	130 256
At cost ⁽ⁱⁱ⁾	4 679	2 242
Less accumulated depreciation	(90 548)	(88 288)
Total groundwater monitoring wells	44 387	44 210
Salinity disposal schemes		
Independent valuation ⁽ⁱ⁾	44 314	44 314
At cost ⁽ⁱⁱ⁾	568	568
Less accumulated depreciation	(13 620)	(13 162)
Total salinity disposal schemes	31 262	31 720
Patawalonga seawater circulation and Barcoo outlet		
Independent valuation ⁽ⁱ⁾	45 451	45 451
Less accumulated depreciation	(14 682)	(13 994)
Total Patawalonga seawater circulation and Barcoo outlet	30 769	31 457

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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23 Property, plant and equipment (continued)

	2016	2015
	\$'000	\$'000
Sand pumping infrastructure		
At cost ⁽ⁱⁱ⁾	20 544	20 544
Less accumulated depreciation	(3 437)	(2 431)
Total sand pumping infrastructure	17 107	18 113
Surface water monitoring network		
Independent valuation ⁽ⁱ⁾	8 469	8 469
At cost ⁽ⁱⁱ⁾	1 051	1 033
Less accumulated depreciation	(4 024)	(3 865)
Total surface water monitoring network	5 496	5 637
Waste disposal stations		
Independent valuation ⁽ⁱ⁾	7 752	7 752
At cost ⁽ⁱⁱ⁾	638	638
Less accumulated depreciation	(2 829)	(2 661)
Total waste disposal stations	5 561	5 729
Lower Murray embankments		
Independent valuation ⁽ⁱ⁾	13 760	13 760
Less accumulated depreciation	(6 880)	(6 811)
Total Lower Murray embankments	6 880	6 949
Plant and equipment		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	38 691	36 044
Less accumulated depreciation	(25 137)	(24 897)
Total plant and equipment	13 554	11 147
Leasehold improvements		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	22 099	-
Less accumulated depreciation	(307)	-
Total leasehold improvements	21 792	-
Other		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1 867	1 867
Less accumulated depreciation	(668)	(650)
Total other	1 199	1 217
Capital works in progress		
Capital works in progress	22 665	34 176
Total capital works in progress	22 665	34 176
Total property, plant and equipment	574 397	511 784

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment (continued)

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(l) 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

Land comprising National, Conservation and Recreation Parks and Wilderness Protection Areas and Reserves, generally has restrictions on use imposed by statute or regulation. During the reporting period DEWNR independently revalued its national parks land holding. The independent revaluation was undertaken by Certified Practicing Valuers, Mr Mark Kay, Chief Valuer, State Valuation Office and Mr Greg McCloud, Acquisition & Procurement Valuer, State Valuation Office. A market based method was used by comparing property data to that of similar sales with consideration of restrictions on use and/or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

Other specialised assets have been revalued per the schedule below.

The valuers used by DEWNR are as follows:

Class of Asset	<i>Date of Last Independent Valuation</i>	<i>Name of Valuer</i>
Land	1 July 2015	State Valuation Office
Buildings, infrastructure and roads	1 July 2011	Valcorp Pty Ltd
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.

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment (continued)

Movement reconciliation of property, plant and equipment

	Land	Buildings & improvements	Park infrastructure	Roads, tracks & trails	Groundwater Monitoring Wells	Salinity Disposal Schemes
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	217 892	48 863	30 607	24 067	44 210	31 720
Acquisitions	294	-	-	-	-	-
Initial recognition	-	-	-	-	-	-
Transfer between classes	-	-	29	(29)	-	-
Disposals - transfers for nil consideration	-	-	(376)	(840)	-	-
Disposals	-	(87)	-	-	-	-
Transfers to/(from) capital works in progress	-	1 112	10 779	4 071	2 436	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Subtotal	294	1 025	10 432	3 202	2 436	-
Gains/(losses) for the period recognised in net result:						
Depreciation expense	-	(3 069)	(4 141)	(4 396)	(2 259)	(458)
Subtotal	-	(3 069)	(4 141)	(4 396)	(2 259)	(458)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation (decrement)/increment	48 949	-	-	-	-	-
Subtotal	48 949	-	-	-	-	-
Carrying amount at the end of period	267 135	46 819	36 898	22 873	44 387	31 262

	Patawalonga Seawater Circulation	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embankments
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	31 457	18 113	5 637	5 729	6 949
Acquisitions	-	-	-	-	-
Initial recognition	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers to/(from) capital works in progress	-	-	18	-	-
Capital WIP - expensed in current period	-	-	-	-	-
Subtotal	-	-	18	-	-
Gains/(losses) for the period recognised in net result:					
Depreciation expense	(688)	(1 006)	(159)	(168)	(69)
Subtotal	(688)	(1 006)	(159)	(168)	(69)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation (decrement)/increment	-	-	-	-	-
Subtotal	-	-	-	-	-
Carrying amount at the end of period	30 769	17 107	5 496	5 561	6 880

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23 Property, plant and equipment (continued)

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
2016					
Carrying amount at the start of period	11 147	-	1 217	34 176	511 784
Acquisitions	1 469	-	-	14 519	16 282
Initial recognition	-	22 099	-	-	22 099
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	(468)	-	-	-	(1 684)
Disposals	(408)	-	-	-	(495)
Transfers to/(from) capital works in progress	4 279	-	-	(23 877)	(1 182)
Capital WIP - expensed in current period	-	-	-	(2 153)	(2 153)
Subtotal	4 872	22 099	-	(11 511)	32 867
Gains/(losses) for the period recognised in net result:					
Depreciation expense	(2 465)	(307)	(18)	-	(19 203)
Subtotal	(2 465)	(307)	(18)	-	(19 203)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation (decrement)/increment	-	-	-	-	48 949
Subtotal	-	-	-	-	48 949
Carrying amount at the end of period	13 554	21 792	1 199	22 665	574 397

	Land \$'000	Buildings & improvements \$'000	Park infrastructure \$'000	Roads, tracks & trails \$'000	Groundwater Monitoring Wells \$'000	Salinity Disposal Schemes \$'000
2015						
Carrying amount at the start of period	217 790	52 086	28 188	28 159	45 358	26 142
Acquisitions	196	-	-	-	-	-
Transfer 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
Capital WIP - expensed in current period	-	-	-	-	-	-
Subtotal	102	(17)	6 556	1 039	1 080	568
Gains/(losses) for the period recognised in net result:						
Depreciation expense	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)
Subtotal	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation (decrement)/increment	-	-	-	-	-	5 466
Subtotal	-	-	-	-	-	5 466
Carrying amount at the end of period	217 892	48 863	30 607	24 067	44 210	31 720

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment (continued)

	Patawalonga Seawater Circulation	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embankments
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	22 658	19 119	4 944	5 247	7 018
Acquisitions	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers to/(from) capital works in progress	3 062	-	850	638	-
Capital WIP - expensed in current period	-	-	-	-	-
Subtotal	3 062	-	850	638	-
Gains/(losses) for the period recognised in net result:					
Depreciation expense	(711)	(1 006)	(157)	(156)	(69)
Subtotal	(711)	(1 006)	(157)	(156)	(69)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation (decrement)/increment	6 448	-	-	-	-
Subtotal	6 448	-	-	-	-
Carrying amount at the end of period	31 457	18 113	5 637	5 729	6 949

	Plant & equipment	Other	Capital work in progress	Total
2015	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	11 043	1 236	36 839	505 827
Acquisitions	31	-	27 932	28 159
Transfer between classes	17	-	-	-
Disposals - transfers for nil consideration	(14)	-	-	(10 270)
Disposals	(2)	-	-	(2 626)
Transfers to/(from) capital works in progress	2 522	-	(29 786)	(685)
Capital WIP - expensed in current period	-	-	(809)	(809)
Subtotal	2 554	-	(2 663)	13 769
Gains/(losses) for the period recognised in net result:				
Depreciation expense	(2 450)	(19)	-	(19 726)
Subtotal	(2 450)	(19)	-	(19 726)
Gains/(losses) for the period recognised in other comprehensive income:				
Net revaluation (decrement)/increment	-	-	-	11 914
Subtotal	-	-	-	11 914
Carrying amount at the end of period	11 147	1 217	34 176	511 784

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24 Intangible assets

	2016	2015
	\$'000	\$'000
Internally developed intangible assets		
Computer software - at cost (deemed fair value)	20 500	20 238
Less accumulated amortisation	(19 378)	(18 546)
Total internally generated computer software	1 122	1 692
Externally acquired intangible assets		
Computer software and water licences	4 449	3 529
Less accumulated amortisation	(1 069)	(829)
Total externally acquired intangible assets	3 380	2 700
Other		
Revenue stream (War services freehold leases) - at cost (deemed fair value)	1 000	1 000
Less accumulated amortisation	(229)	(207)
Total other	771	793
Total intangible assets	5 273	5 185

DEWNR recognises the following intangible assets:

Computer software

The internal development of software is capitalised by DEWNR 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. DEWNR 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 DEWNR'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.

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24 Intangible assets (continued)

Intangible asset movement reconciliation schedule

	Internally developed	Externally acquired	Revenue stream	Total
	\$'000	\$'000	\$'000	\$'000
2016				
Carrying amount at the start of the period	1 692	2 700	793	5 185
Transfers from capital works in progress	262	920	-	1 182
Amortisation	(832)	(240)	(22)	(1 094)
Carrying amount at the end of the period	1 122	3 380	771	5 273

	Internally developed	Externally acquired	Revenue stream	Total
	\$'000	\$'000	\$'000	\$'000
2015				
Carrying amount at the start of the period	2 120	2 880	815	5 815
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	2 700	793	5 185

Assets Not Recognised

Acquisition of Water Licences for Environmental Flows

While DEWNR 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 affect 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 DEWNR.

Department of Environment, Water and Natural Resources
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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 used in measurement as follows:

Fair value measurement at 30 June 2016

	Level 3
	\$'000
Recurring fair value measurements	
Land	267 135
Buildings and improvements	46 819
Park infrastructure	36 898
Roads, tracks and trails	22 873
Groundwater monitoring wells	44 387
Salinity disposal schemes	31 262
Patawalonga seawater circulation and Barcoo outlet	30 769
Surface water monitoring network	5 496
Waste disposal stations	5 561
Lower Murray embankments	6 880
Sand pumping infrastructure	17 107
Plant and equipment	13 554
Leasehold improvements	21 792
Other	1 199
Total recurring fair value measurements	551 732

Fair value measurement at 30 June 2015

	Level 3
	\$'000
Recurring fair value measurements	
Land	217 892
Buildings and improvements	48 863
Park infrastructure	30 607
Roads, tracks and trails	24 067
Groundwater monitoring wells	44 210
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	11 147
Other	1 217
Total recurring fair value measurements	477 608

Department of Environment, Water and Natural Resources
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25 Fair value measurements (continued)

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

DEWNR had no valuations categorised into level 1 or level 2 during 2015 and 2016.

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 2016.

26 Payables

	2016	2015
	\$'000	\$'000
Current		
Accrued expenses	915	1 148
Creditors	18 120	21 860
Employment on-costs	2 833	2 507
Paid Parental Leave Scheme payable	25	29
Total current payables	21 893	25 544
Non-current		
Employment on-costs	3 287	2 894
Total non-current payables	3 287	2 894

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has changed from the 2015 rate (37%) to 40%. This rate is used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.123m and employee benefits expense of \$0.123m.

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 note 38.

(b) Categorisation of financial instruments and risk exposure information - refer to note 38.

Department of Environment, Water and Natural Resources
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27 Employee benefits

	2016	2015
	\$'000	\$'000
Current		
Accrued salaries and wages	1 731	902
Annual leave	9 551	8 970
Long service leave	2 161	1 724
Skills and experience retention leave	938	823
Total current employee benefits	14 381	12 419
Non-current		
Long service leave	35 140	31 724
Total non-current employee benefits	35 140	31 724

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 2015 (3.00%) to 2016 (2.00%).

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 \$2.468m and employee benefit expense of \$2.468m. 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 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

28 Provisions

	2016	2015
	\$'000	\$'000
Current		
Provision for workers compensation	913	584
Total current provisions	913	584
Non-current		
Provision for workers compensation	1 936	1 846
Total non-current provisions	1 936	1 846
Provision movement		
Carrying amount at the beginning of the period	2 430	2 903
Reductions resulting from re-measurement or settlement without cost	-	(473)
Additional provisions recognised	419	-
Carrying amount at the end of the period	2 849	2 430

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 (a division of the Department of the Premier and Cabinet). These claims are expected to be settled within the next financial year.

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29 Other liabilities

	2016	2015
	\$'000	\$'000
Current		
Lease incentive	1 931	20
Unearned revenue	101	136
Other	254	57
Total current other liabilities	2 286	213
Non-current		
Lease incentive	20 025	95
Deposits held	465	-
Total non-current other liabilities	20 490	95

Additional lease incentive in relation to DEWNR's new CBD accommodation account for the increase in non-current lease incentives.

30 Equity

	2016	2015
	\$'000	\$'000
Contributed capital	22 612	22 612
Retained earnings	286 382	279 351
Asset revaluation surplus	339 606	290 657
Total equity	648 600	592 620

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
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31 Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	147 428	134 450
Balance as per the Statement of Cash Flows	147 428	134 450
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	30 423	57 734
Less revenues from SA Government	(156 140)	(141 670)
Add payments to SA Government	13 652	1 200
Add/less non-cash items		
Depreciation and amortisation	(20 297)	(20 861)
Capital work-in-progress expensed	(2 153)	(809)
(Loss) on disposal of non-current assets	(2 149)	(12 826)
Movements in assets and liabilities		
Increase/(decrease) in receivables	5 256	(20 434)
Increase in inventories	58	418
(Decrease)/increase in other assets	(6)	258
Decrease/(increase) in payables	2 065	(2 147)
(Increase) in employee benefits	(5 378)	(3 408)
(Increase)/decrease in provisions	(419)	473
(Increase)/decrease in other liabilities	(369)	443
Net cost of providing services	(135 457)	(141 629)

Department of Environment, Water and Natural Resources
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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.

		SA Government		Non-SA Government		Total	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses							
Employee benefits	5	-	-	160 552	147 694	160 552	147 694
Supplies and services	6						
Accommodation and property management		12 384	11 456	4 411	3 857	16 795	15 313
Consultants		-	-	218	165	218	165
Contractors		-	-	3 434	4 776	3 434	4 776
Cost of goods sold		-	-	1 634	1 674	1 634	1 674
Fee for service		3 082	2 471	18 838	23 737	21 920	26 208
General administration		8 180	3 324	2 489	8 801	10 669	12 125
Information technology & communication		3 033	2 456	6 480	6 511	9 513	8 967
Minor works, maintenance & equipment		263	363	3 910	6 800	4 173	7 163
Monitoring fees		-	-	110	143	110	143
Sand replenishment		-	-	3 303	3 140	3 303	3 140
Scientific and technical services		-	-	334	130	334	130
Transportation		-	-	334	373	334	373
Travel and accommodation		-	-	1 874	1 819	1 874	1 819
Vehicle and aircraft		3 507	3 300	1 283	2 257	4 790	5 557
Staff development		-	-	1 401	1 696	1 401	1 696
Other		-	347	3 406	3 335	3 406	3 682
Grants and subsidies	7	4 140	2 554	32 212	29 007	36 352	31 561
Water recovery / acquisition	8	-	-	807	738	807	738
Depreciation and amortisation	9	-	-	20 297	20 861	20 297	20 861
Net loss from the disposal of non-current assets	10	-	-	2 149	12 826	2 149	12 826
Other (excluding Auditors Remuneration)	11						
Bad and doubtful debts		-	-	60	201	60	201
Capital project costs not capitalised		-	-	2 153	809	2 153	809
Audit fees		-	-	-	26	-	26
Movement in Inventory		-	-	(129)	(229)	(129)	(229)
Other		-	-	2	-	2	-
Auditors remuneration	12	405	454	-	-	405	454
Total expenses		34 994	26 725	271 562	281 147	306 556	307 872

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32 Transactions with SA Government (continued)

		SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Fees and charges	13						
Admissions and guided tours		-	-	8 882	8 353	8 882	8 353
Fees, levies and licences		-	-	2 499	2 467	2 499	2 467
Property rental and related income		250	-	5 832	6 085	6 082	6 085
Taxation revenue - River Murray rehabilitation levy		1 290	-	163	24 958	1 453	24 958
Service recoveries		17 556	17 128	-	-	17 556	17 128
Other property related income		-	-	10	212	10	212
Sale of goods		-	178	3 892	3 402	3 892	3 580
Sale of professional services		5 279	1 837	2 838	3 253	8 117	5 090
Sale of support services		10 543	4 456	3 130	2 409	13 673	6 865
Sale of spatial information		148	181	692	833	840	1 014
Sale of freehold titles		-	-	202	82	202	82
Grants	14	13 733	12 692	52 600	43 015	66 333	55 707
Interest	15	683	1 054	-	7	683	1 061
Other	16						
Insurance recoveries		-	-	28	38	28	38
Salaries and wages recoveries		32 064	33 295	435	-	32 499	33 295
Sponsorships, donations, commissions and bequests		-	-	114	19	114	19
Water sales		-	-	8 007	71	8 007	71
Other sundry revenue		-	-	229	218	229	218
Net Revenues from SA Government	17	142 488	140 470	-	-	142 488	140 470
Total income		224 034	211 291	89 553	95 422	313 587	306 713
Financial assets							
Receivables	19						
Receivables		7 218	5 213	6 771	2 727	13 989	7 940
Accrued revenues		-	-	58	87	58	87
GST input tax recoverable		-	-	4 056	4 785	4 056	4 785
Workers compensation recoveries		-	-	48	83	48	83
Other financial assets	21						
Prepaid supplies and services		-	-	1 245	1 253	1 245	1 253
Other		-	-	6	4	6	4
Equity in listed entities	22	-	-	3	3	3	3
Total financial assets		7 218	5 213	12 187	8 942	19 405	14 155
Financial liabilities							
Payables	26						
Accrued expenses		412	489	503	659	915	1 148
Creditors		4 552	4 615	13 568	17 245	18 120	21 860
Employment on-costs		3 049	2 787	3 071	2 614	6 120	5 401
Paid Parental Leave Scheme payable		-	-	25	29	25	29
Other liabilities	29						
Lease incentive		21 956	-	-	115	21 956	115
Unearned revenue		-	-	101	136	101	136
Deposits held		-	-	465	-	465	-
Other		-	-	254	57	254	57
Total financial liabilities		29 969	7 891	17 987	20 855	47 956	28 746

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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.

		Original budget¹ 2016 \$'000	Actual 2016 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefits		148 089	160 552	12 463
Supplies and services	a	117 567	83 908	(33 659)
Grants and subsidies		37 097	36 352	(745)
Water recovery / acquisition		-	807	807
Depreciation and amortisation		21 042	20 297	(745)
Net loss from disposal of non-current assets		-	2 149	2 149
Other		5 677	2 491	(3 186)
Total expenses		329 472	306 556	(22 916)
Income				
Fees and charges	b	49 037	63 206	14 169
Grants	c	49 564	66 333	16 769
Interest		124	683	559
Other		39 178	40 877	1 699
Total income		137 903	171 099	33 196
Net cost of providing services		191 569	135 457	(56 112)
Revenues from / payments to SA government				
Revenues from SA government		155 185	156 140	955
Payments to SA government		-	(13 652)	(13 652)
Total net revenues from SA Government		155 185	142 488	(12 697)
Net result		(36 384)	7 031	43 415
Other comprehensive income				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus		-	48 949	48 949
Total other comprehensive income		-	48 949	48 949
Total comprehensive result		(36 384)	55 980	92 364

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 (2015-16 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 lower actual expenditure in comparison to original budget is due to the carry forward of significant funds which are largely associated with Commonwealth funded programs – this expenditure is now expected to occur in the next financial year.
- The variance is due largely to an increase in the sale of support services, and revenue in relation to drilling in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.

Department of Environment, Water and Natural Resources
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33 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

- c. The variance is largely due to an increase in funding for Commonwealth programs (e.g. South Australian Riverland Floodplain Integrated Infrastructure Program). This revenue will fund expenditure expected to be incurred in the next financial year.

Investing expenditure summary	\$'000	\$'000	\$'000
Total existing projects	7 973	7 569	(404)
Total annual program	10 264	8 687	(1 577)
Total investing expenditure	18 237	16 256	(1 981)

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 (2015-16 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

34 Unrecognised contractual commitments

Operating lease commitments

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

	2016	2015
	\$'000	\$'000
Within one year	8 583	11 241
Later than one year but not longer than five years	25 327	12 294
Later than five years	42 608	17 232
Total operating lease commitments	76 518	40 767

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.

During the 2015-16 financial year, DEWNR received lease incentives for a newly leased property amounting to \$25.68 million. After fit-out costs (\$22.099 million), the remaining lease incentive (\$3.545 million) is being amortised over the life of the lease.

Capital commitments

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

	2016	2015
	\$'000	\$'000
Within one year	8 474	2 250
Total capital commitments	8 474	2 250

DEWNR's capital commitments include amounts associated with the South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) (\$7.324 million) and the Kangaroo Island Multi-Day Walk (\$1.150 million). In 2014-15, capital commitments comprised Kangaroo Island Multi-Day Walk (\$2.250 million).

Expenditure commitments

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

	2016	2015
	\$'000	\$'000
Within one year	19 444	19 054
Later than one year but not longer than five years	50 117	48 189
Total expenditure commitments	69 561	67 243

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

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35 Contingent assets and liabilities

DEWNR 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.

36 Remuneration of board and committee members

Members of the boards and committees during the 2015-16 financial year were:

South Australian Heritage Council

Beazley S L
Carr J M *
Donaldson R T
Hartnell C C (retired 14/10/15)
Leydon G J
MacKinnon A G
Queale M W
Schulz J
Wigg C A
Ben Kahn A (acting member)

Kangaroo Management Reference Group

Ackland T M	Neal J
Ashby D (retired 31/12/15)	Stringer J * (ex-officio)
Borda R	Smith C (retired 31/12/15)
Dunn E * (retired 31/12/15)	Tansell G
Evans D (retired 31/12/15)	Turner M (retired 31/12/15)
Gerschwitz T * (ex-officio)	Wigg T * (ex-officio)
Lewis A G	Winen M
McBride M P (retired 31/12/15)	Wright L (retired 31/12/15)
Milne T (retired 31/12/15)	Agius Q L B (appointed 01/04/16)
Mould J (retired 31/12/15)	De Preu N D (appointed 01/04/16)
Moore M *	Slade K L (appointed 01/04/16)
Williams S L (appointed 01/04/16)	Dean P * (ex-officio)
Warwick R M (appointed 01/04/16)	

Witjira National Park Board of Management

Ah Chee A	Fuschtei V T N
Ah Chee M R	Tjami R (appointed 01/11/15)
Magor A B *	Pelton G A *
Miller H * (appointed 01/11/15)	Doolan D (appointed 31/01/14)
Walton J (retired 30/10/15)	
McKenzie V C (deputy; appointed 01/11/15)	

Ngaut Ngaut Conservation Park Co-management Board

Campbell I M
Campbell I L
Dominelli S T *
Gillen P G *
Hutchinson C M
Tesoriero J *

Vulkathunha-Gammon Ranges National Park Cooperative Management Committee

Coulthard C C (retired 06/11/15)	Toscano M *
Coulthard J M	Paul S A M *
Coulthard R R (retired 06/11/15)	Naismith T L *
Loan L M (appointed 07/11/15)	Anderson M F G
Mooney P A * (retired 06/11/15)	McKenzie P J
Johnson K W (appointed 07/11/15)	

Pastoral Board

Bellette K J
Johnson A W *
Lillecrapp D G
Linton V M *
Mills G D
Mould J A

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36 Remuneration of board and committee members (continued)

Animal Welfare Advisory Committee

Evans D L (retired 31/12/15)
Hazel S J
Noonan D E
Peters M D * (observer)
Basham D K B
Moses K D
Warren P S
Mussell R I
Tilbrook A J *
Lewis A G (appointed 03/02/16)

Premier's Climate Change Council

Bellette KJ
Carter B J
Degaris R H
Foster B J
Halsey N M
O'Brien J K
Tucker M
Pitcher S J *
Russell D E * (appointed 24/08/15)

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

Miller D
Lawrie C L
Anderson M J *
Graham J K (retired 15/04/16)
Keen S F *
Kerdel K *
Reynolds B (retired 06/11/15)
Ward M J *
Miller N (deputy; appointed 16/11/15)
Peel J

YYP A Committee Coongie Lakes National Park

Allen C	Elliot T (appointed 15/06/16)
Bottrell T F (retired 09/12/15)	Gallo T (appointed 15/06/16)
Dodd L * (retired 14/06/16)	Dahl E S * (appointed 15/06/16)
Haynes J M (retired 09/12/15)	Gates J * (appointed 15/06/16)
Linton V M *	Gregg-Smith J * (appointed 15/06/16)
Magor A B * (retired 14/06/16)	Haynes A M (deputy; retired 09/12/15)
Singleton R *	

Yumbarra Conservation Park Co-management Board

Haseldine S R
Newchurch W (deputy)
Miller L G
Miller W
Roberts E
Graham J K (retired 15/04/16)
Anderson M J *
Keen S F *
Ward M J *

Arabana Parks Advisory Committee

Blaylock K J *
Gill F J *
Gotch T B *
Millera V J (deputy)
Stuart A C
Stuart D
Warren J

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

Barker M * (appointed 10/02/16)
Bromley H (retired 06/11/15)
Coulthard G M *
Coulthard T C (appointed 10/02/16)
Loan L M *
McMillan K A (retired 06/11/15)
Paul S A M *
Schutz J E **
Sellar A H (retired 06/11/15)
Waye C I (appointed 10/02/16)
Wilton A L (appointed 10/02/16)
Wilton S M (retired 06/11/15)

* Denotes government employees

** Denotes statutory employee

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36 Remuneration of board and committee members (continued)

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

	2016	2015
	Number of	Number of
	members	members
\$nil	53	84
\$1 - \$9 999	67	95
\$10 000 - \$19 999	6	7
\$20 000 - \$29 999	1	1
Total number of members	127	187

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

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 \$190 000 (2015: \$204 000).

* In accordance with the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year. The exception being Ms Glenise Coulthard (Flinders Ranges National Park Co-Management Board), who was granted an exemption by the Chief Executive of the Department of the Premier and Cabinet.

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.

37 Events after the reporting period

DEWNR 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 DEWNR'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*.

DEWNR 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 DEWNR'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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

Table 38.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	18	147 428	147 428	-	-	-
Receivables ⁽¹⁾⁽²⁾	19	14 047	14 047	-	-	-
Financial assets	22	3	-	3	-	-
Total financial assets		161 478	161 475	3	-	-
Financial liabilities						
Payables ⁽¹⁾	26	18 623	18 623	-	-	-
Total financial liabilities		18 623	18 623	-	-	-
Category of financial asset and financial liability	Notes	2015 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	18	134 450	134 450	-	-	-
Receivables ⁽¹⁾⁽²⁾	19	8 027	8 027	-	-	-
Financial assets	22	3	-	3	-	-
Total financial assets		142 480	142 477	3	-	-
Financial liabilities						
Payables ⁽¹⁾	26	22 543	22 543	-	-	-
Total financial liabilities		22 543	22 543	-	-	-

⁽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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

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 DEWNR. 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 DEWNR.

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 DEWNR's maximum exposure to credit risk.

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

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	
2016						
Receivables ⁽¹⁾	14 047	11 718	212	210	1 907	(489)
Financial assets	3	3	-	-	-	-
2015						
Receivables ⁽¹⁾	8 027	6 105	478	179	1 265	(435)
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.

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

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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

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

Statement of Comprehensive Income for the Year Ended 30 June 2016

	2016	2015
	\$'000	\$'000
Expenses		
Supplies and services	1	-
	1	-
Net cost of providing services	1	-
Revenues from SA Government	-	-
Net result	(1)	-

Statement of Financial Position as at 30 June 2016

	2016	2015
	\$'000	\$'000
Current assets		
Cash	349	350
	349	350
Total assets	349	350
Net assets	349	350
Equity		
Retained earnings	349	350
Total equity	349	350

Statement of Changes in Equity for the Year Ended 30 June 2016

	Retained Earnings	Total
	\$'000	\$'000
Balance at 1 July 2014	350	350
Net result for 2014-15	-	-
Balance at 30 June 2015	350	350
Net result for 2015-16	(1)	(1)
Balance at 30 June 2016	349	349

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

39 South Australian Heritage Fund (continued)

Statement of Cash Flows for the Year Ended 30 June 2016	2016 \$'000	2015 \$'000
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	(1)	-
Total Cash used in operations	(1)	-
Cash generated from SA Government	-	-
Net cash (used in)/provided by operating activities	(1)	-
Cash at the beginning of the period	350	350
Cash at the end of the period	349	350

40 General Reserves Fund

The General Reserves Fund (the Fund) was established under section 45 of the *National Parks and Wildlife Act 1972* (the Act) to perform duties in relation to the development and management of reserves. Reserves include any national park, conservation park, game reserve, recreation park or regional reserve constituted under the Act. The functions of the Fund are to undertake programs that are directed to achieving the objectives prescribed in section 37 of the Act, through the operation of a Fund account. The Fund provisions are used as the mechanism to provide expanded visitor facilities and services to the park. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within DEWNR's financial statements. When incorporating these amounts into DEWNR's financial statements all transactions between the Fund and DEWNR have been eliminated.

Statement of Comprehensive Income for the Year Ended 30 June 2016	2016 \$'000	2015 \$'000
Expenses		
Supplies and services	9	7
Grants and subsidies	13 860	13 248
Other	9	9
	13 878	13 264
Income		
Fees and charges	13 838	13 195
Interest	26	34
Other	14	35
	13 878	13 264
Net cost of providing services	-	-
Net result	-	-

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

40 General Reserves Fund (continued)

Statement of Financial Position as at 30 June 2016	2016 \$'000	2015 \$'000
Current assets		
Cash and cash equivalents	1 360	1 642
Receivables	999	632
Total current assets	2 359	2 274
Total assets	2 359	2 274
Current liabilities		
Payables	9	9
Other	85	-
Total current liabilities	94	9
Total liabilities	94	9
Net assets	2 265	2 265
Equity		
Retained earnings	2 265	2 265
Total equity	2 265	2 265

Statement of Changes in Equity for the Year Ended 30 June 2016	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2014	2 265	2 265
Net result for 2014-15	-	-
Balance at 30 June 2015	2 265	2 265
Net result for 2015-16	-	-
Balance at 30 June 2016	2 265	2 265

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

40 General Reserves Fund (continued)

Statement of Cash Flows for the Year Ended 30 June 2016	2016	2015
	\$'000	\$'000
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	(9)	(7)
Payments of grants and subsidies	(13 860)	(13 248)
Other payments	(9)	(9)
Total Cash used in operations	(13 878)	(13 264)
Cash inflows		
Fees and charges	13 555	13 325
Interest received	27	34
Other receipts	14	35
Total Cash used in operations	13 596	13 394
Net cash (used in)/provided by operating activities	(282)	130
Cash at the beginning of the period	1 642	1 512
Cash at the end of the period	1 360	1 642

Department of Environment, Water and Natural Resources
Statement of Administered Comprehensive Income
For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits		323	299
Supplies and services		122	237
Grants and subsidies	A5	48 614	48 433
Depreciation		-	2
Expenses associated with joint operation	A12	10 494	11 272
Other		2 093	(133)
Total expenses		61 646	60 110
Income			
Fees and charges	A6	14 605	17 345
Grants	A7	14 112	17 311
Income associated with joint operation	A12	21 888	34 917
Interest		100	110
Net gain from the disposal of non-current assets		692	2 889
Total Income		51 397	72 572
Net cost of providing services		10 249	(12 462)
Revenues from / payments to SA Government			
Revenues from SA Government	A8	19 179	17 805
Payments to SA Government	A8	(1 676)	(9 951)
Total net revenues from SA Government		17 503	7 854
Net result		7 254	20 316
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus	A11	16 254	16 541
Total other comprehensive income		16 254	16 541
Total comprehensive result		23 508	36 857

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 Administered Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	A9	6 434	6 505
Receivables	A10	6 481	8 712
Total current assets		12 915	15 217
Non-current assets			
Property, plant and equipment	A11	1 358 351	794 756
Intangibles	A12	148 097	129 433
Total non-current assets		1 506 448	924 189
Total assets		1 519 363	939 406
Current liabilities			
Payables		3 519	2 914
Total current liabilities		3 519	2 914
Total liabilities		3 519	2 914
Net assets		1 515 844	936 492
Equity			
Asset revaluation surplus		177 804	159 632
Retained earnings		1 338 040	776 860
Total equity		1 515 844	936 492

The total equity is 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 Administered Changes in Equity
for the year ended 30 June 2016

		Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total equity \$'000
Balance at 30 June 2014		392 007	504 773	896 780
Error correction - interest in joint operation	A12	(250 847)	252 317	1 470
Restated balance at 30 June 2014		141 160	757 090	898 250
Net result for 2014-15		-	20 316	20 316
Changes in property, plant and equipment asset revaluation surplus	A11	16 541	-	16 541
Total comprehensive result for 2014-15		16 541	20 316	36 857
Balance at 30 June 2015		157 701	777 406	935 107
Error correction - property, plant and equipment	A11	1 931	(546)	1 385
Restated balance at 30 June 2015		159 632	776 860	936 492
Opening balance at 1 July 2015		159 632	776 860	936 492
Error correction - Crown lands	A11	1 918	553 926	555 844
Restated opening balance at 1 July 2015		161 550	1 330 786	1 492 336
Net result for 2015-16		-	7 254	7 254
Changes in property, plant and equipment asset revaluation surplus	A11	16 254	-	16 254
Total comprehensive result for 2015-16		16 254	7 254	23 508
Balance at 30 June 2016		177 804	1 338 040	1 515 844

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 Administered Cash Flows
as at 30 June 2016

		2016	2015
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(323)	(299)
Payments for supplies and services		(122)	(237)
Payments of grants and subsidies		(48 009)	(48 462)
Cash used in operations		(48 454)	(48 998)
			-
Cash inflows			
Fees and charges		14 605	17 345
Receipts from grants		14 250	13 710
Interest received		100	110
Cash generated from operations		28 955	31 165
Cash flows from SA government			
Receipts from SA government		19 179	17 805
Payments to SA government		(1 676)	(19 838)
Cash generated from SA government		17 503	(2 033)
Net cash (used in) operating activities	A9	(1 996)	(19 866)
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		1 925	2 889
Net cash (used in) investing activities		1 925	2 889
Net (decrease) in cash and cash equivalents		(71)	(16 977)
Cash and cash equivalents at the beginning of the period		6 505	23 482
Cash and cash equivalents at the end of the period	A9	6 434	6 505

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

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Employee benefits	-	3	-	-	323	296
Supplies and services	122	237	-	-	-	-
Grants and subsidies	157	688	15 787	13 891	-	-
Depreciation	-	2	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenses	279	930	15 787	13 891	323	296
Income						
Fees and charges	19	8	-	-	-	-
Grants	-	143	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Net gain from disposal of land held for sale	692	2 889	-	-	-	-
Total income	711	3 040	-	-	-	-
Net cost of / (benefit from) providing services	(432)	(2 110)	15 787	13 891	323	296
Revenues from / payments to SA Government						
Revenues from SA Government	-	688	15 836	13 899	318	296
Payments to SA Government	(1 676)	(9 701)	-	-	-	-
Total net revenues from SA Government	(1 676)	(9 013)	15 836	13 899	318	296
Net result	(1 244)	(6 903)	49	8	(5)	-
Other comprehensive income						
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive result	(1 244)	(6 903)	49	8	(5)	-

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	Caring for Our Country		Natural Heritage Trust		NRM Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	14 248	17 014	-	221	18 422	16 619
Depreciation	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	2 093	(133)
Total expenses	14 248	17 014	-	221	20 515	16 486
Income						
Fees and charges	-	-	-	-	14 590	17 337
Grants	14 112	17 168	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	11	15	-	-	88	94
Net gain from disposal of land held for sale	-	-	-	-	-	-
Total income	14 123	17 183	-	-	14 678	17 431
Net cost of / (benefit from) providing services	125	(169)	-	221	5 837	(945)
Revenues from / payments to SA Government						
Revenues from SA Government	-	-	-	-	3 011	2 908
Payments to SA Government	-	-	-	-	-	-
Total net revenues from SA Government	-	-	-	-	3 011	2 908
Net result	(125)	169	-	(221)	(2 826)	3 853
Other comprehensive income						
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive result	(125)	169	-	(221)	(2 826)	3 853

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	Pastoral Board		National Action Plan for Salinity and Water Quality		Qualco Sunlands	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
Income						
Fees and charges	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	1	1	-	-
Net gain from disposal of land held for sale	-	-	-	-	-	-
Total income	-	-	1	1	-	-
Net cost of / (benefit from) providing services	-	-	(1)	(1)	-	-
Revenues from / payments to SA Government						
Revenues from SA Government	14	14	-	-	-	-
Payments to SA Government	-	-	-	-	-	(250)
Total net revenues from SA Government	14	14	-	-	-	(250)
Net result	14	14	1	1	-	(250)
Other comprehensive income						
Changes in property, plant and equipment asset revaluation surplus	-	10 656	-	-	-	-
Total other comprehensive income	-	10 656	-	-	-	-
Total comprehensive result	14	10 670	1	1	-	(250)

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	DEWNR Corporate Admin Items		Total	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Expenses				
Employee benefits	-	-	323	299
Supplies and services	-	-	122	237
Grants and subsidies	-	-	48 614	48 433
Depreciation	-	-	-	2
Expenses associated with joint operation	10 494	11 272	10 494	11 272
Other	-	-	2 093	(133)
Total expenses	10 494	11 272	61 646	60 110
Income				
Fees and charges	(4)	-	14 605	17 345
Grants	-	-	14 112	17 311
Income associated with joint operation	21 888	34 917	21 888	34 917
Interest	-	-	100	110
Net gain from disposal of land held for sale	-	-	692	2 889
Total income	21 884	34 917	51 397	72 572
Net cost of / (benefit from) providing services	(11 390)	(23 645)	10 249	(12 462)
Revenues from / payments to SA Government				
Revenues from SA Government	-	-	19 179	17 805
Payments to SA Government	-	-	(1 676)	(9 951)
Total net revenues from SA Government	-	-	17 503	7 854
Net result	11 390	23 645	7 254	20 316
Other comprehensive income				
Changes in property, plant and equipment asset revaluation surplus	16 254	5 885	16 254	16 541
Total other comprehensive income	16 254	5 885	16 254	16 541
Total comprehensive result	27 644	29 530	23 508	36 857

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

Administered items of the Department of Environment, Water and Natural Resources

A1 Reporting entities and strategic context

The activities of the administered items are:

Crown Lands

Crown Lands is comprised of an account established by the Treasurer of South Australia to record receipts and payments associated with the sale of Crown land and other surplus South Australian government land and property. The net revenues from these sales are returned to the Department of Treasury and Finance's Consolidated Account.

Minister's other payments

Grants and subsidies payments of \$15.787 million (2015: \$13.891 million) approved by the Minister for Sustainability, Environment and Conservation were made to community organisations, associations and local government. This includes grants made to Zoo SA \$5.486 million (2015: \$5.365 million); Adelaide City Council \$1.486 million (2015: \$1.471 million); Stormwater Management Authority \$4.995 million (2015: \$4.873 million); South Eastern Water Conservation and Drainage Board \$2.237 million (2015: \$2.182 million); Native Vegetation Fund \$1.080 million (2015: nil); Coast Protection Fund \$0.503 million (2015: nil).

Special Acts Allocation

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

Caring for our Country

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

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

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

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

Natural Resources Management Fund

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the *Natural Resources Management Act 2004* (NRM Act). The Minister for Sustainability, Environment and Conservation administers the NRM Fund and may apply any part of the NRM Fund in making payments to the regional NRM Boards; in paying subsidies or making grants or other payments to NRM authorities or other persons or bodies for the purposes of the NRM Act. This may also include making any payment required, or authorised by or under the NRM Act or any other law. The balance of the NRM Fund at 30 June was \$2.317 million (2015: \$2.289 million).

Some activities have been restructured to assist in the interpretation of the financial transactions relating to the NRM Fund.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A1 Reporting entities and strategic context (continued)

Natural Resources Management Boards

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

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

- government appropriations (controlled and administered allocated in respect of the regional NRM Boards)
- water levies
- penalties relating to water levies
- expiation fees and other penalties.

(i) Government appropriations

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

	2016 \$'000	2015 \$'000
Regional NRM Board		
Alinyjara Wilurara NRM Board	1 029	994
Kangaroo Island NRM Board	1 029	994
South Australian Arid Lands NRM Board	953	920
	3 011	2 908

(ii) Water levies

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

(iii) Penalties

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

(iv) Expiation fees and other penalties

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

Pastoral Board

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

A1 Reporting entities and strategic context (continued)

National Action Plan for Salinity and Water Quality

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

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

Qualco Sunlands

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

South Eastern Water Conservation and Drainage Board

The South Eastern Water Conservation and Drainage Board was established pursuant to Division 1 of the South Eastern Water Conservation and Drainage Act 1992. DEWNR supplies funding to the Board on a quarterly basis. The funding is sourced from appropriations provided by DTF.

Stormwater Management Authority (SMA)

The SMA was established on 1 July 2007 under Schedule 1A of the *Local Government Act 1999* in accordance with and to implement the Stormwater Management Agreement dated 14 March 2006. The SMA's functions include to liaise with relevant public authorities to ensure the proper functioning of the State's stormwater management system; and to facilitate and co-ordinate stormwater management planning by local councils. DEWNR provides a resource to manage the day-to-day operations of the SMA – relevant costs are fully recovered from the SMA. DEWNR also supplies funding to the SMA on an annual basis. The funding is sourced from appropriations provided by DTF.

A2 Administered item's financial arrangements

The financial activities of the administered items are conducted through a number of deposit accounts with DTF pursuant to the *Public Finance and Audit Act 1987*. The financial activities of Administered Items that do not have their own deposit account are conducted through the DEWNR's deposit account.

DEWNR conducts a large number of activities directed towards meeting the administered items objectives and responsibilities as specified in the legislation and/or other authoritative documentation that establishes the administered items. Many of the administered items, in accordance with the Acts, have delegated certain functions to officers within DEWNR who provide technical and administrative support including the use of plant and equipment, office accommodation and various administrative services. The cost of the services provided that can be identified with the activities of the administered items and can be measured reliably are met by the administered items. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in the Administered Financial Statements.

A3 Administered item's summary of significant accounting policies

The Administered Financial Statements detail the sum of the individual administered items revenues, expenses, assets, liabilities, changes in equity and cash flows. As such the principles of consolidation have not been applied in preparing the financial statements as the definition of an economic entity has not been satisfied. Accordingly, transactions between the individual administered items have not been eliminated.

In general, the administered items adopt the accounting policies of DEWNR, as detailed in note 2 of DEWNR's financial statements. Deviations from these policies are as follows:

Property, plant and equipment

Property, plant and equipment includes land. DEWNR is the custodian of unallotted (unalienated) Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Unallotted Crown Land has been included in DEWNR's Statement of Administered Financial Position for the first time as at the end of the current reporting period. Land dedicated to the Minister and held by the Minister, either as freehold or reverted land, is also recognised as administered land. Administered lands may be subject to third party perpetual leases and other leases and annual licenses.

Refer to note A11 for further information on the treatment and valuation of land.

Employee benefits

In general, administered items utilise the services of contractors or DEWNR employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by DEWNR employees are provided free of charge. If, however, the services provided by DEWNR employees are directly attributable to the activities of an administered item and can be reliably measured, the services are charged to the administered item on a fee for service (cost recovery) basis. The liability for employee benefits arising from services rendered by DEWNR employees is not recognised in the administered financial statements as DEWNR is obligated to pay employees for services provided. Accordingly, employee benefits are recognised in DEWNR's financial statements.

Net gain from disposal of non-current assets

The net gain from disposal of non-current assets is determined by comparing proceeds with carrying amount. Given a suitable methodology for determining a reliable measure of the value of unallotted Crown Land has only been introduced in the current reporting period, DEWNR has calculated net gains from unallotted Crown Land disposals based on a nil carrying value.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

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

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

		Original ¹ Budget 2016	Restated ² Budget 2016	Actual 2016	Variance 2016
		\$'000	\$'000	\$'000	\$'000
Statement of Administered Comprehensive					
Income	Note				
Expenses					
Employee benefits		485	301	323	22
Supplies and services		4 951	433	122	(311)
Grants and subsidies		46 997	45 021	48 614	3 593
Depreciation		3 606	-	-	-
Expenses associated with joint operation	a	-	-	10 494	10 494
Other		5 097	848	2 093	1 245
Total expenses		61 136	46 603	61 646	15 043
Income					
Fees and charges		16 665	13 371	14 605	1 234
Grants		15 971	13 612	14 112	500
Income associated with joint operation	a	-	-	21 888	21 888
Interest		333	-	100	100
Net gain from the disposal of non-current assets		-	-	692	692
Other		513	250	-	(250)
Total income		33 482	27 233	51 397	24 164
Net cost of providing services		27 654	19 370	10 249	(9 121)
Net revenues from / payments to SA Government					
Revenues from SA government		19 384	19 384	19 179	(205)
Payments to SA government		-	(3 533)	(1 676)	1 857
Total net revenues from SA Government		19 384	15 851	17 503	1 652
Net result		(8 270)	(3 519)	7 254	10 773
Other comprehensive income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus	a	-	-	16 254	16 254
Total comprehensive income		-	-	16 254	16 254
Total comprehensive result		(8 270)	(3 519)	23 508	27 027

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 (2015-16 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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

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

² The original budget has been restated to reflect the removal of the Board of the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; the Native Vegetation Fund and the South Eastern Water Conservation and Drainage Board from the DEWNR administered financial statements.

- a. This variance is due to the non-budgeting of impacts from the gain on revaluation of the interest in the joint operation realised during the year.

	Original ¹	Restated ²		
	Budget	Budget	Actual	Variance
	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000
Investing expenditure summary				
Total new projects	-	-	-	-
Total existing projects	-	-	-	-
Total annual program	442	4	-	(4)
Total investing expenditure	442	4	-	(4)

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 (2015-16 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

² The original budget has been restated to reflect the removal of South Eastern Water Conservation and Drainage Board from the DEWNR administered financial statements.

A5 Grants and subsidies

	2016	2015
	\$'000	\$'000
Caring for our Country	14 248	17 014
Crown Lands	157	688
Minister's Other Payments	15 787	13 891
Natural Heritage Trust	-	221
Payments to Natural Resource Management Boards	18 422	16 619
Total grants and subsidies	48 614	48 433

A6 Revenues from fees and charges

	2016	2015
	\$'000	\$'000
Water levies received from licence holders	14 055	13 011
Penalties	535	4 326
Crown Lands	19	8
DEWNR Corporate Administered Items	(4)	-
Total revenues from fees and charges	14 605	17 345

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A7 Grants revenues

	2016	2015
	\$'000	\$'000
Caring for our Country	14 112	17 168
Crown Lands	-	143
Total grant revenues	14 112	17 311

A8 Revenues from / payments to SA Government

	2016	2015
	\$'000	\$'000
Recurrent Appropriations	19 179	17 805
Payments to Consolidated Account	(1 676)	(9 951)
Total revenues from / payments to SA Government	17 503	7 854

A9 Administered cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Caring for our Country	536	660
Crown Lands	1 192	1 253
Natural Heritage Trust	142	142
Natural Resource Management Fund	2 317	2 289
Pastoral Board	85	71
National Action Plan for Salinity and Water Quality	36	35
Adelaide Dolphin Sanctuary	1	-
DEWNR's Corporate Administrative Items	2 125	2 055
Cash and cash equivalents disclosed in the Statement of Financial Position	6 434	6 505
Balance as per administered cash flows	6 434	6 505

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

Net cash provided by operating activities	(1 996)	(19 866)
Less revenues from SA Government	(19 179)	(17 805)
Add payments to SA Government	1 676	9 951

Add/(less) Non-cash Items

Depreciation expense of non-current assets	-	(2)
Expenses associated with joint operation	(10 494)	(11 272)
Income associated with joint operation	21 888	34 917
Net gain from disposal of land held for sale	692	2 889

Movements in assets and liabilities

(Decrease)/increase in receivables	(2 231)	3 734
(Increase)/decrease in payables	(605)	9 916
Net cost of providing services	(10 249)	12 462

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A10 Receivables

	2016 \$'000	2015 \$'000
Receivables reflected as current assets at 30 June comprised the following		
Water levies	1 416	1 895
Penalties	4 884	6 973
Accrued interest	5	7
Other	740	41
Less Allowance for doubtful debts	(564)	(204)
Total receivables	6 481	8 712

A11 Property, plant and equipment

	2016 \$'000	2015 \$'000
Crown Land		
Independent valuation	589 849	35 238
Total Crown Land	589 849	35 238
Pastoral Land		
Independent valuation	54 116	54 116
Total Pastoral Land	54 116	54 116
Buildings and improvements		
At cost	19	19
Accumulated depreciation	(19)	(19)
Total buildings and improvements	-	-
Park infrastructure		
At cost	88	88
Accumulated depreciation	(88)	(88)
Total park infrastructure	-	-
Roads, tracks and trails		
At cost	6	6
Accumulated depreciation	(6)	(6)
Total roads, tracks and trails	-	-
Joint operation property, plant and equipment		
Joint operation property, plant and equipment	714 386	705 402
Total property, plant and equipment	1 358 351	794 756

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A11 Property, plant and equipment (continued)

Asset Revaluations

Crown Land

During the reporting period DEWNR independently revalued its Crown Land. The independent revaluation was undertaken by Certified Practicing Valuers, Mr Mark Kay, Chief Valuer, State Valuation Office and Mr Greg McCloud, Acquisition & Procurement Valuer, State Valuation Office. A market based method was used by comparing property data to that of similar sales with consideration of restrictions on use and/or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

Error correction – unallotted Crown Land

In accordance with the provisions of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, an error correction of \$553.926 million has been adjusted against retained earnings as at 1 July 2015, disclosed in the Administered Statement of Changes in Equity. This comprises an increase in the carrying value of the Crown Land assets. The error correction was required as a result of DEWNR completing a significant project to identify and value crown land tenements. Information was not available to be comprehensively verified nor valued in prior reporting periods, hence DEWNR determined that it was impractical to apply a retrospective restatement of prior year Crown Lands balances in either the Statement of Administered Financial Position or the Administered Statement of Changes in Equity.

Error correction – Other Crown land

In accordance with the provisions of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, an error correction of \$1.918 million has been adjusted against the asset revaluation surplus as at 1 July 2015, disclosed in the Administered Statement of Changes in Equity. This resulted in an increase in the carrying value of Crown Land assets. The error correction was required to correct the value of leased and licensed Crown Land. Information was not available to be comprehensively verified nor valued in prior reporting periods, hence DEWNR determined that it was impractical to apply a retrospective restatement of prior year Crown Lands balances in either the Statement of Administered Financial Position or the Administered Statement of Changes in Equity.

In addition, an error correction of \$1.931 million has been adjusted against asset revaluation surplus and \$0.546 million against retained earnings as at 30 June 2015, disclosed in the Administered Statement of Changes in Equity. This comprises a net increase in the carrying value of the Crown Land assets.

Movement reconciliation of property, plant and equipment

2016	Crown Land	Pastoral Land	Buildings & improvements	Park infrastructure	Joint operation PP&E	2016 Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	35 238	54 116	-	-	705 402	794 756
Adjustment for Crown Lands not previously recognised	555 844	-	-	-	-	555 844
Restated opening balance at 1 July	591 082	54 116	-	-	705 402	1 350 600
Disposals	(1 233)	-	-	-	-	(1 233)
Joint operations net additions, disposal, other movements	-	-	-	-	(7 270)	(7 270)
Subtotal	(1 233)	-	-	-	(7 270)	(8 503)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	-	-	-	16 254	16 254
Subtotal	-	-	-	-	16 254	16 254
Carrying amount at 30 June	589 849	54 116	-	-	714 386	1 358 351

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A11 Property, plant and equipment (continued)

2015	Crown Land	Pastoral Land	Buildings & improvements	Park infrastructure	Joint operation PP&E	2015 Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	35 238	43 460	19	90	703 280	782 087
Disposals	-	-	(19)	(88)	-	(107)
Joint operations net additions, disposal, other movements	-	-	-	-	(3 763)	(3 763)
Subtotal	-	-	(19)	(88)	(3 763)	(3 870)
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation expense	-	-	-	(2)	-	(2)
Subtotal	-	-	-	(2)	-	(2)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	10 656	-	-	5 885	16 541
Subtotal	-	10 656	-	-	5 885	16 541
Carrying amount at 30 June	35 238	54 116	-	-	705 402	794 756

A12 Interest in joint operation

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

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

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

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

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

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A12 Interest in joint operation (continued)

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2016 %	2015 %
Murray Darling Basin Authority	To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin	Australia	26.67%	26.67%
Joint operation assets, income and expenses accounted for using the proportionate consolidation method are detailed below				
			2016	2015
			\$'000	\$'000
Murray Darling Basin Authority				
Non-current assets				
Property, plant and equipment				
Infrastructure Assets			692 935	683 433
Work in Progress			15 970	16 350
Other property, plant and equipment assets			5 481	5 619
Intangibles - Water entitlements			148 097	129 433
Total non-current assets			862 483	834 835
Total assets			862 483	834 835
Income			21 888	34 917
Expenses			10 494	11 272

Refer note 7 of the DEWNR Controlled financial statements for details of the State's grant payment made to the MDBA.

The 2016 figures were based on RMO and LMI financial statements audited by Deloitte Touche Tohmatsu. The 2015 figures were based on RMO and LMI financial statements audited by the Australian National Audit Office.

Contingencies and commitments

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

Error correction

In accordance with the provisions of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, an error correction of \$250.847 million has been adjusted against asset revaluation surplus and retained earnings for 2013-14, disclosed in the Administered Statement of Changes in Equity. The error was due to a change from equity basis to proportionate consolidation method.

In addition, an error correction of \$1.470 million has been adjusted against retained earnings for 2013-14, disclosed in the Administered Statement of Changes in Equity. This comprises an increase in the carrying value of the joint operation net assets. The error correction was required as a result of DEWNR receiving final audited advice regarding the RMO net equity from the MDBA. This advice was received after management and the Auditor-General had signed off on DEWNR's 2013-14 financial statements.

A13 Contingent assets and liabilities

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



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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 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2016
- a Statement of Administered Financial Position as at 30 June 2016
- a Statement of Administered Changes in Equity for the year ended 30 June 2016
- a Statement of Administered Cash Flows for the year ended 30 June 2016
- a Schedule of Administered Expenses and Income attributable to administered activities for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the 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 evaluating the overall presentation of the financial report.

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

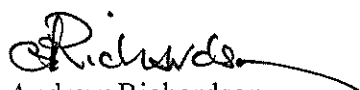
My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the Department of Environment, Water and Natural Resources' website nor does it provide an opinion on any other information which may have been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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

Unallotted Crown land error correction

I draw attention to note A11 which describes a \$553.9 million error correction to the administered financial statements to recognise unallotted Crown land assets as at 1 July 2015. Asset information was not available for prior reporting periods to enable restatement of comparative information in the financial report. The error correction was adjusted against retained earnings as at 1 July 2015.



Andrew Richardson

Auditor-General

20 September 2016

Department of Environment, Water and Natural Resources

Financial Statements

For the year ended 30 June 2016

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 2016 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.



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

16 September 2016



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

15 September 2016

Department of Environment, Water and Natural Resources
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits	5	160 552	147 694
Supplies and services	6	83 908	92 931
Grants and subsidies	7	36 352	31 561
Water recovery / acquisition	8	807	738
Depreciation and amortisation	9	20 297	20 861
Net loss from disposal of non-current assets	10	2 149	12 826
Other	11	2 491	1 261
Total expenses		306 556	307 872
Income			
Fees and charges	13	63 206	75 834
Grants	14	66 333	55 707
Interest	15	683	1 061
Other	16	40 877	33 641
Total income		171 099	166 243
Net cost of providing services		135 457	141 629
Revenues from / payments to SA Government			
Revenues from SA Government	17	156 140	141 670
Payments to SA Government	17	(13 652)	(1 200)
Total net revenues from SA Government		142 488	140 470
Net result		7 031	(1 159)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	23	48 949	11 914
Total other comprehensive income		48 949	11 914
Total comprehensive result		55 980	10 755

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 2016

		2016	2015
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	18	147 428	134 450
Receivables	19	18 117	12 831
Inventories	20	2 423	2 365
Other assets	21	1 251	1 257
Total current assets		169 219	150 903
Non-current assets			
Receivables	19	34	64
Other financial assets	22	3	3
Property, plant and equipment	23	574 397	511 784
Intangible assets	24	5 273	5 185
Total non-current assets		579 707	517 036
Total assets		748 926	667 939
Current liabilities			
Payables	26	21 893	25 544
Employee benefits	27	14 381	12 419
Provisions	28	913	584
Other liabilities	29	2 286	213
Total current liabilities		39 473	38 760
Non-current liabilities			
Payables	26	3 287	2 894
Employee benefits	27	35 140	31 724
Provisions	28	1 936	1 846
Other liabilities	29	20 490	95
Total non-current liabilities		60 853	36 559
Total liabilities		100 326	75 319
Net assets		648 600	592 620
Equity			
Contributed capital	30	22 612	22 612
Retained earnings	30	286 382	279 351
Asset revaluation surplus	30	339 606	290 657
Total equity		648 600	592 620
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 2016

		Contributed	Asset	Retained	
	Note	Capital	Revaluation	Earnings	Total
		\$'000	Surplus	\$'000	\$'000
Balance at 30 June 2014		22 612	279 791	284 771	587 174
Error correction - intangible assets	2(l)	-	-	(239)	(239)
Error correction - property, plant and equipment	2(l)	-	(1 048)	472	(576)
Error correction - other liabilities	2(m)	-	-	(59)	(59)
Error correction - receivables	2(l)	-	-	(65)	(65)
Error correction - employee benefits	2(m)	-	-	(4 370)	(4 370)
Restated balance at 30 June 2014		22 612	278 743	280 510	581 865
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	279 351	592 620
Net result for 2015-16		-	-	7 031	7 031
Gain on revaluation of property, plant and equipment		-	48 949	-	48 949
Total comprehensive results for 2015-16		-	48 949	7 031	55 980
Balance at 30 June 2016	30	22 612	339 606	286 382	648 600

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 2016

		2016	2015
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(154 005)	(144 557)
Payments for supplies and services		(102 041)	(109 328)
Payments of grants and subsidies		(38 342)	(34 950)
Water recovery / acquisition expenses		(807)	(738)
Other payments		(365)	(252)
Cash provided by (used in) operations		(295 560)	(289 825)
Cash inflows			
Fees and charges		59 153	99 189
Receipts from grants		69 400	57 280
Interest received		712	1 024
GST recovered from the Australian Taxation Office		11 886	12 596
Other receipts		42 344	37 000
Cash generated from operations		183 495	207 089
Cash flows from SA government			
Receipts from SA government		156 140	141 670
Payments to SA government		(13 652)	(1 200)
Cash generated from SA government		142 488	140 470
Net cash provided by operating activities	31	30 423	57 734
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(17 475)	(28 983)
Cash used in investing activities		(17 475)	(28 983)
Cash inflows			
Proceeds from the sale of property, plant and equipment		30	250
Cash generated from investing activities		30	250
Net cash used in investing activities		(17 445)	(28 733)
Net increase in cash and cash equivalents		12 978	29 001
Cash and cash equivalents at the beginning of the period		134 450	105 449
Cash and cash equivalents at 30 June	18	147 428	134 450

Department of Environment, Water and Natural Resources
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2016

Disaggregated disclosures - expenses and income

	Sustainability		Water		Parks and Public Assets		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Employee benefits	58 150	53 902	37 912	33 972	64 490	59 820	160 552	147 694
Supplies and services	25 177	22 754	24 023	31 442	34 708	38 735	83 908	92 931
Grants and subsidies	2 274	3 348	32 018	26 798	2 060	1 415	36 352	31 561
Water recovery / acquisition	-	-	807	738	-	-	807	738
Depreciation and amortisation	3 329	3 150	5 358	6 258	11 610	11 453	20 297	20 861
Net loss from disposal of non-current assets	301	1 030	78	369	1 770	11 427	2 149	12 826
Other	365	379	1 285	740	841	142	2 491	1 261
Total expenses	89 596	84 563	101 481	100 317	115 479	122 992	306 556	307 872
Income								
Fees and charges	8 673	5 057	27 205	47 185	27 328	23 592	63 206	75 834
Grants	8 055	8 047	52 337	41 992	5 941	5 668	66 333	55 707
Interest	7	13	650	1 014	26	34	683	1 061
Other	31 141	32 005	9 377	1 342	359	294	40 877	33 641
Total income	47 876	45 122	89 569	91 533	33 654	29 588	171 099	166 243
Net cost of providing services	41 720	39 441	11 912	8 784	81 825	93 404	135 457	141 629
Revenues from/payments to SA Government								
Revenues from SA Government	65 535	55 188	18 579	24 154	72 026	62 328	156 140	141 670
Payments to SA Government	(2 396)	(482)	(8 622)	(173)	(2 634)	(545)	(13 652)	(1 200)
Total net revenues from SA Government	63 139	54 706	9 957	23 981	69 392	61 783	142 488	140 470
Net result	21 419	15 265	(1 955)	15 197	(12 433)	(31 621)	7 031	(1 159)

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

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 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 not-for-profit entities, as DEWNR is a not for profit entity.

Except for AASB 2015-7 which DEWNR 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 2016 (refer 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 Standards require the following note disclosures, that 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

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (b) Basis of preparation (continued)

- (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 2016 and the comparative information presented.

(c) Reporting entity

DEWNR is a government department of the State of South Australia and operates within 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 DEWNR 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.

The financial statements and accompanying notes include all the controlled activities of DEWNR (refer to the disaggregated schedule for details of the DEWNR'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 amounts 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 (2015-16 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information.

These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 Summary of significant accounting policies (continued)

(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 that:

- where 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 ATO 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.

(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:

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (i) Income (continued)

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).

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

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

Resources received free of charge

Resources received free of charge are recorded as income 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 the 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 has been determined by comparing proceeds with the 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 passed to the buyer and is determined after deducting the cost of the asset from 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 DEWNR 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:

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (j) Expenses (continued)

Employee benefits

Employee benefits 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 DEWNR staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole-of-government general purpose 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	5-50
Lower Murray embankments	200
Park infrastructure	3-200
Patawalonga seawater circulation and Barcoo Outlet	6-99
Plant and equipment	2-50
Roads, tracks and trails	4-35
Salinity disposal schemes	15-99
Surface water monitoring network	5-80
Waste disposal stations	50
Sand pumping infrastructure	10-50
Leasehold improvements	12
Other	3-60
Intangible assets	
Externally acquired	2-10
Internally acquired	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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (j) Expenses (continued)

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 \$0.065 million has been disclosed in the Statement of Changes in Equity in respect of the 2013-14 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 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 other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (l) Assets (continued)

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 also 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 restructure of administrative arrangements then the assets are recognised at book value; that is the amount recorded by the transferor public authority immediately prior to the restructure.

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

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

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

Revaluation of non-current assets

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

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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (I) Assets (continued)

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 cost. 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 \$0.472 million (property, plant and equipment) and \$0.239 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 a net decrease to the carrying values of intangible assets. The error correction relates to first time recognition of assets and data dictionary asset revisions.

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.

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

Unallotted Crown Land has been included in DEWNR's Administered Statement of Administered Financial Position for the first time as at 1 July 2015.

During the reporting period DEWNR undertook work to reliably identify and value relevant land holdings, and to formulate a suitable methodology supporting the reliable measurement of the integrity and value of these holdings.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

2 (I) Assets (continued)

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.

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.

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

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

(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 DEWNR'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).

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.

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.

During the reporting period DEWNR engaged in a new lease incentive for DEWNR's new CBD accommodation. Refer notes 23 and 29 for disclosure regarding the lease incentive asset (leasehold improvements) and liability.

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

Error correction

An error correction of \$0.059 million has been disclosed in the Statement of Changes in Equity in respect of the 2013-14 financial year. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to other liabilities. The error correction related to a lease incentive relating to the Tasman Terrace, Port Lincoln 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 in respect of the 2013-14 financial year. 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 DEWNR 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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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2 (m) Liabilities (continued)

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2016 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of 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, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value. Additional commitments in relation to DEWNR's new CBD accommodation are reported in note 34, and account for the increase operating lease commitments later than one year.

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.

3 New and revised accounting standards and policies

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

Accounting standards

Except for AASB 2015-7 which DEWNR 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 2016.

AASB 16 Leases will apply for the first time in DEWNR's 30 June 2020 financial report. This standard will require DEWNR to recognise all leased items in the Statement of Financial Position as assets to represent the value of what DEWNR leases, and liabilities to represent expected future lease payments. This could see significant assets and liabilities being recognised and, over the lease term, amortised.

DEWNR has assessed the impact of other new and amended standards and interpretations and considers there will be no impact on accounting policies or the financial statements of the department.

Department of Environment, Water and Natural Resources
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4 Activities of DEWNR

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 2016 and 30 June 2015.

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
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5 Employee benefits expenses

	2016	2015
	\$'000	\$'000
Salaries and wages	119 152	111 057
Annual leave	11 023	9 863
LSL	6 078	4 179
SERL	618	555
Employment on-costs - superannuation	13 507	12 695
Employment on-costs - other	9 458	7 561
TVSPs (refer below)	113	1 117
Board and committees fees	253	242
Other employee related expenses	350	425
Total employee benefits expenses	160 552	147 694

	2016	2015
	\$'000	\$'000
Amounts paid during the reporting period to separated employees:		
TVSPs	113	1 117
Annual leave, LSL and SERL paid to those employees	75	354
	188	1 471
Recovery from the Department of Treasury and Finance	-	(8 465)
Net cost to DEWNR	188	(6 994)

Number of employees who received a TVSP during the reporting period	1	11
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Remuneration of employees

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

	2016	2015
	Number	Number
\$145 001 – 155 000	3	2
\$155 001 – 165 000	5	3
\$165 001 – 175 000	4	4
\$175 001 – 185 000	4	5
\$185 001 – 195 000	4	3
\$195 001 – 205 000	1	-
\$205 001 – 215 000	1	2
\$225 001 – 235 000	1	1
\$235 001 – 245 000	-	2
\$245 001 – 255 000	2	-
\$265 001 – 275 000	1	-
\$275 001 – 285 000	-	1
\$285 001 – 295 000	1	-
\$315 001 – 325 000	1	1
\$335 001 – 345 000	1	-
\$355 001 – 365 000	1	-
\$405 001 – 415 000	-	1
Total	30	25

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Department of Environment, Water and Natural Resources
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5 Employee benefits expenses (continued)

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$6.127 million (2015: \$5.056 million).

6 Supplies and services

	2016	2015
	\$'000	\$'000
Accommodation and property management	16 795	15 313
Consultants	218	165
Contractors	3 434	4 776
Cost of goods sold	1 634	1 674
Fee for service	21 920	26 208
General administration	10 669	12 125
Information technology & communication	9 513	8 967
Minor works, maintenance & equipment	4 173	7 163
Monitoring fees	110	143
Sand replenishment	3 303	3 140
Scientific and technical services	334	130
Transportation	334	373
Travel and accommodation	1 874	1 819
Vehicle and aircraft	4 790	5 557
Staff development	1 401	1 696
Other	3 406	3 682
Total supplies and services	83 908	92 931

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

	2016	2015	2016	2015
	Number	Number	\$'000	\$'000
Below \$10 000	12	7	44	25
Above \$10 000	4	5	174	140
Total paid/payable to consultants engaged	16	12	218	165

7 Grants and subsidies

	2016	2015
	\$'000	\$'000
Administration of the <i>Animal Welfare Act 1985</i>	1 051	1 025
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	3 903	4 961
Goyder Facilitating Long-term Outback Water Solutions (G-FLOWS)	-	1 000
Goyder Institute	2 000	5 000
Great Artesian Basin Sustainability Initiative	2 166	-
Marine parks	1 051	-
Murray Darling Basin Authority	19 054	13 031
River Murray Improvement Program	2 000	2 000
Other	5 127	4 544
Total grants and subsidies	36 352	31 561

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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7 Grants and subsidies (continued)

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

Coorong, Lower Lakes and Murray Mouth - Long Term Plan	545	290
Marine parks	285	-
River Murray Improvement Program	2 000	2 000
Other	1 310	264
Total grants and subsidies - SA Government entities	4 140	2 554

8 Water recovery / acquisition expenses

	2016	2015
	\$'000	\$'000
Environmental water purchase	807	738
Total water recovery / acquisition expenses	807	738

9 Depreciation and amortisation expense

	2016	2015
	\$'000	\$'000
Depreciation		
Buildings and improvements	3 069	3 206
Park infrastructure	4 141	4 137
Roads, tracks and trails	4 396	5 131
Groundwater monitoring wells	2 259	2 228
Salinity disposal schemes	458	456
Patawalonga seawater circulation and Barcoo outlet	688	711
Sand pumping infrastructure	1 006	1 006
Surface water monitoring network	159	157
Waste disposal stations	168	156
Lower Murray embankments	69	69
Plant and equipment	2 465	2 450
Leasehold improvements	307	-
Other	18	19
Total depreciation	19 203	19 726
Amortisation		
Application software - internally generated	832	1 113
Application software - externally purchased	240	-
Other - war services leases	22	22
Total amortisation	1 094	1 135
Total depreciation and amortisation expense	20 297	20 861

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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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10 Net loss from disposal of non-current assets

	2016	2015
	\$'000	\$'000
Land		
Proceeds from disposal	-	61
Less net book value of assets disposed	-	(94)
Net (loss)/gain from disposal	-	(33)
Buildings and improvements		
Proceeds from disposal	1	-
Less net book value of assets disposed	(87)	-
Net (loss)/gain from disposal	(86)	-
Park infrastructure		
Proceeds from disposal	-	-
Less net book value of assets disposed *	(376)	(12 624)
Net (loss)/gain from disposal	(376)	(12 624)
Roads, tracks and trails		
Proceeds from disposal	-	-
Less net book value of assets disposed *	(840)	(162)
Net (loss)/gain from disposal	(840)	(162)
Plant and equipment		
Proceeds from disposal	29	9
Less net book value of assets disposed *	(876)	(16)
Net (loss)/gain from disposal	(847)	(7)
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	30	250
Less total net book value of assets disposed	(2 179)	(13 076)
Total net (loss) from disposal of non-current assets	(2 149)	(12 826)

***Assets transferred free of charge**

During the current year, assets to the value of \$1.684 million (2015: \$10.270 million) were transferred to the Board of the Botanic Gardens and State Herbarium and the Murray Darling Basin Authority free of charge.

	2016	2015
	\$'000	\$'000
Park infrastructure	376	10 094
Roads, tracks and trails	840	162
Plant and equipment	468	14
Total assets transferred free of charge	1 684	10 270

Department of Environment, Water and Natural Resources
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11 Other expenses

	2016	2015
	\$'000	\$'000
Bad and doubtful debts	60	201
Capital project costs not capitalised	2 153	809
Audit fees	405	480
Movement in Inventory	(129)	(229)
Other	2	-
Total other expenses	2 491	1 261

12 Auditors remuneration

	2016	2015
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	405	454
Total audit fees	405	454

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

13 Revenues from fees and charges

	2016	2015
	\$'000	\$'000
Admissions and guided tours	8 882	8 353
Fees, levies and licences	2 499	2 467
Property rental and related income	6 082	6 085
Taxation revenue - River Murray rehabilitation levy	1 453	24 958
Service recoveries	17 556	17 128
Other property related income	10	212
Sale of goods	3 892	3 580
Sale of professional services	8 117	5 090
Sale of support services	13 673	6 865
Sale of spatial information	840	1 014
Sale of freehold titles	202	82
Total revenues from fees and charges	63 206	75 834

Department of Environment, Water and Natural Resources
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14 Grant revenues

	2016	2015
	\$'000	\$'000
Grant revenues from the Commonwealth		
Constraints Management Strategy Implementation	830	-
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	5 003	18 719
Great Artesian Basin Sustainability Initiative	2 698	273
Implementing the Murray Darling Basin reform	2 043	2 322
Murray Futures - Riverine Recovery	7 875	6 394
National Bushfire Mitigation Program	907	-
National framework for compliance and enforcement systems	778	1 559
National Partnership Agreement - Bioregional Assessment Arckaringa/Pedirka	-	450
National Partnership Agreement - Bioregional Assessment Lake Eyre Basin	250	1 026
Nature Links	351	409
SA Riverland Floodplain Infrastructure Program	25 000	7 000
SA State Priority Project Design Funding	1 965	-
The Living Murray - Chowilla	1 015	827
The Living Murray - Lower Lakes, Coorong and Murray Mouth	888	538
Tourism Demand Driver Infrastructure	959	-
Other	287	1 429
Total grant revenues from the Commonwealth	50 849	40 946
Grant revenues from SA Government		
Adelaide Living Beaches strategy	2 590	2 512
Botanic Gardens - Aquifer Storage and Recovery	655	655
Community Emergency Services Funding	3 321	2 700
Compliance and Monitoring	690	624
Highbury Aqueduct fire prevention	282	275
One million trees	250	250
Securing low flows	590	460
Water Industry Act	200	79
Other	5 155	5 137
Total grant revenues from SA Government	13 733	12 692
Grant revenues from private industry and local government		
Implementing the Limestone Coast and Coorong Coastal Action Plan	489	479
Other	1 262	1 590
Total grant revenues from private industry and local government	1 751	2 069
Total grant revenues	66 333	55 707

Contributions with conditions of expenditure

DEWNR received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2016 \$58.597 million (2015: \$39.526 million) of grants, which have been recognised as revenues in the Statement of Comprehensive Income, are yet to be spent in the manner specified by the contributors.

15 Interest revenues

	2016	2015
	\$'000	\$'000
Interest	683	1 061
Total interest revenues	683	1 061

Department of Environment, Water and Natural Resources
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16 Other income

	2016	2015
	\$'000	\$'000
Insurance recoveries	28	38
Salaries and wages recoveries	32 499	33 295
Sponsorships, donations, commissions and bequests	114	19
Water sales	8 007	71
Other sundry revenue	229	218
Total other income	40 877	33 641

17 Revenue from / payments to SA Government

	2016	2015
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	155 185	132 698
Appropriations from contingency funds	955	8 972
Total revenues from SA Government	156 140	141 670
Payments to SA Government		
Return to consolidated account	(9 932)	(1 200)
Return of surplus cash	(3 720)	-
Total payments to SA Government	(13 652)	(1 200)

Total revenues from government consist of \$143.094 million (2015: \$120.581 million) for operational funding and \$12.091 million (2015: \$12.117 million) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

18 Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer	147 246	134 265
Imprest account / cash on hand	182	185
Total cash and cash equivalents	147 428	134 450

Deposits with the Treasurer

This includes \$59.226 million (2015: \$50.513 million) 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 Fund, SA Lower Lakes Bioremediation and Revegetation (CLLMM) account, Adelaide Stormwater Project Fund, Murray Futures Fund and the SA Riverland Floodplains Integrated Infrastructure Program.

Department of Environment, Water and Natural Resources
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18 Cash and cash equivalents (continued)

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

	2016	2015
	\$'000	\$'000
Current		
Receivables	14 478	8 375
Less allowance for doubtful debts	(489)	(435)
	13 989	7 940
Accrued revenues	58	87
GST input tax recoverable	4 056	4 785
Workers compensation recoveries	14	19
Total current receivables	18 117	12 831
Non-current		
Workers compensation recoveries	34	64
Total non-current receivables	34	64

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.

	2016	2015
	\$'000	\$'000
Carrying amount at the beginning of the period	435	234
Amounts written off	(6)	-
Increase in the allowance	60	201
Carrying amount at the end of the period	489	435

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. 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 note 38.

(b) **Categorisation of financial instruments and risk exposure information** - refer to note 38.

Department of Environment, Water and Natural Resources
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20 Inventories

	2016	2015
	\$'000	\$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	507	538
Total inventories held for distribution at no or nominal amount	507	538
 Inventories held for resale - at cost		
Finished goods held for resale - at cost	1 916	1 827
Total inventories held for resale - at cost	1 916	1 827
 Total inventories	 2 423	 2 365

21 Other assets

	2016	2015
	\$'000	\$'000
Current		
Prepaid supplies and services	1 245	1 253
Other	6	4
Total other current assets	1 251	1 257

22 Other financial assets

	2016	2015
	\$'000	\$'000
Non-current		
Equity in listed entities	3	3
Total non-current other financial assets	3	3

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment

	2016	2015
	\$'000	\$'000
Land		
Independent valuation ⁽ⁱ⁾	258 890	209 941
At cost ⁽ⁱⁱ⁾	8 245	7 951
Total land	267 135	217 892
Buildings and improvements		
Independent valuation ⁽ⁱ⁾	145 491	145 491
At cost ⁽ⁱⁱ⁾	8 528	7 827
Less accumulated depreciation	(107 200)	(104 455)
Total buildings and improvements	46 819	48 863
Park infrastructure		
Independent valuation ⁽ⁱ⁾	174 267	174 267
At cost ⁽ⁱⁱ⁾	30 087	19 566
Less accumulated depreciation	(167 456)	(163 226)
Total park infrastructure	36 898	30 607
Roads, tracks and trails		
Independent valuation ⁽ⁱ⁾	194 721	194 721
At cost ⁽ⁱⁱ⁾	11 340	8 229
Less accumulated depreciation	(183 188)	(178 883)
Total roads, tracks and trails	22 873	24 067
Groundwater monitoring wells		
Independent valuation ⁽ⁱ⁾	130 256	130 256
At cost ⁽ⁱⁱ⁾	4 679	2 242
Less accumulated depreciation	(90 548)	(88 288)
Total groundwater monitoring wells	44 387	44 210
Salinity disposal schemes		
Independent valuation ⁽ⁱ⁾	44 314	44 314
At cost ⁽ⁱⁱ⁾	568	568
Less accumulated depreciation	(13 620)	(13 162)
Total salinity disposal schemes	31 262	31 720
Patawalonga seawater circulation and Barcoo outlet		
Independent valuation ⁽ⁱ⁾	45 451	45 451
Less accumulated depreciation	(14 682)	(13 994)
Total Patawalonga seawater circulation and Barcoo outlet	30 769	31 457

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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23 Property, plant and equipment (continued)

	2016	2015
	\$'000	\$'000
Sand pumping infrastructure		
At cost ⁽ⁱⁱ⁾	20 544	20 544
Less accumulated depreciation	(3 437)	(2 431)
Total sand pumping infrastructure	17 107	18 113
Surface water monitoring network		
Independent valuation ⁽ⁱ⁾	8 469	8 469
At cost ⁽ⁱⁱ⁾	1 051	1 033
Less accumulated depreciation	(4 024)	(3 865)
Total surface water monitoring network	5 496	5 637
Waste disposal stations		
Independent valuation ⁽ⁱ⁾	7 752	7 752
At cost ⁽ⁱⁱ⁾	638	638
Less accumulated depreciation	(2 829)	(2 661)
Total waste disposal stations	5 561	5 729
Lower Murray embankments		
Independent valuation ⁽ⁱ⁾	13 760	13 760
Less accumulated depreciation	(6 880)	(6 811)
Total Lower Murray embankments	6 880	6 949
Plant and equipment		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	38 691	36 044
Less accumulated depreciation	(25 137)	(24 897)
Total plant and equipment	13 554	11 147
Leasehold improvements		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	22 099	-
Less accumulated depreciation	(307)	-
Total leasehold improvements	21 792	-
Other		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1 867	1 867
Less accumulated depreciation	(668)	(650)
Total other	1 199	1 217
Capital works in progress		
Capital works in progress	22 665	34 176
Total capital works in progress	22 665	34 176
Total property, plant and equipment	574 397	511 784

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment (continued)

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(l) 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

Land comprising National, Conservation and Recreation Parks and Wilderness Protection Areas and Reserves, generally has restrictions on use imposed by statute or regulation. During the reporting period DEWNR independently revalued its national parks land holding. The independent revaluation was undertaken by Certified Practising Valuers, Mr Mark Kay, Chief Valuer, State Valuation Office and Mr Greg McCloud, Acquisition & Procurement Valuer, State Valuation Office. A market based method was used by comparing property data to that of similar sales with consideration of restrictions on use and/or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

Other specialised assets have been revalued per the schedule below.

The valuers used by DEWNR are as follows:

Class of Asset	Date of Last Independent Valuation	Name of Valuer
Land	1 July 2015	State Valuation Office
Buildings, infrastructure and roads	1 July 2011	Valcorp Pty Ltd
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.

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23 Property, plant and equipment (continued)

Movement reconciliation of property, plant and equipment

	Land	Buildings & improvements	Park infrastructure	Roads, tracks & trails	Groundwater Monitoring Wells	Salinity Disposal Schemes
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	217 892	48 863	30 607	24 067	44 210	31 720
Acquisitions	294	-	-	-	-	-
Initial recognition	-	-	-	-	-	-
Transfer between classes	-	-	29	(29)	-	-
Disposals - transfers for nil consideration	-	-	(376)	(840)	-	-
Disposals	-	(87)	-	-	-	-
Transfers to/(from) capital works in progress	-	1 112	10 779	4 071	2 436	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Subtotal	294	1 025	10 432	3 202	2 436	-
Gains/(losses) for the period recognised in net result:						
Depreciation expense	-	(3 069)	(4 141)	(4 396)	(2 259)	(458)
Subtotal	-	(3 069)	(4 141)	(4 396)	(2 259)	(458)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation (decrement)/increment	48 949	-	-	-	-	-
Subtotal	48 949	-	-	-	-	-
Carrying amount at the end of period	267 135	46 819	36 898	22 873	44 387	31 262

	Patawalonga Seawater Circulation	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embankments
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	31 457	18 113	5 637	5 729	6 949
Acquisitions	-	-	-	-	-
Initial recognition	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers to/(from) capital works in progress	-	-	18	-	-
Capital WIP - expensed in current period	-	-	-	-	-
Subtotal	-	-	18	-	-
Gains/(losses) for the period recognised in net result:					
Depreciation expense	(688)	(1 006)	(159)	(168)	(69)
Subtotal	(688)	(1 006)	(159)	(168)	(69)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation (decrement)/increment	-	-	-	-	-
Subtotal	-	-	-	-	-
Carrying amount at the end of period	30 769	17 107	5 496	5 561	6 880

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23 Property, plant and equipment (continued)

	Plant & equipment	Leasehold improvements	Other	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2016					
Carrying amount at the start of period	11 147	-	1 217	34 176	511 784
Acquisitions	1 469	-	-	14 519	16 282
Initial recognition	-	22 099	-	-	22 099
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	(468)	-	-	-	(1 684)
Disposals	(408)	-	-	-	(495)
Transfers to/(from) capital works in progress	4 279	-	-	(23 877)	(1 182)
Capital WIP - expensed in current period	-	-	-	(2 153)	(2 153)
Subtotal	4 872	22 099	-	(11 511)	32 867
Gains/(losses) for the period recognised in net result:					
Depreciation expense	(2 465)	(307)	(18)	-	(19 203)
Subtotal	(2 465)	(307)	(18)	-	(19 203)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation (decrement)/increment	-	-	-	-	48 949
Subtotal	-	-	-	-	48 949
Carrying amount at the end of period	13 554	21 792	1 199	22 665	574 397

	Land	Buildings & improvements	Park infrastructure	Roads, tracks & trails	Groundwater Monitoring Wells	Salinity Disposal Schemes
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015						
Carrying amount at the start of period	217 790	52 086	28 188	28 159	45 358	26 142
Acquisitions	196	-	-	-	-	-
Transfer 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
Capital WIP - expensed in current period	-	-	-	-	-	-
Subtotal	102	(17)	6 556	1 039	1 080	568
Gains/(losses) for the period recognised in net result:						
Depreciation expense	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)
Subtotal	-	(3 206)	(4 137)	(5 131)	(2 228)	(456)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation (decrement)/increment	-	-	-	-	-	5 466
Subtotal	-	-	-	-	-	5 466
Carrying amount at the end of period	217 892	48 863	30 607	24 067	44 210	31 720

Department of Environment, Water and Natural Resources
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23 Property, plant and equipment (continued)

	Patawalonga Seawater Circulation	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embankments
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	22 658	19 119	4 944	5 247	7 018
Acquisitions	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers to/(from) capital works in progress	3 062	-	850	638	-
Capital WIP - expensed in current period	-	-	-	-	-
Subtotal	3 062	-	850	638	-
Gains/(losses) for the period recognised in net result:					
Depreciation expense	(711)	(1 006)	(157)	(156)	(69)
Subtotal	(711)	(1 006)	(157)	(156)	(69)
Gains/(losses) for the period recognised in other comprehensive income:					
Net revaluation (decrement)/increment	6 448	-	-	-	-
Subtotal	6 448	-	-	-	-
Carrying amount at the end of period	31 457	18 113	5 637	5 729	6 949

	Plant & equipment	Other	Capital work in progress	Total
2015	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	11 043	1 236	36 839	505 827
Acquisitions	31	-	27 932	28 159
Transfer between classes	17	-	-	-
Disposals - transfers for nil consideration	(14)	-	-	(10 270)
Disposals	(2)	-	-	(2 626)
Transfers to/(from) capital works in progress	2 522	-	(29 786)	(685)
Capital WIP - expensed in current period	-	-	(809)	(809)
Subtotal	2 554	-	(2 663)	13 769
Gains/(losses) for the period recognised in net result:				
Depreciation expense	(2 450)	(19)	-	(19 726)
Subtotal	(2 450)	(19)	-	(19 726)
Gains/(losses) for the period recognised in other comprehensive income:				
Net revaluation (decrement)/increment	-	-	-	11 914
Subtotal	-	-	-	11 914
Carrying amount at the end of period	11 147	1 217	34 176	511 784

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24 Intangible assets

	2016	2015
	\$'000	\$'000
Internally developed intangible assets		
Computer software - at cost (deemed fair value)	20 500	20 238
Less accumulated amortisation	(19 378)	(18 546)
Total internally generated computer software	1 122	1 692
Externally acquired intangible assets		
Computer software and water licences	4 449	3 529
Less accumulated amortisation	(1 069)	(829)
Total externally acquired intangible assets	3 380	2 700
Other		
Revenue stream (War services freehold leases) - at cost (deemed fair value)	1 000	1 000
Less accumulated amortisation	(229)	(207)
Total other	771	793
Total intangible assets	5 273	5 185

DEWNR recognises the following intangible assets:

Computer software

The internal development of software is capitalised by DEWNR 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. DEWNR 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 DEWNR'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.

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24 Intangible assets (continued)

Intangible asset movement reconciliation schedule

	Internally developed	Externally acquired	Revenue stream	Total
	\$'000	\$'000	\$'000	\$'000
2016				
Carrying amount at the start of the period	1 692	2 700	793	5 185
Transfers from capital works in progress	262	920	-	1 182
Amortisation	(832)	(240)	(22)	(1 094)
Carrying amount at the end of the period	1 122	3 380	771	5 273

	Internally developed	Externally acquired	Revenue stream	Total
	\$'000	\$'000	\$'000	\$'000
2015				
Carrying amount at the start of the period	2 120	2 880	815	5 815
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	2 700	793	5 185

Assets Not Recognised

Acquisition of Water Licences for Environmental Flows

While DEWNR 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 affect 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 DEWNR.

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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 used in measurement as follows:

Fair value measurement at 30 June 2016

	Level 3
	\$'000
Recurring fair value measurements	
Land	267 135
Buildings and improvements	46 819
Park infrastructure	36 898
Roads, tracks and trails	22 873
Groundwater monitoring wells	44 387
Salinity disposal schemes	31 262
Patawalonga seawater circulation and Barcoo outlet	30 769
Surface water monitoring network	5 496
Waste disposal stations	5 561
Lower Murray embankments	6 880
Sand pumping infrastructure	17 107
Plant and equipment	13 554
Leasehold improvements	21 792
Other	1 199
Total recurring fair value measurements	551 732

Fair value measurement at 30 June 2015

	Level 3
	\$'000
Recurring fair value measurements	
Land	217 892
Buildings and improvements	48 863
Park infrastructure	30 607
Roads, tracks and trails	24 067
Groundwater monitoring wells	44 210
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	11 147
Other	1 217
Total recurring fair value measurements	477 608

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25 Fair value measurements (continued)

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

DEWNR had no valuations categorised into level 1 or level 2 during 2015 and 2016.

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 2016.

26 Payables

	2016	2015
	\$'000	\$'000
Current		
Accrued expenses	915	1 148
Creditors	18 120	21 860
Employment on-costs	2 833	2 507
Paid Parental Leave Scheme payable	25	29
Total current payables	21 893	25 544
Non-current		
Employment on-costs	3 287	2 894
Total non-current payables	3 287	2 894

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has changed from the 2015 rate (37%) to 40%. This rate is used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.123m and employee benefits expense of \$0.123m.

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 note 38.

(b) Categorisation of financial instruments and risk exposure information - refer to note 38.

Department of Environment, Water and Natural Resources
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27 Employee benefits

	2016	2015
	\$'000	\$'000
Current		
Accrued salaries and wages	1 731	902
Annual leave	9 551	8 970
Long service leave	2 161	1 724
Skills and experience retention leave	938	823
Total current employee benefits	14 381	12 419
Non-current		
Long service leave	35 140	31 724
Total non-current employee benefits	35 140	31 724

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 2015 (3.00%) to 2016 (2.00%).

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 \$2.468m and employee benefit expense of \$2.468m. 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 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

28 Provisions

	2016	2015
	\$'000	\$'000
Current		
Provision for workers compensation	913	584
Total current provisions	913	584
Non-current		
Provision for workers compensation	1 936	1 846
Total non-current provisions	1 936	1 846
Provision movement		
Carrying amount at the beginning of the period	2 430	2 903
Reductions resulting from re-measurement or settlement without cost	-	(473)
Additional provisions recognised	419	-
Carrying amount at the end of the period	2 849	2 430

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 (a division of the Department of the Premier and Cabinet). These claims are expected to be settled within the next financial year.

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29 Other liabilities

	2016	2015
	\$'000	\$'000
Current		
Lease incentive	1 931	20
Unearned revenue	101	136
Other	254	57
Total current other liabilities	2 286	213
Non-current		
Lease incentive	20 025	95
Deposits held	465	-
Total non-current other liabilities	20 490	95

Additional lease incentive in relation to DEWNR's new CBD accommodation account for the increase in non-current lease incentives.

30 Equity

	2016	2015
	\$'000	\$'000
Contributed capital	22 612	22 612
Retained earnings	286 382	279 351
Asset revaluation surplus	339 606	290 657
Total equity	648 600	592 620

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.

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31 Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	147 428	134 450
Balance as per the Statement of Cash Flows	147 428	134 450
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	30 423	57 734
Less revenues from SA Government	(156 140)	(141 670)
Add payments to SA Government	13 652	1 200
Add/less non-cash items		
Depreciation and amortisation	(20 297)	(20 861)
Capital work-in-progress expensed	(2 153)	(809)
(Loss) on disposal of non-current assets	(2 149)	(12 826)
Movements in assets and liabilities		
Increase/(decrease) in receivables	5 256	(20 434)
Increase in inventories	58	418
(Decrease)/increase in other assets	(6)	258
Decrease/(increase) in payables	2 065	(2 147)
(Increase) in employee benefits	(5 378)	(3 408)
(Increase)/decrease in provisions	(419)	473
(Increase)/decrease in other liabilities	(369)	443
Net cost of providing services	(135 457)	(141 629)

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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	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses							
Employee benefits	5	-	-	160 552	147 694	160 552	147 694
Supplies and services	6						
Accommodation and property management		12 384	11 456	4 411	3 857	16 795	15 313
Consultants		-	-	218	165	218	165
Contractors		-	-	3 434	4 776	3 434	4 776
Cost of goods sold		-	-	1 634	1 674	1 634	1 674
Fee for service		3 082	2 471	18 838	23 737	21 920	26 208
General administration		8 180	3 324	2 489	8 801	10 669	12 125
Information technology & communication		3 033	2 456	6 480	6 511	9 513	8 967
Minor works, maintenance & equipment		263	363	3 910	6 800	4 173	7 163
Monitoring fees		-	-	110	143	110	143
Sand replenishment		-	-	3 303	3 140	3 303	3 140
Scientific and technical services		-	-	334	130	334	130
Transportation		-	-	334	373	334	373
Travel and accommodation		-	-	1 874	1 819	1 874	1 819
Vehicle and aircraft		3 507	3 300	1 283	2 257	4 790	5 557
Staff development		-	-	1 401	1 696	1 401	1 696
Other		-	347	3 406	3 335	3 406	3 682
Grants and subsidies	7	4 140	2 554	32 212	29 007	36 352	31 561
Water recovery / acquisition	8	-	-	807	738	807	738
Depreciation and amortisation	9	-	-	20 297	20 861	20 297	20 861
Net loss from the disposal of non-current assets	10	-	-	2 149	12 826	2 149	12 826
Other (excluding Auditors Remuneration)	11						
Bad and doubtful debts		-	-	60	201	60	201
Capital project costs not capitalised		-	-	2 153	809	2 153	809
Audit fees		-	-	-	26	-	26
Movement in Inventory		-	-	(129)	(229)	(129)	(229)
Other		-	-	2	-	2	-
Auditors remuneration	12	405	454	-	-	405	454
Total expenses		34 994	26 725	271 562	281 147	306 556	307 872

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32 Transactions with SA Government (continued)

		SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Fees and charges	13						
Admissions and guided tours		-	-	8 882	8 353	8 882	8 353
Fees, levies and licences		-	-	2 499	2 467	2 499	2 467
Property rental and related income		250	-	5 832	6 085	6 082	6 085
Taxation revenue - River Murray rehabilitation levy		1 290	-	163	24 958	1 453	24 958
Service recoveries		17 556	17 128	-	-	17 556	17 128
Other property related income		-	-	10	212	10	212
Sale of goods		-	178	3 892	3 402	3 892	3 580
Sale of professional services		5 279	1 837	2 838	3 253	8 117	5 090
Sale of support services		10 543	4 456	3 130	2 409	13 673	6 865
Sale of spatial information		148	181	692	833	840	1 014
Sale of freehold titles		-	-	202	82	202	82
Grants	14	13 733	12 692	52 600	43 015	66 333	55 707
Interest	15	683	1 054	-	7	683	1 061
Other	16						
Insurance recoveries		-	-	28	38	28	38
Salaries and wages recoveries		32 064	33 295	435	-	32 499	33 295
Sponsorships, donations, commissions and bequests		-	-	114	19	114	19
Water sales		-	-	8 007	71	8 007	71
Other sundry revenue		-	-	229	218	229	218
Net Revenues from SA Government	17	142 488	140 470	-	-	142 488	140 470
Total income		224 034	211 291	89 553	95 422	313 587	306 713
Financial assets							
Receivables	19						
Receivables		7 218	5 213	6 771	2 727	13 989	7 940
Accrued revenues		-	-	58	87	58	87
GST input tax recoverable		-	-	4 056	4 785	4 056	4 785
Workers compensation recoveries		-	-	48	83	48	83
Other financial assets	21						
Prepaid supplies and services		-	-	1 245	1 253	1 245	1 253
Other		-	-	6	4	6	4
Equity in listed entities	22	-	-	3	3	3	3
Total financial assets		7 218	5 213	12 187	8 942	19 405	14 155
Financial liabilities							
Payables	26						
Accrued expenses		412	489	503	659	915	1 148
Creditors		4 552	4 615	13 568	17 245	18 120	21 860
Employment on-costs		3 049	2 787	3 071	2 614	6 120	5 401
Paid Parental Leave Scheme payable		-	-	25	29	25	29
Other liabilities	29						
Lease incentive		21 956	-	-	115	21 956	115
Unearned revenue		-	-	101	136	101	136
Deposits held		-	-	465	-	465	-
Other		-	-	254	57	254	57
Total financial liabilities		29 969	7 891	17 987	20 855	47 956	28 746

Department of Environment, Water and Natural Resources
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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.

		Original budget¹ 2016 \$'000	Actual 2016 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefits		148 089	160 552	12 463
Supplies and services	a	117 567	83 908	(33 659)
Grants and subsidies		37 097	36 352	(745)
Water recovery / acquisition		-	807	807
Depreciation and amortisation		21 042	20 297	(745)
Net loss from disposal of non-current assets		-	2 149	2 149
Other		5 677	2 491	(3 186)
Total expenses		329 472	306 556	(22 916)
Income				
Fees and charges	b	49 037	63 206	14 169
Grants	c	49 564	66 333	16 769
Interest		124	683	559
Other		39 178	40 877	1 699
Total income		137 903	171 099	33 196
Net cost of providing services		191 569	135 457	(56 112)
Revenues from / payments to SA government				
Revenues from SA government		155 185	156 140	955
Payments to SA government		-	(13 652)	(13 652)
Total net revenues from SA Government		155 185	142 488	(12 697)
Net result		(36 384)	7 031	43 415
Other comprehensive income				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus		-	48 949	48 949
Total other comprehensive income		-	48 949	48 949
Total comprehensive result		(36 384)	55 980	92 364

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 (2015-16 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 lower actual expenditure in comparison to original budget is due to the carry forward of significant funds which are largely associated with Commonwealth funded programs – this expenditure is now expected to occur in the next financial year.
- The variance is due largely to an increase in the sale of support services, and revenue in relation to drilling in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.

Department of Environment, Water and Natural Resources
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33 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

- c. The variance is largely due to an increase in funding for Commonwealth programs (e.g. South Australian Riverland Floodplain Integrated Infrastructure Program). This revenue will fund expenditure expected to be incurred in the next financial year.

Investing expenditure summary	\$'000	\$'000	\$'000
Total existing projects	7 973	7 569	(404)
Total annual program	10 264	8 687	(1 577)
Total investing expenditure	18 237	16 256	(1 981)

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 (2015-16 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

34 Unrecognised contractual commitments

Operating lease commitments

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

	2016	2015
	\$'000	\$'000
Within one year	8 583	11 241
Later than one year but not longer than five years	25 327	12 294
Later than five years	42 608	17 232
Total operating lease commitments	76 518	40 767

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.

During the 2015-16 financial year, DEWNR received lease incentives for a newly leased property amounting to \$25.68 million. After fit-out costs (\$22.099 million), the remaining lease incentive (\$3.545 million) is being amortised over the life of the lease.

Capital commitments

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

	2016	2015
	\$'000	\$'000
Within one year	8 474	2 250
Total capital commitments	8 474	2 250

DEWNR's capital commitments include amounts associated with the South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) (\$7.324 million) and the Kangaroo Island Multi-Day Walk (\$1.150 million). In 2014-15, capital commitments comprised Kangaroo Island Multi-Day Walk (\$2.250 million).

Expenditure commitments

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

	2016	2015
	\$'000	\$'000
Within one year	19 444	19 054
Later than one year but not longer than five years	50 117	48 189
Total expenditure commitments	69 561	67 243

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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35 Contingent assets and liabilities

DEWNR 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.

36 Remuneration of board and committee members

Members of the boards and committees during the 2015-16 financial year were:

South Australian Heritage Council

Beazley S L
Carr J M *
Donaldson R T
Hartnell C C (retired 14/10/15)
Leydon G J
MacKinnon A G
Queale M W
Schulz J
Wigg C A
Ben Kahn A (acting member)

Kangaroo Management Reference Group

Ackland T M	Neal J
Ashby D (retired 31/12/15)	Stringer J * (ex-officio)
Borda R	Smith C (retired 31/12/15)
Dunn E * (retired 31/12/15)	Tansell G
Evans D (retired 31/12/15)	Turner M (retired 31/12/15)
Gerschwitz T * (ex-officio)	Wigg T * (ex-officio)
Lewis A G	Winen M
McBride M P (retired 31/12/15)	Wright L (retired 31/12/15)
Milne T (retired 31/12/15)	Agius Q L B (appointed 01/04/16)
Mould J (retired 31/12/15)	De Preu N D (appointed 01/04/16)
Moore M *	Slade K L (appointed 01/04/16)
Williams S L (appointed 01/04/16)	Dean P * (ex-officio)
Warwick R M (appointed 01/04/16)	

Witjira National Park Board of Management

Ah Chee A	Fuschtei V T N
Ah Chee M R	Tjami R (appointed 01/11/15)
Magor A B *	Pelton G A *
Miller H * (appointed 01/11/15)	Doolan D (appointed 31/01/14)
Walton J (retired 30/10/15)	
McKenzie V C (deputy; appointed 01/11/15)	

**Ngaut Ngaut Conservation Park
Co-management Board**

Campbell I M
Campbell I L
Dominelli S T *
Gillen P G *
Hutchinson C M
Tesoriero J *

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

Coulthard C C (retired 06/11/15)	Toscano M *
Coulthard J M	Paul S A M *
Coulthard R R (retired 06/11/15)	Naismith T L *
Loan L M (appointed 07/11/15)	Anderson M F G
Mooney P A * (retired 06/11/15)	McKenzie P J
Johnson K W (appointed 07/11/15)	

Pastoral Board

Bellette K J
Johnson A W *
Lillecrapp D G
Linton V M *
Mills G D
Mould J A

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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36 Remuneration of board and committee members (continued)

Animal Welfare Advisory Committee

Evans D L (retired 31/12/15)
Hazel S J
Noonan D E
Peters M D * (observer)
Basham D K B
Moses K D
Warren P S
Mussell R I
Tilbrook A J *
Lewis A G (appointed 03/02/16)

Yumbarra Conservation Park Co-management Board

Haseldine S R
Newchurch W (deputy)
Miller L G
Miller W
Roberts E
Graham J K (retired 15/04/16)
Anderson M J *
Keen S F *
Ward M J *

Premier's Climate Change Council

Bellette KJ
Carter B J
Degaris R H
Foster B J
Halsey N M
O'Brien J K
Tucker M
Pitcher S J *
Russell D E * (appointed 24/08/15)

Arabana Parks Advisory Committee

Blaylock K J *
Gill F J *
Gotch T B *
Millera V J (deputy)
Stuart A C
Stuart D
Warren J

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

Miller D
Lawrie C L
Anderson M J *
Graham J K (retired 15/04/16)
Keen S F *
Kerdel K *
Reynolds B (retired 06/11/15)
Ward M J *
Miller N (deputy; appointed 16/11/15)
Peel J

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

Barker M * (appointed 10/02/16)
Bromley H (retired 06/11/15)
Coulthard G M *
Coulthard T C (appointed 10/02/16)
Loan L M *
McMillan K A (retired 06/11/15)
Paul S A M *
Schutz J E **
Sellar A H (retired 06/11/15)
Waye C I (appointed 10/02/16)
Wilton A L (appointed 10/02/16)
Wilton S M (retired 06/11/15)

YYPA Committee Coongie Lakes National Park

Allen C	Elliot T (appointed 15/06/16)
Bottrell T F (retired 09/12/15)	Gallo T (appointed 15/06/16)
Dodd L * (retired 14/06/16)	Dahl E S * (appointed 15/06/16)
Haynes J M (retired 09/12/15)	Gates J * (appointed 15/06/16)
Linton V M *	Gregg-Smith J * (appointed 15/06/16)
Magor A B * (retired 14/06/16)	Haynes A M (deputy; retired 09/12/15)
Singleton R *	

* Denotes government employees

** Denotes statutory employee

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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36 Remuneration of board and committee members (continued)

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

	2016	2015
	Number of	Number of
	members	members
\$nil	53	84
\$1 - \$9 999	67	95
\$10 000 - \$19 999	6	7
\$20 000 - \$29 999	1	1
Total number of members	127	187

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

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 \$190 000 (2015: \$204 000).

* In accordance with the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year. The exception being Ms Glenise Coulthard (Flinders Ranges National Park Co-Management Board), who was granted an exemption by the Chief Executive of the Department of the Premier and Cabinet.

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.

37 Events after the reporting period

DEWNR 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 DEWNR'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*.

DEWNR 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 DEWNR'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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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Table 38.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	18	147 428	147 428	-	-	-
Receivables ⁽¹⁾⁽²⁾	19	14 047	14 047	-	-	-
Financial assets	22	3	-	3	-	-
Total financial assets		161 478	161 475	3	-	-
Financial liabilities						
Payables ⁽¹⁾	26	18 623	18 623	-	-	-
Total financial liabilities		18 623	18 623	-	-	-
Category of financial asset and financial liability	Notes	2015 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	18	134 450	134 450	-	-	-
Receivables ⁽¹⁾⁽²⁾	19	8 027	8 027	-	-	-
Financial assets	22	3	-	3	-	-
Total financial assets		142 480	142 477	3	-	-
Financial liabilities						
Payables ⁽¹⁾	26	22 543	22 543	-	-	-
Total financial liabilities		22 543	22 543	-	-	-

⁽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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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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 DEWNR. 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 DEWNR.

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 DEWNR's maximum exposure to credit risk.

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

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	
2016						
Receivables ⁽¹⁾	14 047	11 718	212	210	1 907	(489)
Financial assets	3	3	-	-	-	-
2015						
Receivables ⁽¹⁾	8 027	6 105	478	179	1 265	(435)
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.

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

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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
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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 DEWNR's financial statements. When incorporating these amounts into DEWNR's financial statements all transactions between the Fund and DEWNR have been eliminated.

Statement of Comprehensive Income for the Year Ended 30 June 2016

	2016	2015
	\$'000	\$'000
Expenses		
Supplies and services	1	-
	1	-
Net cost of providing services	1	-
Revenues from SA Government	-	-
Net result	(1)	-

Statement of Financial Position as at 30 June 2016

	2016	2015
	\$'000	\$'000
Current assets		
Cash	349	350
	349	350
Total assets	349	350
Net assets	349	350
Equity		
Retained earnings	349	350
Total equity	349	350

Statement of Changes in Equity for the Year Ended 30 June 2016

	Retained Earnings	Total
	\$'000	\$'000
Balance at 1 July 2014	350	350
Net result for 2014-15	-	-
Balance at 30 June 2015	350	350
Net result for 2015-16	(1)	(1)
Balance at 30 June 2016	349	349

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

39 South Australian Heritage Fund (continued)

Statement of Cash Flows for the Year Ended 30 June 2016	2016	2015
	\$'000	\$'000
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	(1)	-
Total Cash used in operations	(1)	-
Cash generated from SA Government	-	-
Net cash (used in)/provided by operating activities	(1)	-
Cash at the beginning of the period	350	350
Cash at the end of the period	349	350

40 General Reserves Fund

The General Reserves Fund (the Fund) was established under section 45 of the *National Parks and Wildlife Act 1972* (the Act) to perform duties in relation to the development and management of reserves. Reserves include any national park, conservation park, game reserve, recreation park or regional reserve constituted under the Act. The functions of the Fund are to undertake programs that are directed to achieving the objectives prescribed in section 37 of the Act, through the operation of a Fund account. The Fund provisions are used as the mechanism to provide expanded visitor facilities and services to the park. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within DEWNR's financial statements. When incorporating these amounts into DEWNR's financial statements all transactions between the Fund and DEWNR have been eliminated.

Statement of Comprehensive Income for the Year Ended 30 June 2016	2016	2015
	\$'000	\$'000
Expenses		
Supplies and services	9	7
Grants and subsidies	13 860	13 248
Other	9	9
	13 878	13 264
Income		
Fees and charges	13 838	13 195
Interest	26	34
Other	14	35
	13 878	13 264
Net cost of providing services	-	-
Net result	-	-

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

40 General Reserves Fund (continued)

Statement of Financial Position as at 30 June 2016	2016 \$'000	2015 \$'000
Current assets		
Cash and cash equivalents	1 360	1 642
Receivables	999	632
Total current assets	2 359	2 274
Total assets	2 359	2 274
Current liabilities		
Payables	9	9
Other	85	-
Total current liabilities	94	9
Total liabilities	94	9
Net assets	2 265	2 265
Equity		
Retained earnings	2 265	2 265
Total equity	2 265	2 265

Statement of Changes in Equity for the Year Ended 30 June 2016	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2014	2 265	2 265
Net result for 2014-15	-	-
Balance at 30 June 2015	2 265	2 265
Net result for 2015-16	-	-
Balance at 30 June 2016	2 265	2 265

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
for the period ended 30 June 2016

40 General Reserves Fund (continued)

Statement of Cash Flows for the Year Ended 30 June 2016	2016 \$'000	2015 \$'000
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	(9)	(7)
Payments of grants and subsidies	(13 860)	(13 248)
Other payments	(9)	(9)
Total Cash used in operations	(13 878)	(13 264)
Cash inflows		
Fees and charges	13 555	13 325
Interest received	27	34
Other receipts	14	35
Total Cash used in operations	13 596	13 394
Net cash (used in)/provided by operating activities	(282)	130
Cash at the beginning of the period	1 642	1 512
Cash at the end of the period	1 360	1 642

Department of Environment, Water and Natural Resources
Statement of Administered Comprehensive Income
For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits		323	299
Supplies and services		122	237
Grants and subsidies	A5	48 614	48 433
Depreciation		-	2
Expenses associated with joint operation	A12	10 494	11 272
Other		2 093	(133)
Total expenses		61 646	60 110
Income			
Fees and charges	A6	14 605	17 345
Grants	A7	14 112	17 311
Income associated with joint operation	A12	21 888	34 917
Interest		100	110
Net gain from the disposal of non-current assets		692	2 889
Total Income		51 397	72 572
Net cost of providing services		10 249	(12 462)
Revenues from / payments to SA Government			
Revenues from SA Government	A8	19 179	17 805
Payments to SA Government	A8	(1 676)	(9 951)
Total net revenues from SA Government		17 503	7 854
Net result		7 254	20 316
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus	A11	16 254	16 541
Total other comprehensive income		16 254	16 541
Total comprehensive result		23 508	36 857

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 Administered Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	A9	6 434	6 505
Receivables	A10	6 481	8 712
Total current assets		12 915	15 217
Non-current assets			
Property, plant and equipment	A11	1 358 351	794 756
Intangibles	A12	148 097	129 433
Total non-current assets		1 506 448	924 189
Total assets		1 519 363	939 406
Current liabilities			
Payables		3 519	2 914
Total current liabilities		3 519	2 914
Total liabilities		3 519	2 914
Net assets		1 515 844	936 492
Equity			
Asset revaluation surplus		177 804	159 632
Retained earnings		1 338 040	776 860
Total equity		1 515 844	936 492

The total equity is 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 Administered Changes in Equity
for the year ended 30 June 2016

		Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total equity \$'000
Balance at 30 June 2014		392 007	504 773	896 780
Error correction - interest in joint operation	A12	(250 847)	252 317	1 470
Restated balance at 30 June 2014		141 160	757 090	898 250
Net result for 2014-15		-	20 316	20 316
Changes in property, plant and equipment asset revaluation surplus	A11	16 541	-	16 541
Total comprehensive result for 2014-15		16 541	20 316	36 857
Balance at 30 June 2015		157 701	777 406	935 107
Error correction - property, plant and equipment	A11	1 931	(546)	1 385
Restated balance at 30 June 2015		159 632	776 860	936 492
Opening balance at 1 July 2015		159 632	776 860	936 492
Error correction - Crown lands	A11	1 918	553 926	555 844
Restated opening balance at 1 July 2015		161 550	1 330 786	1 492 336
Net result for 2015-16		-	7 254	7 254
Changes in property, plant and equipment asset revaluation surplus	A11	16 254	-	16 254
Total comprehensive result for 2015-16		16 254	7 254	23 508
Balance at 30 June 2016		177 804	1 338 040	1 515 844

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 Administered Cash Flows
as at 30 June 2016

		2016	2015
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(323)	(299)
Payments for supplies and services		(122)	(237)
Payments of grants and subsidies		(48 009)	(48 462)
Cash used in operations		(48 454)	(48 998)
			-
Cash inflows			
Fees and charges		14 605	17 345
Receipts from grants		14 250	13 710
Interest received		100	110
Cash generated from operations		28 955	31 165
Cash flows from SA government			
Receipts from SA government		19 179	17 805
Payments to SA government		(1 676)	(19 838)
Cash generated from SA government		17 503	(2 033)
Net cash (used in) operating activities	A9	(1 996)	(19 866)
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment		1 925	2 889
Net cash (used in) investing activities		1 925	2 889
Net (decrease) in cash and cash equivalents		(71)	(16 977)
Cash and cash equivalents at the beginning of the period		6 505	23 482
Cash and cash equivalents at the end of the period	A9	6 434	6 505

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

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses						
Employee benefits	-	3	-	-	323	296
Supplies and services	122	237	-	-	-	-
Grants and subsidies	157	688	15 787	13 891	-	-
Depreciation	-	2	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenses	279	930	15 787	13 891	323	296
Income						
Fees and charges	19	8	-	-	-	-
Grants	-	143	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Net gain from disposal of land held for sale	692	2 889	-	-	-	-
Total income	711	3 040	-	-	-	-
Net cost of / (benefit from) providing services	(432)	(2 110)	15 787	13 891	323	296
Revenues from / payments to SA Government						
Revenues from SA Government	-	688	15 836	13 899	318	296
Payments to SA Government	(1 676)	(9 701)	-	-	-	-
Total net revenues from SA Government	(1 676)	(9 013)	15 836	13 899	318	296
Net result	(1 244)	(6 903)	49	8	(5)	-
Other comprehensive income						
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive result	(1 244)	(6 903)	49	8	(5)	-

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	Caring for Our Country		Natural Heritage Trust		NRM Fund	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	14 248	17 014	-	221	18 422	16 619
Depreciation	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	2 093	(133)
Total expenses	14 248	17 014	-	221	20 515	16 486
Income						
Fees and charges	-	-	-	-	14 590	17 337
Grants	14 112	17 168	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	11	15	-	-	88	94
Net gain from disposal of land held for sale	-	-	-	-	-	-
Total income	14 123	17 183	-	-	14 678	17 431
Net cost of / (benefit from) providing services	125	(169)	-	221	5 837	(945)
Revenues from / payments to SA Government						
Revenues from SA Government	-	-	-	-	3 011	2 908
Payments to SA Government	-	-	-	-	-	-
Total net revenues from SA Government	-	-	-	-	3 011	2 908
Net result	(125)	169	-	(221)	(2 826)	3 853
Other comprehensive income						
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive result	(125)	169	-	(221)	(2 826)	3 853

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	Pastoral Board		National Action Plan for Salinity and Water Quality		Qualco Sunlands	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
Income						
Fees and charges	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	1	1	-	-
Net gain from disposal of land held for sale	-	-	-	-	-	-
Total income	-	-	1	1	-	-
Net cost of / (benefit from) providing services	-	-	(1)	(1)	-	-
Revenues from / payments to SA Government						
Revenues from SA Government	14	14	-	-	-	-
Payments to SA Government	-	-	-	-	-	(250)
Total net revenues from SA Government	14	14	-	-	-	(250)
Net result	14	14	1	1	-	(250)
Other comprehensive income						
Changes in property, plant and equipment asset revaluation surplus	-	10 656	-	-	-	-
Total other comprehensive income	-	10 656	-	-	-	-
Total comprehensive result	14	10 670	1	1	-	(250)

Department of Environment, Water and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2016

	DEWNR Corporate Admin Items		Total	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Expenses				
Employee benefits	-	-	323	299
Supplies and services	-	-	122	237
Grants and subsidies	-	-	48 614	48 433
Depreciation	-	-	-	2
Expenses associated with joint operation	10 494	11 272	10 494	11 272
Other	-	-	2 093	(133)
Total expenses	10 494	11 272	61 646	60 110
Income				
Fees and charges	(4)	-	14 605	17 345
Grants	-	-	14 112	17 311
Income associated with joint operation	21 888	34 917	21 888	34 917
Interest	-	-	100	110
Net gain from disposal of land held for sale	-	-	692	2 889
Total income	21 884	34 917	51 397	72 572
Net cost of / (benefit from) providing services	(11 390)	(23 645)	10 249	(12 462)
Revenues from / payments to SA Government				
Revenues from SA Government	-	-	19 179	17 805
Payments to SA Government	-	-	(1 676)	(9 951)
Total net revenues from SA Government	-	-	17 503	7 854
Net result	11 390	23 645	7 254	20 316
Other comprehensive income				
Changes in property, plant and equipment asset revaluation surplus	16 254	5 885	16 254	16 541
Total other comprehensive income	16 254	5 885	16 254	16 541
Total comprehensive result	27 644	29 530	23 508	36 857

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

Administered items of the Department of Environment, Water and Natural Resources

A1 Reporting entities and strategic context

The activities of the administered items are:

Crown Lands

Crown Lands is comprised of an account established by the Treasurer of South Australia to record receipts and payments associated with the sale of Crown land and other surplus South Australian government land and property. The net revenues from these sales are returned to the Department of Treasury and Finance's Consolidated Account.

Minister's other payments

Grants and subsidies payments of \$15.787 million (2015: \$13.891 million) approved by the Minister for Sustainability, Environment and Conservation were made to community organisations, associations and local government. This includes grants made to Zoo SA \$5.486 million (2015: \$5.365 million); Adelaide City Council \$1.486 million (2015: \$1.471 million); Stormwater Management Authority \$4.995 million (2015: \$4.873 million); South Eastern Water Conservation and Drainage Board \$2.237 million (2015: \$2.182 million); Native Vegetation Fund \$1.080 million (2015: nil); Coast Protection Fund \$0.503 million (2015: nil).

Special Acts Allocation

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

Caring for our Country

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

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

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

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

Natural Resources Management Fund

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the *Natural Resources Management Act 2004* (NRM Act). The Minister for Sustainability, Environment and Conservation administers the NRM Fund and may apply any part of the NRM Fund in making payments to the regional NRM Boards; in paying subsidies or making grants or other payments to NRM authorities or other persons or bodies for the purposes of the NRM Act. This may also include making any payment required, or authorised by or under the NRM Act or any other law. The balance of the NRM Fund at 30 June was \$2.317 million (2015: \$2.289 million).

Some activities have been restructured to assist in the interpretation of the financial transactions relating to the NRM Fund.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A1 Reporting entities and strategic context (continued)

Natural Resources Management Boards

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

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

- government appropriations (controlled and administered allocated in respect of the regional NRM Boards)
- water levies
- penalties relating to water levies
- expiation fees and other penalties.

(i) Government appropriations

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

	2016	2015
	\$'000	\$'000
Regional NRM Board		
Alinyjara Wilurara NRM Board	1 029	994
Kangaroo Island NRM Board	1 029	994
South Australian Arid Lands NRM Board	953	920
	3 011	2 908

(ii) Water levies

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

(iii) Penalties

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

(iv) Expiation fees and other penalties

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

Pastoral Board

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

A1 Reporting entities and strategic context (continued)

National Action Plan for Salinity and Water Quality

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

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

Qualco Sunlands

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

South Eastern Water Conservation and Drainage Board

The South Eastern Water Conservation and Drainage Board was established pursuant to Division 1 of the South Eastern Water Conservation and Drainage Act 1992. DEWNR supplies funding to the Board on a quarterly basis. The funding is sourced from appropriations provided by DTF.

Stormwater Management Authority (SMA)

The SMA was established on 1 July 2007 under Schedule 1A of the *Local Government Act 1999* in accordance with and to implement the Stormwater Management Agreement dated 14 March 2006. The SMA's functions include to liaise with relevant public authorities to ensure the proper functioning of the State's stormwater management system; and to facilitate and co-ordinate stormwater management planning by local councils. DEWNR provides a resource to manage the day-to-day operations of the SMA – relevant costs are fully recovered from the SMA. DEWNR also supplies funding to the SMA on an annual basis. The funding is sourced from appropriations provided by DTF.

A2 Administered item's financial arrangements

The financial activities of the administered items are conducted through a number of deposit accounts with DTF pursuant to the *Public Finance and Audit Act 1987*. The financial activities of Administered Items that do not have their own deposit account are conducted through the DEWNR's deposit account.

DEWNR conducts a large number of activities directed towards meeting the administered items objectives and responsibilities as specified in the legislation and/or other authoritative documentation that establishes the administered items. Many of the administered items, in accordance with the Acts, have delegated certain functions to officers within DEWNR who provide technical and administrative support including the use of plant and equipment, office accommodation and various administrative services. The cost of the services provided that can be identified with the activities of the administered items and can be measured reliably are met by the administered items. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in the Administered Financial Statements.

A3 Administered item's summary of significant accounting policies

The Administered Financial Statements detail the sum of the individual administered items revenues, expenses, assets, liabilities, changes in equity and cash flows. As such the principles of consolidation have not been applied in preparing the financial statements as the definition of an economic entity has not been satisfied. Accordingly, transactions between the individual administered items have not been eliminated.

In general, the administered items adopt the accounting policies of DEWNR, as detailed in note 2 of DEWNR's financial statements. Deviations from these policies are as follows:

Property, plant and equipment

Property, plant and equipment includes land. DEWNR is the custodian of unallotted (unalienated) Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Unallotted Crown Land has been included in DEWNR's Statement of Administered Financial Position for the first time as at the end of the current reporting period. Land dedicated to the Minister and held by the Minister, either as freehold or reverted land, is also recognised as administered land. Administered lands may be subject to third party perpetual leases and other leases and annual licenses.

Refer to note A11 for further information on the treatment and valuation of land.

Employee benefits

In general, administered items utilise the services of contractors or DEWNR employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by DEWNR employees are provided free of charge. If, however, the services provided by DEWNR employees are directly attributable to the activities of an administered item and can be reliably measured, the services are charged to the administered item on a fee for service (cost recovery) basis. The liability for employee benefits arising from services rendered by DEWNR employees is not recognised in the administered financial statements as DEWNR is obligated to pay employees for services provided. Accordingly, employee benefits are recognised in DEWNR's financial statements.

Net gain from disposal of non-current assets

The net gain from disposal of non-current assets is determined by comparing proceeds with carrying amount. Given a suitable methodology for determining a reliable measure of the value of unallotted Crown Land has only been introduced in the current reporting period, DEWNR has calculated net gains from unallotted Crown Land disposals based on a nil carrying value.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

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

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

		Original ¹ Budget 2016	Restated ² Budget 2016	Actual 2016	Variance 2016
		\$'000	\$'000	\$'000	\$'000
Statement of Administered Comprehensive					
Income	Note				
Expenses					
Employee benefits		485	301	323	22
Supplies and services		4 951	433	122	(311)
Grants and subsidies		46 997	45 021	48 614	3 593
Depreciation		3 606	-	-	-
Expenses associated with joint operation	a	-	-	10 494	10 494
Other		5 097	848	2 093	1 245
Total expenses		61 136	46 603	61 646	15 043
Income					
Fees and charges		16 665	13 371	14 605	1 234
Grants		15 971	13 612	14 112	500
Income associated with joint operation	a	-	-	21 888	21 888
Interest		333	-	100	100
Net gain from the disposal of non-current assets		-	-	692	692
Other		513	250	-	(250)
Total income		33 482	27 233	51 397	24 164
Net cost of providing services		27 654	19 370	10 249	(9 121)
Net revenues from / payments to SA Government					
Revenues from SA government		19 384	19 384	19 179	(205)
Payments to SA government		-	(3 533)	(1 676)	1 857
Total net revenues from SA Government		19 384	15 851	17 503	1 652
Net result		(8 270)	(3 519)	7 254	10 773
Other comprehensive income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus	a	-	-	16 254	16 254
Total comprehensive income		-	-	16 254	16 254
Total comprehensive result		(8 270)	(3 519)	23 508	27 027

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 (2015-16 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.

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

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

² The original budget has been restated to reflect the removal of the Board of the Botanic Gardens and State Herbarium; the Coast Protection Board; the Dog and Cat Management Board; the Native Vegetation Fund and the South Eastern Water Conservation and Drainage Board from the DEWNR administered financial statements.

- a. This variance is due to the non-budgeting of impacts from the gain on revaluation of the interest in the joint operation realised during the year.

	Original ¹	Restated ²		
	Budget	Budget	Actual	Variance
	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000
Investing expenditure summary				
Total new projects	-	-	-	-
Total existing projects	-	-	-	-
Total annual program	442	4	-	(4)
Total investing expenditure	442	4	-	(4)

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 (2015-16 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

² The original budget has been restated to reflect the removal of South Eastern Water Conservation and Drainage Board from the DEWNR administered financial statements.

A5 Grants and subsidies

	2016	2015
	\$'000	\$'000
Caring for our Country	14 248	17 014
Crown Lands	157	688
Minister's Other Payments	15 787	13 891
Natural Heritage Trust	-	221
Payments to Natural Resource Management Boards	18 422	16 619
Total grants and subsidies	48 614	48 433

A6 Revenues from fees and charges

	2016	2015
	\$'000	\$'000
Water levies received from licence holders	14 055	13 011
Penalties	535	4 326
Crown Lands	19	8
DEWNR Corporate Administered Items	(4)	-
Total revenues from fees and charges	14 605	17 345

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A7 Grants revenues

	2016	2015
	\$'000	\$'000
Caring for our Country	14 112	17 168
Crown Lands	-	143
Total grant revenues	14 112	17 311

A8 Revenues from / payments to SA Government

	2016	2015
	\$'000	\$'000
Recurrent Appropriations	19 179	17 805
Payments to Consolidated Account	(1 676)	(9 951)
Total revenues from / payments to SA Government	17 503	7 854

A9 Administered cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Caring for our Country	536	660
Crown Lands	1 192	1 253
Natural Heritage Trust	142	142
Natural Resource Management Fund	2 317	2 289
Pastoral Board	85	71
National Action Plan for Salinity and Water Quality	36	35
Adelaide Dolphin Sanctuary	1	-
DEWNR's Corporate Administrative Items	2 125	2 055
Cash and cash equivalents disclosed in the Statement of Financial Position	6 434	6 505
Balance as per administered cash flows	6 434	6 505

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

Net cash provided by operating activities	(1 996)	(19 866)
Less revenues from SA Government	(19 179)	(17 805)
Add payments to SA Government	1 676	9 951

Add/(less) Non-cash Items

Depreciation expense of non-current assets	-	(2)
Expenses associated with joint operation	(10 494)	(11 272)
Income associated with joint operation	21 888	34 917
Net gain from disposal of land held for sale	692	2 889

Movements in assets and liabilities

(Decrease)/increase in receivables	(2 231)	3 734
(Increase)/decrease in payables	(605)	9 916
Net cost of providing services	(10 249)	12 462

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A10 Receivables

	2016 \$'000	2015 \$'000
Receivables reflected as current assets at 30 June comprised the following		
Water levies	1 416	1 895
Penalties	4 884	6 973
Accrued interest	5	7
Other	740	41
Less Allowance for doubtful debts	(564)	(204)
Total receivables	6 481	8 712

A11 Property, plant and equipment

	2016 \$'000	2015 \$'000
Crown Land		
Independent valuation	589 849	35 238
Total Crown Land	589 849	35 238
Pastoral Land		
Independent valuation	54 116	54 116
Total Pastoral Land	54 116	54 116
Buildings and improvements		
At cost	19	19
Accumulated depreciation	(19)	(19)
Total buildings and improvements	-	-
Park infrastructure		
At cost	88	88
Accumulated depreciation	(88)	(88)
Total park infrastructure	-	-
Roads, tracks and trails		
At cost	6	6
Accumulated depreciation	(6)	(6)
Total roads, tracks and trails	-	-
Joint operation property, plant and equipment		
Joint operation property, plant and equipment	714 386	705 402
Total property, plant and equipment	1 358 351	794 756

Department of Environment, Water and Natural Resources
Notes to and forming part of the financial statements
For the Year Ended 30 June 2016

A11 Property, plant and equipment (continued)

Asset Revaluations

Crown Land

During the reporting period DEWNR independently revalued its Crown Land. The independent revaluation was undertaken by Certified Practising Valuers, Mr Mark Kay, Chief Valuer, State Valuation Office and Mr Greg McCloud, Acquisition & Procurement Valuer, State Valuation Office. A market based method was used by comparing property data to that of similar sales with consideration of restrictions on use and/or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

Error correction – unallotted Crown Land

In accordance with the provisions of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, an error correction of \$553.926 million has been adjusted against retained earnings as at 1 July 2015, disclosed in the Administered Statement of Changes in Equity. This comprises an increase in the carrying value of the Crown Land assets. The error correction was required as a result of DEWNR completing a significant project to identify and value crown land tenements. Information was not available to be comprehensively verified nor valued in prior reporting periods, hence DEWNR determined that it was impractical to apply a retrospective restatement of prior year Crown Lands balances in either the Statement of Administered Financial Position or the Administered Statement of Changes in Equity.

Error correction – Other Crown land

In accordance with the provisions of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, an error correction of \$1.918 million has been adjusted against the asset revaluation surplus as at 1 July 2015, disclosed in the Administered Statement of Changes in Equity. This resulted in an increase in the carrying value of Crown Land assets. The error correction was required to correct the value of leased and licensed Crown Land. Information was not available to be comprehensively verified nor valued in prior reporting periods, hence DEWNR determined that it was impractical to apply a retrospective restatement of prior year Crown Lands balances in either the Statement of Administered Financial Position or the Administered Statement of Changes in Equity.

In addition, an error correction of \$1.931 million has been adjusted against asset revaluation surplus and \$0.546 million against retained earnings as at 30 June 2015, disclosed in the Administered Statement of Changes in Equity. This comprises a net increase in the carrying value of the Crown Land assets.

Movement reconciliation of property, plant and equipment

2016	Crown Land	Pastoral Land	Buildings & improvements	Park infrastructure	Joint operation PP&E	2016 Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	35 238	54 116	-	-	705 402	794 756
Adjustment for Crown Lands not previously recognised	555 844	-	-	-	-	555 844
Restated opening balance at 1 July	591 082	54 116	-	-	705 402	1 350 600
Disposals	(1 233)	-	-	-	-	(1 233)
Joint operations net additions, disposal, other movements	-	-	-	-	(7 270)	(7 270)
Subtotal	(1 233)	-	-	-	(7 270)	(8 503)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	-	-	-	16 254	16 254
Subtotal	-	-	-	-	16 254	16 254
Carrying amount at 30 June	589 849	54 116	-	-	714 386	1 358 351

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A11 Property, plant and equipment (continued)

2015	Crown Land	Pastoral Land	Buildings & improvements	Park infrastructure	Joint operation PP&E	2015 Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	35 238	43 460	19	90	703 280	782 087
Disposals	-	-	(19)	(88)	-	(107)
Joint operations net additions, disposal, other movements	-	-	-	-	(3 763)	(3 763)
Subtotal	-	-	(19)	(88)	(3 763)	(3 870)
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation expense	-	-	-	(2)	-	(2)
Subtotal	-	-	-	(2)	-	(2)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	10 656	-	-	5 885	16 541
Subtotal	-	10 656	-	-	5 885	16 541
Carrying amount at 30 June	35 238	54 116	-	-	705 402	794 756

A12 Interest in joint operation

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

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

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

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

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

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

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A12 Interest in joint operation (continued)

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2016 %	2015 %
Murray Darling Basin Authority	To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin	Australia	26.67%	26.67%
Joint operation assets, income and expenses accounted for using the proportionate consolidation method are detailed below				
			2016	2015
			\$'000	\$'000
Murray Darling Basin Authority				
Non-current assets				
Property, plant and equipment				
Infrastructure Assets			692 935	683 433
Work in Progress			15 970	16 350
Other property, plant and equipment assets			5 481	5 619
Intangibles - Water entitlements			148 097	129 433
Total non-current assets			862 483	834 835
Total assets			862 483	834 835
Income			21 888	34 917
Expenses			10 494	11 272

Refer note 7 of the DEWNR Controlled financial statements for details of the State's grant payment made to the MDBA.

The 2016 figures were based on RMO and LMI financial statements audited by Deloitte Touche Tohmatsu. The 2015 figures were based on RMO and LMI financial statements audited by the Australian National Audit Office.

Contingencies and commitments

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

Error correction

In accordance with the provisions of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, an error correction of \$250.847 million has been adjusted against asset revaluation surplus and retained earnings for 2013-14, disclosed in the Administered Statement of Changes in Equity. The error was due to a change from equity basis to proportionate consolidation method.

In addition, an error correction of \$1.470 million has been adjusted against retained earnings for 2013-14, disclosed in the Administered Statement of Changes in Equity. This comprises an increase in the carrying value of the joint operation net assets. The error correction was required as a result of DEWNR receiving final audited advice regarding the RMO net equity from the MDBA. This advice was received after management and the Auditor-General had signed off on DEWNR's 2013-14 financial statements.

A13 Contingent assets and liabilities

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