



**Government of South Australia**

Department of Environment,  
Water and Natural Resources

**HOUSE OF ASSEMBLY  
LAID ON THE TABLE**

20 Nov 2014

# ANNUAL REPORT 2013-14

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**Head Office**

Chesser House  
91-97 Grenfell Street  
ADELAIDE SA 5000

Telephone +61 (8) 8204 9000  
Facsimile +61 (8) 8204 9334  
Internet: [www.environment.sa.gov.au](http://www.environment.sa.gov.au)

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**Report prepared by:**

Performance and Strategy  
Department of Environment, Water and Natural Resources

**Copies of the report can be obtained from:**

Telephone +61 (8) 8204 1910  
Email: [dewnrinformation@sa.gov.au](mailto:dewnrinformation@sa.gov.au)  
Internet: [www.environment.sa.gov.au](http://www.environment.sa.gov.au)





30 September 2014

**Chief Executive**

Level 9 Chesser  
House  
91-97 Grenfell Street  
Adelaide SA 5000

GPO Box 1047  
Adelaide SA 5001  
Australia

Ph: +61 8 8204  
9323  
Fax: +61 8 8204  
9321

Hon Ian Hunter MLC  
Minister for Sustainability, Environment and Conservation  
Minister for Water and the River Murray  
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 2013 – 30 June 2014.

This report has been prepared in accordance with the:

- *Public Sector Act 2009*
- *Public Sector Regulations 2010*
- *Public Finance and Audit Act 1987*
- Department of the Premier and Cabinet *Circular DPC013 – Annual Reporting Requirements*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Goodes".

Tim Goodes  
**ACTING CHIEF EXECUTIVE**

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# CHIEF EXECUTIVE'S STATEMENT

This will be my final annual report after 15 years as Chief Executive.

My reflection is that we are now in greater need of a department of the environment, water and natural resources than at any other time.

The pressures on our natural resources have continued to increase proportionate to the demands of growth and development. This is not new. What is new is the societal change that places less value on pursuing a more balanced and sustainable path of development.

The argument goes that only wealthy economies can afford to conserve. This is true in part but we also look after what we value.

Over the last decade I have observed a diminution of society valuing the environment and that is reflected in the priority given by governments. The department's funding has been reduced as a result of general government savings, but additionally because the environment no longer ranks as it once did.

The department has contributed to this situation by not explaining that environmental management is a mainstream economic issue. Natural capital is little different from other forms of capital except that it does not get counted on our balance sheet.

The department is here to oversight the state's natural capital and to ensure it is not mined or diminished over time. Sometimes this is interpreted as being anti-development because we oppose bad or inappropriate development. Dispelling that myth is central to our effectiveness.

Consequently, the department has evolved and changed in response and we have refined the way we describe our work.

DEWNR plays an important foundational role for the social and economic development agendas of government. We work with business, individuals, community organisations and across government to enhance growth while securing our resource base. This work underpins the viability of industries like agriculture, forestry, fishing, mining, energy, manufacturing, tourism, financial services, health, the arts and recreation.

In partnership with the community, DEWNR shapes the future of South Australia by ensuring our environment stays healthy and our natural resources continue to deliver wealth and wellbeing.

- We maintain a healthy River Murray, which supplies 85 percent of our drinking water. We secure future water supplies for urban areas, and maintain sustainable water resources for irrigated agriculture worth \$1.43 billion and mining development worth \$4.4 billion annually.
- We support premium food and wine production in our clean environment through soil, water, weed and pest management. The long-term productivity of soils is being improved, with the potential to improve two to three million hectares and lift agricultural productivity by 50 percent. We work with landholders to reduce pest plants and animals – weeds cost agriculture around \$650 million per year.
- We contribute to the sustainable production and marketing of 'clean and green' seafood by managing marine parks.
- In partnership with more than 100 commercial tour operators, we are the foundation for South Australia's nature-based tourism industry, which contributes \$225 million per year to the economy. We manage more than 300 national parks over 25% of the state's area, which attract four million visitors a year, a quarter of which are from interstate and overseas.

- We provide quality public green spaces, with substantial benefits for the mental and physical health of our community. We manage iconic recreational assets like the Botanic Gardens of South Australia, which help to attract skilled workers to Adelaide.
- We unlock new investment with an efficient and robust regulatory environment, which provides investment certainty, delivers property rights, minimises costs for industry and drives innovation. South Australia is a leader in the nation for the efficiency of its environmental regulation of the mining sector.
- We help to create the 'Knowledge State' by supporting research and development in water and natural resources, which leads to flow-on commercialisation opportunities and attracts higher education students.

DEWNR genuinely engages regional communities in decision-making, including resource allocation decisions. This engagement is facilitated through Natural Resources Management Boards, and helps to determine how the natural resources management levies from each region will be spent, providing flow-on benefits for local communities and economies.

DEWNR plays a strong coordination role across government, including for unconventional gas extraction in the South East, bushfire and flood risk, Murray-Darling Basin management and whole-of government responses to climate change. Our national leadership and expertise in a number of areas, including climate change and Murray River management, has leveraged more than \$610 million of Commonwealth investment for infrastructure and assets.

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



Allan Holmes  
**CHIEF EXECUTIVE**



# ABOUT DEWNR

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

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

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

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

DEWNR achieves this by being:

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

# RELATIONSHIPS

The department, in partnership with the state's eight NRM boards, works closely with other state agencies, including the Environment Protection Authority, Zero Waste SA, SA Water, SAFECOM, the Department of the Premier and Cabinet, the Department of Treasury and Finance, Primary Industry and Regions SA, the Department for Manufacturing, Innovation, Trade, Resources and Energy and the Department of Planning, Transport and Infrastructure.

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

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

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

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

# THE PORTFOLIO

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

## GOVERNANCE

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

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

## LEGISLATION

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

### Administrative legislation

DEWNR complies with applicable administrative legislation, including:

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

### Legislation administered by DEWNR

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

These acts deal with the:

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

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

The following legislation was administered by DEWNR during 2013-14:

- *Adelaide Dolphin Sanctuary Act 2005*
- *Adelaide Park Lands Act 2005*
- *Animal Welfare Act 1985*
- *Arkaroola Protection Act 2012*
- *Botanic Gardens and State Herbarium Act 1978*
- *Climate Change and Greenhouse Emissions Reduction Act 2007*
- *Coast Protection Act 1972*
- *Crown Land Management Act 2009*
- *Crown Rates and Taxes Recovery Act 1945*
- *Dog and Cat Management Act 1995*
- *Dog Fence Act 1946*
- *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 Act 2006*
- *Water Industry Act 2012*
- *Wilderness Protection Act 1992*
- *Wilpena Station Tourist Facility Act 1990*

## BOARDS AND COMMITTEES

In 2013-14, DEWNR provided administrative support to the following boards and committees:

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

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

## RECONCILIATION

### Reconciliation statement

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

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

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

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

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

### Reconciliation actions

DEWNR has a significant number of interactions with Aboriginal communities in carrying out our business, which occur through a range of means such as:

- delivery of on-ground works
- consulting and working with Traditional Owners
- co-management agreements
- regional agreements such as the Kungun Ngarrindjeri Yunnan Agreement (KNYA)
- Native Title resolutions
- Alinytjara Wilurara NRM Board
- projects in partnership with Aboriginal communities such as the Coorong Lower Lakes and Murray Mouth Recovery Project and Riverine Recovery Project, and a wide range of projects in partnership with Anangu Pitjantjatjara Yankunytjatjara (APY), Yalata and Maralinga Tjarutja.

DEWNR supports a reconciliation sub-committee of Executive, for senior Aboriginal staff to influence the department's strategic direction, a reconciliation network for interested staff to implement the Reconciliation Action Plan, an Aboriginal partnerships working group, and a training working group.

We provide genuine opportunities for Aboriginal employees to participate, prosper and progress. At 30 June 2014 Aboriginal people were identified as 2.43 percent of DEWNR's workforce, exceeding the SASP target of two percent. Aboriginal employees are represented across ASO1 – ASO7 levels and equivalent.

Partnership arrangements with NRM boards, the Australian Government and other state organisations have combined to deliver further engagement and employment outcomes for Aboriginal people through projects such as Aboriginal Learning on Country, Working on Country and community engagement programs.

In turn, developing cultural competencies and acknowledging and harnessing what can be learnt from Traditional Ecological Knowledge is recognised as a key opportunity to deliver better outcomes for our business.

## ORGANISATIONAL STRUCTURE

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

### Strategy and Advice

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

The group's roles include:

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

### Partnerships and Stewardship

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

The group's roles include:

- coordinating regional natural resources management planning and priority-setting with communities
- regional delivery of a range of services, including land and water resource assessment and planning, nature conservation, sustainable land management advice and technical support, monitoring and evaluation, and compliance and enforcement activities

- coordinating and delivering community grants, volunteering programs and activities to engage communities and involve people in natural resources management
- bushfire and hazard management
- delivering major projects, including maintenance of water infrastructure and ecological restoration programs for riverine environments
- managing River Murray operations, infrastructure and Living Murray Icon Sites
- managing visitor services and public access to national parks and reserves.

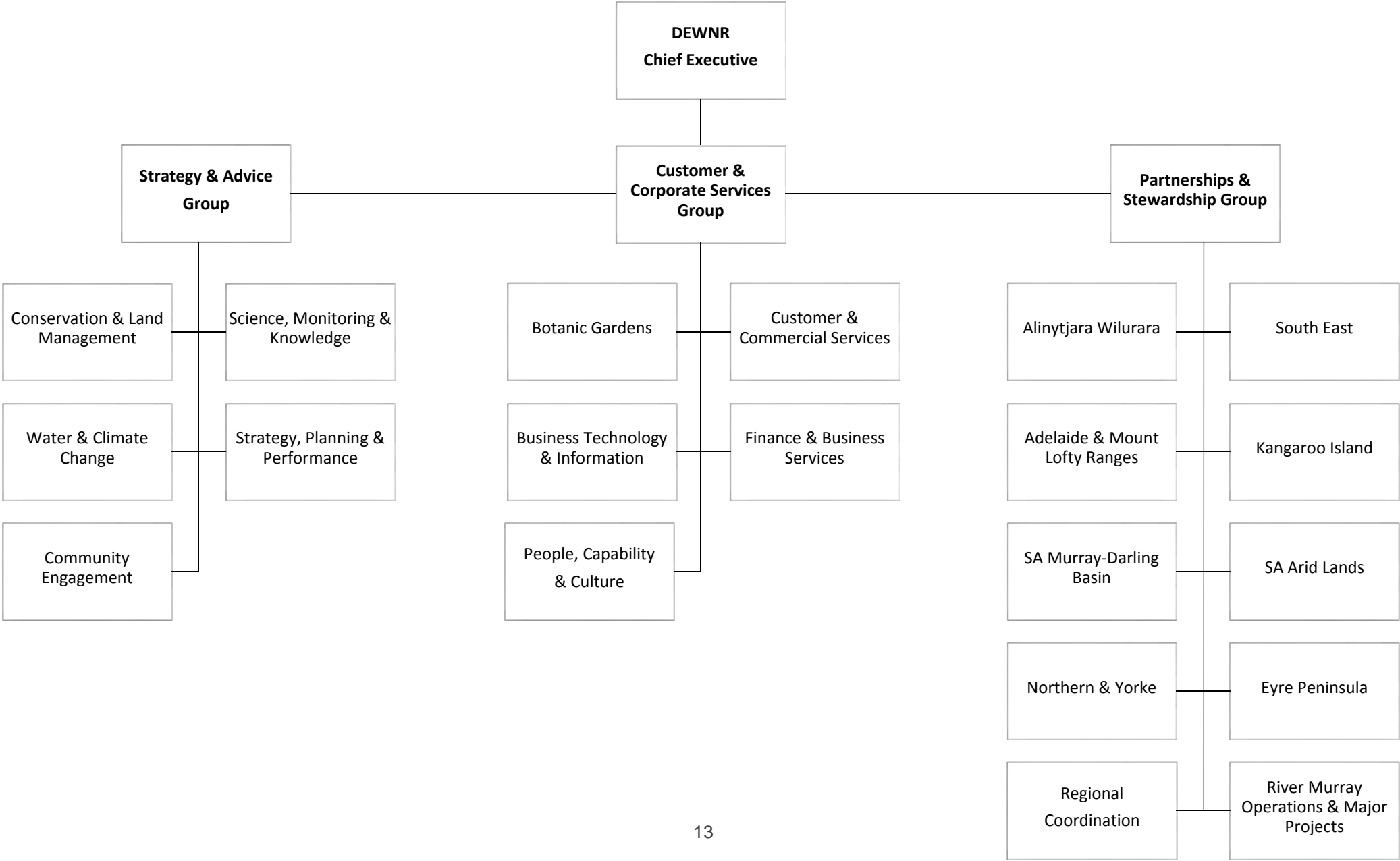
## **Customer and Corporate Services**

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

The group's roles include:

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

Organisational Structure (as at 30 June 2014)



# SOUTH AUSTRALIA'S STRATEGIC PLAN

## State strategic priorities

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

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

## Lead agency targets

DEWNR was lead agency for the following *South Australia's Strategic Plan* (SASP) targets in 2013-14:

### 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 (baseline: 1990)

### Target 62 – Climate change adaptation

Develop regional climate change adaptation plans in all State Government regions by 2016 (baseline: 1990)

### Target 69 – Lose no species

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

### Target 70 – Sustainable land management

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

### Target 71 – Marine biodiversity

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

### Target 72 – Nature conservation

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

### Target 73 – Recycled stormwater

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

### Target 74 – Recycled wastewater

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

### Target 75 – Sustainable water use

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

### Target 76 – River Murray – flows

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



**Target 77 – River Murray – salinity**

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

**Public sector targets**

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

**Target 1 – Urban spaces**

Increase the use of public spaces by the community

**Target 2 – Cycling**

Double the number of people cycling in South Australia by 2020

**Target 4 – Tourism Industry**

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

**Target 6 – Aboriginal wellbeing**

Improve the overall wellbeing of Aboriginal South Australians

**Target 23 – Volunteering**

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

**Target 28 – Aboriginal leadership**

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

**Target 32 – Customer and client satisfaction with government services**

Increase the satisfaction of South Australians with Government services by 10 percent 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

# DEWNR CORPORATE PLAN 2012-14

The *Corporate Plan 2012-14* set the department's strategic outcomes and priorities for delivery over that period, outlined below along with state strategic priority and SASP target alignments.

## **Resilient landscapes and livelihoods**

1. Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate.
2. Enhance the liveability of Adelaide through better planning and design that connects people to the natural world, reduces environmental impacts and enhances the beauty of our urban landscapes.
3. Lead the implementation of South Australia's Climate Change Adaptation Framework.

*Vibrant city, Premium food and wine*

*Targets 1, 6, 23, 28 & 72*

*Vibrant city, Healthy neighbourhoods*

*Targets 1, 2, 72, 73 & 74*

*Targets 59 & 62*

## **Sustainable water resources for all**

4. Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan.
5. Streamline and improve water allocation planning processes across the state.
6. Implement a series of initiatives to improve the sustainable use of water in the South East, including the South East Flows Restoration Project, the regulation of forestry water, a new drainage system operations and management regime, and completion of the Lower Limestone Coast Water Allocation Plan.

*Premium food and wine*

*Targets 6, 28, 32, 76 & 77*

*Premium food and wine*

*Targets 6, 28, 32 & 75*

*Premium food and wine*

*Targets 32 and 75*

## **Community benefits from parks, public places and heritage**

7. Improve conservation and sustainable use of marine environments through implementation of marine parks management plans.
8. Provide exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management.
9. Meet our target for prescribed burning on high-risk public land and maintain an appropriate bushfire response capacity.

*Premium food and wine*

*Targets 4 & 71*

*Vibrant city, Healthy neighbourhoods*

*Targets 1, 2, 4, 6, 23, 28, 32, 72, 73 & 74*

*Healthy neighbourhoods*

## **Effective and informed services and advice**

10. Streamline administration, permit and licensing arrangements to improve customer service.
11. Use the Natural Resources Management Reporting Framework to align monitoring arrangements and improve our understanding of the state and condition of the state's natural resources.
12. Change the way the department operates, in line with our five foundation stones and the Public Sector Renewal Program.

*Premium food and wine*

*Targets 32 & 75*

*Premium food and wine, Benefits of the mining boom*

*Targets 70 & 75*

*Target 32*

# ACHIEVEMENTS

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

## 1. **Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate.**

- The revised State NRM Plan was launched in mid-2012, following significant consultation. The plan sets the direction for NRM in South Australia for the next decade, with a strong emphasis on involving South Australians.
- Nine natural resources centres were established across the state, as a single point of contact for environment and natural resource management information and services. The centres help to connect local communities into the NRM boards and DEWNR, and encourage the public to get involved in making decisions about how natural resources in their region are managed.
- In partnership with the Aboriginal State-wide Advisory Committee (ASAC) and the Alinytjara Wilurara NRM Board, the NRM Council sponsored a workshop to identify opportunities to improve Aboriginal engagement, involving NRM planners, engagement managers and Aboriginal representatives on Boards.
- Access was provided to national expertise and information on resilience planning practices, supporting adoption of this approach for regional NRM planning.
- A framework for native vegetation significant environmental benefits metrics was completed, including requirements for third party offset providers.
- The Transitional Arrangement and Financial Agreement between the Australian Government and the State of South Australia for the Implementation of *Caring for our Country* was varied on 22 August 2013. The variation will deliver \$74,973,869 to the eight South Australian Regional Natural Resources Management Boards for projects that will deliver natural resource management outcomes and is a reduction on previous years.
- Workshops for peak NRM and environmental bodies were facilitated to provide consolidated advice to the Expert Panel on Planning Reform on the importance of integrating NRM planning with the broader planning system. This advice was reflected in the Expert Panel's report *What we have heard* (released December 2013).
- A Memorandum of Understanding was signed between the South Australian Government and the Australian Government for bilateral accreditation of state environment assessment and approval processes under the *Environment Protection and Biodiversity Conservation Act 1999*. This will assist to streamline State environmental approvals. The draft assessment bilateral agreement was released for public consultation on 17 March 2014.
- Agreements for new or revised partnerships were made between the department and four statewide community peak bodies to collaboratively progress conservation on public lands:
  - with the Conservation and Wildlife Branch SA of the Sporting Shooters Association Australia, to safely and effectively control feral animals and abundant species
  - with the Australian Deer Association South Australia, for mandated deer control programs
  - with Friends of Parks Incorporated Board, enhancing their relevance in a changing environment
  - with the South Australian Mountain Bike Association, for environmentally and socially sustainable cycling in South Australia.

- \$1.5 million of NRM Community Grants was provided to 106 projects to support volunteer and community contributions to natural resources management. This funding acknowledges the enormous value of local community involvement in supporting long-term environmental outcomes.
- A Volunteer Management Framework and a trial statewide volunteer database were developed for volunteers working directly with DEWNR.
- A multitude of opportunities were provided for South Australians to be involved in natural resource management, including:
  - the 90 day change project Safeguarding our Landscapes
  - Bounceback, a landscape-scale ecological restoration program across the Flinders, Olary and Gawler Ranges, which supports sustainable land management, provides local employment opportunities, and helps volunteers to actively participate in managing natural resources in some of the most iconic landscapes in Australia
  - the Adelaide Dolphin Sanctuary Action Group, which grew to include over 80 registered volunteers, delivering over 1000 volunteer hours in 2013-14
  - ecosystem restoration, including planting, weed removal and ecological burns, on public and private land across the length and breadth of the Adelaide and Mount Lofty Ranges region involving thousands of volunteers
  - irrigator investment to relocate irrigation pumps off Yatco Lagoon to improve environmental outcomes and water quality for irrigators
  - development of long-term management options for water quality issues in Lake Albert and the Narrung Narrows in partnership with the local community
  - support for the Ngarrindjeri community to participate in natural and cultural resource management through capacity-building activities, the Community Advisory Panel, and the Lakes Hubs at Milang and Meningie
  - the Coorong, Lower Lakes and Murray Mouth (CLLMM) Recovery Project revegetation program. The Community Nursery Network, the Goolwa to Wellington Local Action Planning Group and the Milang and Districts Community Association coordinated community propagation and planting activities, with 19 000 recorded volunteer hours for the planting of 120 000 native plants, helping to restore the ecological resilience of the site.

## **2. Enhance the liveability of Adelaide through better planning and design that connects people to the natural world, reduces environmental impacts and enhances the beauty of our urban landscapes.**

- An agreement was signed with the South Australian Mountain Bike Association to progress environmentally and socially sustainable cycling in South Australia.
- Significant work was undertaken to make the parks of the Mount Lofty Ranges a mountain biking destination. Expanded cycling access was provided in Sturt Gorge Recreation Park and Cobbler Creek Recreation Park in 2013-14, with a further Government commitment of \$1 million over the next three financial years.
- Green infrastructure is the network of green spaces and water systems that delivers multiple environmental, social and economic values and services to urban communities. The Green Infrastructure Project was established as a partnership between DEWNR, Renewal SA, the Department of Planning, Transport and Infrastructure, and the Adelaide and Mount Lofty Ranges NRM Board, to improve the quality of and public access to green infrastructure.

- The *Green infrastructure Evidence Base*, a review of research and literature from around the world, was transposed into a searchable online document with assistance from a Carnegie Mellon University student. The resource was featured in the national project *202020 Vision* – 20% more green space in urban areas by 2020.
- Advice was regularly provided on incorporating green infrastructure into urban development and planning policy decisions. Examples include the Riverbank health and entertainment areas, SA Urban Design Charter, Buckland Park, Lightsview, and local government development planning amendments.
- An online tool called *Plant Selector+* was created to help design professionals and residents select trees and other plants suitable for urban areas throughout South Australia.
- A strategic review of the State Flora business model was completed, and propagation of an Australian native bush foods range commenced.
- The Kitchen Garden project is now a central information resource for kitchen gardening in South Australia, including an edible gardening website, and works extensively with organisations involved in healthy eating and social inclusion.
- The department provided funding and project support to construct eight stormwater harvesting and re-use projects across metropolitan Adelaide at a combined total cost of \$150 million. Adelaide now has capacity to harvest over 20 gigalitres of stormwater a year.
- A statewide government policy with targets for water sensitive urban design was released.
- At the Patawalonga Lake System, the department repaired degraded concrete structures, rehabilitated two barrage gates and repaired drive mechanisms, sealed and painted the Glenelg Gates structure, and worked closely with the City of Holdfast Bay to construct a dual walkway over the Glenelg Gates.
- 50 percent of the Patawalonga Lake System Sediment Management project was completed, including:
  - removing accumulated sediment (approximately 25 000 m3)
  - establishing ongoing sediment monitoring
  - conducting trials for the removal and disposal of accumulating sediment in the longer-term.
- Provided agency input to the Expert Panel on Planning Reform to ensure that review of the State's planning system effectively addresses environmental matters.

### **3. Lead the implementation of South Australia's Climate Change Adaptation Framework.**

- *Prospering in a Changing Climate: A Climate Change Adaptation Framework for South Australia* was released in August 2012. It provides a mechanism for regional leaders to jointly plan for the impacts of climate change and allow communities, businesses and individuals to minimise negative impacts and identify and benefit from opportunities.
- All of the 12 planning regions have engaged in implementing the Climate Change Adaptation Framework. Climate change adaptation action plans were completed for the Yorke & Mid-North and Eyre Peninsula Regions.
- Reports was published on the potential impacts of climate change on priority water resources and dependent communities, industries and ecosystems of the Adelaide & Mount Lofty Ranges NRM Region, the Kangaroo Island Middle River Reservoir Catchment and the South East NRM Region. The knowledge generated in these studies will inform water resource planning and climate change adaptation initiatives.
- The Prospering in a Changing Climate grants program funded projects including Building Adaptive Capacity in Adelaide's Food Bowl, Heat Health Messages, Modelling Bushfire Changes for South

Australian Regions, Building Adaptive Capacity in Vineyards to Heatwave Events, and Climate Adaptation Guidance for Land Use Planners.

- The South Australian Climate Change Adaptation Showcase was delivered in February 2014, for regions to share knowledge, build networks and highlight the tremendous work that is happening across the state. A growing network of practitioners and academics were brought together with national and international experts to expand South Australia's knowledge and understanding of the latest climate science and adaptation strategies.
- The SA Climate Change Adaptation Program received multiple state and national awards that recognise the innovative practices and achievements that are making communities safer, stronger, more resilient, and better prepared for the impacts of climate change. Awards included:
  - national winner of the 2013 Resilient Australia Award
  - state winner of the 2013 Resilient Australia Award
  - winner of the National Climate Change Adaptation Research Facility (NCCARF) Adaptation Champion Award 2013.

#### **4. Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan.**

- The Murray-Darling Basin Plan: South Australian Implementation Strategy 2013-19 was released with significant progress made in delivering key actions to ensure that the Basin Plan is implemented successfully. Some highlights are outlined below with more detail in the Basin Plan implementation strategy status report attached as an appendix.
- Over half of the water required to meet South Australia's 183.8 GL water recovery target under the Basin Plan has been recovered with further water recovery underway.
- The Riverine Recovery and Chowilla Floodplain regulator projects were approved as potential sustainable diversion limit adjustment 'supply' measures, presenting an opportunity to achieve equivalent environmental outcomes with less water and to offset the state's water recovery target.
- Progress was made on the \$445 million suite of environmental and industry diversification projects that were secured by the State Government during negotiations to develop the Basin Plan, including:
  - commencing the \$240 million South Australian River Murray Sustainability (SARMS) Irrigation Industry Infrastructure Program (3IP), which is a key water recovery and regional development project that builds upon the region's world-class irrigation capability.
  - \$5 million from the Murray-Darling Basin Regional Economic Diversification Program to the Murray-Bridge Racing Club for the development of a multi-purpose conference and convention centre at the Gifford Hill Development.
  - the allocation of \$25 million in support of the \$12.5 million Regional Development and Innovation Fund (RDIF), the \$5 million Industry-led Research Sub-Programme (IRSP), and the \$7.5 million Loxton Research Centre Redevelopment.
  - progress on the \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) including collaborative program delivery with the Murray-Darling Basin Authority.
- Environmental watering achievements included:
  - developing an annual environmental watering plan and priorities for 2014-15 in consultation with community and indigenous groups, and starting work on the Basin-wide Environmental Watering Strategy

- o implementing the cross-jurisdictional Constraints Management Strategy to address the policy, physical and legal barriers to delivering larger volumes of environmental water
  - o some 801 gigalitres of held environmental water delivered to priority watering sites in South Australia, including the Chowilla Floodplain, the River Murray channel and the Lower Lakes, Coorong and Murray Mouth icon sites
  - o implementing annual monitoring programs to track ecological condition and responses to environmental watering, engaging scientists from the University of Adelaide, Flinders University, SARDI Aquatic Sciences and DEWNR
  - o recording an increased abundance of important estuarine fish species including the Murray hardyhead, increased numbers of migratory birds, increased diversity of benthic invertebrates, increased submerged aquatic plant habitat in the Lower Lakes, and a moderate recruitment response for the aquatic plant *Ruppia tuberosa* in the Coorong.
- Salinity management actions ensured that South Australia's balance on the Basin Salinity Management Strategy (BSMS) Salinity Registers remains in positive credit.
- South Australia's River Murray Annual Operating Plan 2013-14 was developed with input from across government. Critical human water needs, as well as environment, irrigator, industry and recreation needs were balanced to achieve the best outcome for South Australia with the volume of River Murray water that was available.
  - o All aspects of the annual operating plan were successfully implemented, providing fit for purpose River Murray water for all users, including 100 percent allocations for water entitlement holders. River operations were managed to ensure Basin Plan and annual operating plan objectives were achieved:
  - o Salinity targets at Murray Bridge, Morgan, Lock 6 and Milang were well below the threshold for the entire year. The salinity levels in Lake Albert reduced by an average of 500 EC, down to approximately 2 500 EC.
  - o Lower Lakes water levels remained above 0.4 m AHD for the entire year.
  - o The Murray Mouth remained open. Deposition of sand was closely monitored and managed with barrage releases.
  - o Environmental water delivery achieved continuous barrage releases, fishway attractant flows and enhanced *Ruppia* recruitment, and improved vegetation health at priority wetland sites on the Chowilla Floodplain.
  - o Flows and river levels were managed to enable ongoing work on all River Murray works and measures.
  - o The rate of water level decline was managed, preventing any incidents of riverbank collapse.
- South Australia was able to store water interstate for the first time, by implementing Schedule G of the Basin Plan. 50 gigalitres of flow entitlement was deferred and stored to improve future water security.
- Transparent, accountable arrangements were developed with the community to manage private carryover of water allocations, allowing for more flexible and sustainable use of River Murray water in South Australia.
- As hazard leader for flood and riverbank collapse under the State Emergency Management Plan, the department:
  - o completed flood and riverbank collapse risk assessment workshops for priority zones in support of the SA Emergency Risk Management Systems program led by the South Australian Fire and Emergency Services Commission

- o continued a joint project with the Goyder Institute for Water Research into identifying failure mechanisms for riverbank collapse events, potential triggers, and safe operating range of the River Murray to minimise riverbank instability.
- The Currency Creek regulator was fully removed, with the site returned as close as possible to pre-development conditions.
- Department-owned River Murray infrastructure was operated and maintained, including:
  - o operating evaporation basins which receive drainage from irrigation areas, salt interception schemes and stormwater, protecting water quality in the main river channel and providing important refuges for endangered fish species
  - o revegetation work at Noora Disposal Basin, involving 35 000 native seedlings and 314 kilometres of direct seeding to enhance the amenity, biodiversity and bird habitat values of the site
  - o maintaining levee banks between Mannum and Wellington, protecting prime agricultural land from inundation at normal or above-normal water levels
  - o major capital works to upgrade critical infrastructure at the Mannum and Swan Reach River Vessel Waste Disposal Stations.
- Achievements of the Living Murray program included:
  - o delivering 155 gigalitres of environmental water to priority sites at Chowilla and the Lower Lakes, Coorong and Murray Mouth
  - o continuing to engage with Traditional Owners including the Ngarrindjeri Regional Authority, Mannum Aboriginal Community Association Incorporated, and First Peoples of the River Murray and Mallee Region
  - o constructing major water management infrastructure at Chowilla, and completing comprehensive operations planning
  - o providing ongoing advice and direction on barrage operations at the Lower Lakes and Coorong, including developing Short-Term Barrage Operating Plans.
- Achievements of the \$137 million Coorong, Lower Lakes and Murray Mouth (CLLMM) Recovery project included:
  - o propagating and planting more than 900 000 native seedlings by community groups, Ngarrindjeri people, and contractors
  - o a large-scale translocation of *Ruppia tuberosa* in the Coorong South Lagoon, promoting recovery of this key aquatic plant
  - o completing a scoping study into the long-term management of water quality issues in Lake Albert and the Narrung Narrows
  - o completing the Meningie Lakefront Habitat Restoration project, including an extensive interpretive path, bank stabilisation, and propagating and planting 40 000 local native plants
  - o completing detailed designs and securing funding for constructing and installing up to seven new fishways in the River Murray barrages
  - o continuing to support community participation and capacity building in natural resource management through the Community Advisory Panel and Lakes Hubs
  - o reaffirming the Coorong and Alexandrina and Albert Lakes as a wetland of international importance against the Ramsar nomination criteria.
- Achievements of the \$100 million Riverine Recovery Project (RRP) included:
  - o completing on-ground works at Yatco Lagoon and Katarapko Floodplain which are designed to mitigate long-term detrimental ecological impacts in the region
  - o completing wetland structures on Bunyip Reach and Noonawirra River Murray wetlands



- o nearing completion of five wetland structures to facilitate the wetting and drying of more than 2 000 ha of wetland habitat
- o completing 52 wetland management plans
- o completing the Management Action Database for River Murray wetlands and water management assets

## **5. Streamline and improve water allocation planning processes across the state.**

- A water planning reform framework has been agreed following extensive consultation with NRM boards, including:
  - o a Water Planning Steering Committee, which has been established to provide strategic leadership, coordination of water planning across South Australia
  - o cross-regional collaboration on water planning
  - o adoption of a formal and consistent project management approach for developing water allocation plans, which has been developed and piloted
  - o a statewide, five-year schedule of water allocation planning tasks, to be prioritised using a risk management approach
  - o development of implementation plans in concert with water allocation plans.
- The policy for releasing unallocated water was reviewed and updated. The policy was instrumental in the Western and Eastern Mount Lofty Ranges water allocation plans being adopted prior to completing existing user licensing.
- Significant support was provided to NRM boards to:
  - o identify and manage outstanding risks and allow for the water allocation plans for the Eastern Mount Lofty Ranges, Western Mount Lofty Ranges and Lower Limestone Coast to be adopted
  - o progress development of water allocation plans for Southern Basins and Musgrave, the River Murray and Adelaide Plains.
- Regulations, delegations and procedures were put in place to commence managing water use by commercial forestry in the Eastern and Western Mount Lofty Ranges, Kangaroo Island and the South East.

## **6. Implement a series of initiatives to improve the sustainable use of water in the South East, including the South East Flows Restoration Project, the regulation of forestry water, a new drainage system operations and management regime, and completion of the Lower Limestone Coast Water Allocation Plan.**

- \$60 million of Australian Government funding was secured for South East Flows Restoration Project.
- The South East NRM Board was supported to complete the Lower Limestone Coast Water Allocation Plan, which was then adopted.
- For the first time in Australia, water use by commercial forestry became managed through water licences in the Lower Limestone Coast prescribed water resources area.

## **7. Improve conservation and sustainable use of marine environments through implementation of marine parks management plans.**

- Implementation of management plans continued for each of South Australia's 19 marine parks.

- A three year implementation plan was developed to help prioritise management activities across the State. Initial efforts focused on:
  - stewardship opportunities in regional communities, including school education programs, citizen science and tourism and recreational initiatives
  - collecting baseline data from locations in Gulf St Vincent, off the Yorke Peninsula, the South East and around Victor Harbor to underpin the monitoring, evaluation and reporting program
  - developing a risk-based compliance strategy.
- Products were released to provide information and support compliance with fishing restrictions in sanctuary zones. Free phone applications, a statewide recreational fishing in marine parks guide and CDs of GPS coordinates of zone locations were provided, especially to recreational fishers. Signs were prepared for installation at key locations.
- \$4 million of funding was allocated over 4 years from 2014-2015 for the monitoring and compliance of marine parks
- \$3.25 million of funding over three years was allocated to support recreational fishing in and around marine parks.
- Primary Industries and Regions SA Fisheries and Aquaculture was supported to develop and implement the voluntary *SA Marine Parks: Catch/Effort Reduction Program*, which was successfully completed for five of the six fisheries affected by marine park sanctuary zones: the Charter, Marine Scalefish, Southern and Northern Zone Rock Lobster and Western Zone Abalone fisheries.
- The decline of seagrass ecosystems potentially impacts productivity of fisheries and exacerbates coastal erosion — it is one factor in the ongoing need to replenish sand for our high quality beaches. A report on the current understanding of the state and trend of South Australian seagrass communities was completed. A list of all the data sets on seagrass communities was also compiled.

## **8. Provide exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management.**

- Approximately 1.8 million visitors continue to experience and enjoy the Adelaide, Wittunga and Mount Lofty Botanic Gardens each year.
- Over 45 000 volunteer hours were contributed to the Botanic Gardens and State Herbarium this year. The number of volunteers providing professional and expertise-based support has increased, with new volunteers bringing specialised expertise in web development, social media, marketing and education.
- Volunteer opportunities and partnerships with specialist plant societies such as the Rose Society and the Dahlia Society greatly assisted in presenting high quality plant displays for Botanic Gardens visitors.
- Community volunteer events were held at Mount Lofty Botanic Garden, with a weekly *Hands on Horticulture* opportunity at Wittunga Botanic Garden. Corporate volunteering provided hands-on support in Mount Lofty Botanic Garden.
- Significant efforts were made to provide exceptional visitor experiences and learning opportunities at the Botanic Gardens of South Australia:
  - Three nationally accredited horticultural training courses were delivered through the Australian Centre of Horticultural Excellence, in collaboration with TAFE SA.
  - Seven horticultural master classes were delivered to fee-paying community participants.
  - Digital education trails and an online presence, including an education app, were developed in partnership with the Department for Education and Child Development.
  - A concept design was completed for a kitchen garden in the Adelaide Botanic Garden with associated programs for schools and children in early years learning.

- o Approximately 45 000 school students used the Botanic Gardens through both formal and informal plant-based learning programs.
  - o World Environment Day attracted approximately 2500 school students and over 500 teachers and parents to a program with 35 learning stations throughout the Adelaide Botanic Garden. Considerable assistance was provided by volunteers, staff, students and external environmental organisations.
  - o National Water Week, sponsored by SA Water, presented workshops, performances and education sessions to over 1000 students, parents and teachers throughout the Adelaide Botanic Garden.
- Access to the internationally significant Santos Museum of Economic Botany was facilitated through two major exhibitions and a major publication 'Imitation of Life', which received positive acclaim in the national media. *Coco de Mer* attracted 29 000 visitors, *Urpflanze Street Plants* was attended by 17 000 visitors, and April 2014 was the Museum's busiest month on record with over 7000 visitors.
- Allocation of \$1.6 million to extend the current Kitchen Garden initiative to include a pre-school visiting program.
- Enhanced the protected area system in South Australia, including:
  - o adding valuable conservation land to the Torrens Island Conservation Park
  - o completing management plans for seven reserves of eastern Eyre Peninsula.
- 2300 hectares of land were purchased between the Light River and Parham on the upper Gulf St Vincent coast to establish the Adelaide International Bird Sanctuary, an election commitment.
- Commercial site revenue increased through enhanced visitor experiences, product development and marketing initiatives. Revenue growth of 11 percent was achieved at the major sites, with Cleland Wildlife Park and Seal Bay the top earners.
- More than 316 000 people visited commercial sites during the year, an increase of over six percent. Cleland Wildlife Park was up over 10 percent, Naracoorte Caves seven percent and Seal Bay over two percent.
- At the Naracoorte Caves:
  - o Caring for our Country funding was secured to produce a World Heritage Management Strategy, to complement the draft Master Plan
  - o work commenced to upgrade the lighting system to state of the art LED to further improve the visitor experience.
- At Seal Bay:
  - o the \$200 000 interpretive program for the Don Dixon boardwalk and guided tours walk was completed
  - o shelters were constructed for both walks, and the viewing platform on the guided tour was extended improved disabled access
  - o audio visual devices in eight languages were developed for the guided tours
  - o refurbishment of the visitor centre entry plaza commenced.
- Work commenced to upgrade the interpretive experience in the Flinders Chase National Park visitor centre.
- A number of objectives were achieved at Cleland Wildlife Park, including:
  - o signing a Memorandum of Agreement with Hong Kong's Ocean Park to deliver eight koalas to China. The \$5 million South Australian exhibition within Ocean Park will provide significant tourism and trade opportunities for the state
  - o recommencing Night Tours over the summer period, which were constantly over-subscribed

- o constantly rating in the top three things to do in Adelaide on Trip Advisor.
- Planning was undertaken and tenders awarded for continued upgrades in the Willows picnic precinct in Belair National Park.
- A new shared use trail network for walkers and mountain bikers of all skill levels was unveiled at Cobbler Creek Recreation Park, and expanded cycling access was provided in Sturt Gorge Recreation Park, contributing to making the Mount Lofty Ranges a nationally recognised cycling destination.
- Stage one of the Kangaroo Island multi-day walk was completed, with a walking trail now extending from Rocky River visitor centre in Flinders Chase National Park to the coast near Snake Lagoon, strengthening South Australia's reputation as a quality nature based tourism destination.
- Extensive resealing of roads was undertaken within Flinders Chase National Park to provide sustainable and safe access to this key South Australian tourism site.
- Development of an online booking system for camping and entry permits, accommodation, dive permits, tours and facilities commenced. The system will allow visitors to purchase and book tourism and recreation products ahead of their visit.
- Entering into co-management arrangements over parks, by engaging directly with indigenous people in land and park management, is a central component to the resolution of many native title claims in South Australia. There are now 13 co-management agreements for over 32 parks and reserves under the *National Parks and Wildlife Act 1972* and the *Wilderness Protection Act 1992*. These arrangements cover 13.5 million hectares, which represents 64 percent of the protected area system. Progress this year includes:
  - o settlement of the Far West Coast Native Title Claim, which will enable co-management of all the parks in the determination area
  - o amending the co-management agreement with the Mannum Aboriginal Community Association Incorporated for the Ngaut Ngaut Conservation Park, transitioning the association's responsibilities from advisory to park managers
  - o new park management plans are being prepared for many parks including Breakaways Conservation Park, Coongie Lakes National Park, Flinders Ranges National Park, Lake Gairdner National Park, Gawler Ranges National Park, and Kati Thandha - Lake Eyre National Park.

## **9. Meet our target for prescribed burning on high-risk public land and maintain an appropriate bushfire response capacity.**

- This priority was achieved through strategic fuel reduction across the state, with a focus on the high-risk Adelaide and Mount Lofty Ranges Region.
- DEWNR successfully completed 40 prescribed burns, treating approximately 4473 hectares of DEWNR-managed land across the state. A further 30 ForestrySA and SA Water prescribed burns were assisted through the Mount Lofty Ranges, Southern Flinders, and South East Fire Cooperatives, covering an additional 1174 hectares of public lands across the state.
- Over 370 DEWNR staff spent more than 34 820 hours supporting the SA Country Fire Service at 110 bushfire incidents during the fire danger season. The January 2014 bushfires burnt through 512 000 hectares, with more than 315 000 hectares of the total area burnt on DEWNR parks and reserves.
- Comprehensive risk-based fire management plans were developed over the South Para District of the Mount Lofty Ranges, Central Eyre Peninsula, Northern Flinders Ranges, and Dudley Peninsula on Kangaroo Island. A total of 14 plans have been adopted since 2004, covering approximately 49 percent of DEWNR-managed reserves across the state.

- The Alinytjara Wilurara Fire Management Strategy, which includes the Nullabor and Yellabinna Wilderness Protection Areas, was released for public consultation. The strategy encourages traditional owners of the region to maintain knowledge and commitment in traditional land management, of which the use of fire is a fundamental activity.
- The Fire Information Management System was implemented. This browser-based application was developed under the National Disaster Mitigation program to assist with prescribed burn planning, management and reporting, and bushfire mitigation works and response.
- Endorsement under the *Environment Protection and Biodiversity Conservation Act 1999* is being sought for DEWNR's Fire Management Policy and Procedures, to avert the need for Australian Government assessment of proposed prescribed burns and other fire management works.
- DEWNR's fire-fighting capacity was increased by building five new fire-fighting appliances and releasing them for operation, and purchasing an additional aerial drip torch and a crawler loader.
- In consultation with the South Australian Country Fire Service and the Native Vegetation Council, an interim guideline was released to inform landholders about applying to clear native vegetation by prescribed burning, to reduce fuel loads while protecting life and property.
- Information and funding was offered to landholders to manage native vegetation after the Bangor bushfire.

## **10. Streamline administration, permit and licensing arrangements to improve customer service.**

- Management of the Crown Estate was reformed in a collaborative program to reduce red tape, increase transparency and improve communication.
- A Minister-approved shack rent cap policy was developed and implemented.
- Amendments to the *Natural Resources Management Act 2004* came into operation which removed unnecessary processes, improving efficiency.
- Variations to the *Natural Resources Management (General) Regulations 2005* prevented potential restrictions on Defence Force use of the Cultana Training Area.
- DEWNR in partnership with the Department of the Premier and Cabinet, other regulatory agencies and the Commonwealth undertook work towards delivering a one-stop-shop for environmental approvals through progressing bilateral agreements under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*. DEWNR led South Australia's input to a national review of environmental regulation agreed at the April 2014 Meeting of Environment Ministers. This coordinated review of Australia's environmental regulation aims to identify opportunities to reduce compliance cost burden on businesses, individuals and the not-for-profit sector, while maintaining or improving environmental outcomes.
- Engaging with community and industry groups in initiatives that reduce red tape and automate services for water licensing continued to be a focus.
- Progress continued on the national Common Registry Solution project, which was intended to replace the existing departmental water licensing system with an online, customer-centric, standardised national water register to improve transaction efficiency and provide timely water market information. As a result of federal government budget cuts, DEWNR is now pursuing options to fund the remaining design, build and implementation tasks.
- The process of issuing of water licences to existing users in the Western and Eastern Mount Lofty Ranges Prescribed Water Resources Areas was streamlined by using an iterative, customer-focussed approach. During the year, licensing was completed in the Western Mount Lofty Ranges and commenced in the Eastern Mount Lofty Ranges.

- A 90-day project to deliver 'Better, faster water trading for McLaren Vale Irrigators' was completed, introducing an online water trade form and self-assessment guide which provides greater certainty and processing speed for applicants.
- Formerly area-based water allocations in the Mallee Prescribed Wells Area were converted to volumetric allocations.
- For the River Murray prescribed watercourse:
  - a single online smartform was created to combine 12 separate paper application forms for water transfers and licence applications
  - policies and procedures were developed for calculating private carryover of water allocations, which will inform the River Murray water allocation plan review
  - Australian service standards for processing water allocation and entitlement trade applications were met or exceeded.
- Smartforms have now been created for water trading, well construction permits, annual water-use reporting and online meter notifications, reducing the time and cost of customer service transactions.

## **11. Use the Natural Resources Management Reporting Framework to align monitoring arrangements and improve our understanding of the state and condition of the state's natural resources.**

- Four sets of Natural Resources Management State and Regional Report Cards were produced, outlining the status of natural resources in accordance with the NRM State and Condition Reporting Framework — *Soil and Land*, *Weeds and Pest Animals*, *Coastal and Marine Ecosystems*, and *Our Capacity to Respond to Climate Change*. The report cards provide key information in a simple format that is accessible to the community, government agencies and natural resource managers. A further seven sets are being prepared and will be published next year.
- Monitoring and research undertaken to improve our understanding of the state and condition of our natural resources includes:
  - monitoring of surface and groundwater quality, aquatic biota, wetland and floodplain vegetation, and acid sulfate soils to inform adaptive management and update the Coorong, Lower Lakes and Murray Mouth ecological character description
  - modelling of historical wetland inundation patterns, acid sulfate soils, bioremediation, and key hazards associated with managing variable water levels in the Coorong, Lower Lakes and Murray Mouth
  - establishing research and knowledge priorities to improve the management of seagrass ecosystems
  - developing datasets for the Terrestrial Ecosystem Research Network's Soil and Landscape Grid of Australia.
  - assessing water resources of the Arckaringa, Pedirka and Lake Eyre Basins as part of the Coal Seam Gas and Coal Mining Water Knowledge program
  - monitoring the state's water resources to understand their status and condition and assisting water resource management and policy setting.

## 12. Change the way the department operates, in line with our five foundation stones and the Public Sector Renewal Program.

- Work continued to improve how the department delivers our business through the foundation stones program, which is aligned with Change@SA, previously the Public Sector Renewal Program. The five foundation stones were:
  - build collaboration and integration across the organisation
  - make accountability and performance central to our business
  - embrace the natural resources management model and make the community central to our work
  - develop and deliver high quality policy that is fit-for-purpose
  - promote the values and behaviours of good public service.
- This year has seen maturity of the foundation stones, to the point that they are now considered core to our business. We continue to focus on collaboration, community engagement, and accountability and performance.

### SASP Target 69 – Lose no species

DEWNR manages a range of projects and programs that contribute to Target 69, directed by *No Species Loss: A Nature Conservation Strategy for South Australia 2007-2017* and ranging from landscape-scale approaches such as NatureLinks, the Trans-Australia Eco-Link and *Conserving Nature 2012-2020*, to recovery plans for individual species, wetland management, and long-term seed storage.

- DEWNR partnered with the Adelaide and Mount Lofty Ranges NRM Board to engage with the South West Fleurieu Peninsula community through a Change@SA 90-day change project, 'Safeguard our landscapes'. The community identified what is valued in the local landscape, what threatens those values, and what collective action could be undertaken to protect them.
- NatureLinks is a philosophy that government has adopted towards landscape-scale biodiversity conservation in the face of climate change. NatureLinks provided the overarching vision for government, conservation organisations, landholders and local communities to improve connected habitat by restoring and sustainably managing private lands which build on the existing network of parks and reserves. Naturelinks was recognised in the Australian Government's National Wildlife Corridors Plan as an important national foundation stone.
- Five recovery plans for nationally listed threatened species and ecological communities were adopted under the *Environment Protection and Biodiversity Conservation Act 1999* in 2013-14. Previously adopted recovery plans continued to be implemented in each of the state's eight NRM regions.
- Other key wildlife activities included working with other agencies to protect giant cuttlefish, improving our understanding of threats to little penguins in the Encounter Bay area and assisting the release of western quolls into Wilpena Pound.
- The Coorong, Lower Lakes and Murray Mouth Recovery project monitored the population size and distribution of threatened species including the southern bell frog, two bird species, Australasian bittern and Australian painted snipe, and two small-bodied fish species, Yarra pygmy perch and Murray hardyhead. Monitoring informs environmental water delivery, which in turn supports recovery of these species.
- Conservation of threatened species was considered in all wetland management planning. Investment was made to secure Murray hardyhead habitat in the Berri evaporation basin on the Katarapko floodplain. Pool level wetland management objectives supported black box water requirements and habitat provision for the southern bell frog.

- During the 2013-14 planting season, 480 hectares of habitat for local flora and fauna was planted in the Lower Lakes and Coorong, contributing to the conservation of the Orange-bellied parrot and several other species of conservation significance.
- A partnership with South Australian Research and Development Institute (SARDI) supported research and monitoring of the threatened Australian Sea-Lion at Seal Bay through tagging and monitoring seal colonies, conducting pup counts and collecting data.
- The South Australian Seed Conservation Centre at the Adelaide Botanic Gardens is the only resource for the active collection, study and long-term viable storage of the seed of South Australian plant species. 64 percent of threatened South Australian native plant species are now in long-term conservation storage. A total of 160 seed collections were added to the seed bank, including seed from 41 threatened species of orchids from the South East region. Data relating to 250 species of flora from the Murray region was loaded onto the Seeds of South Australia website.
- New projects have been established that integrate with existing on-ground restoration programs and community nurseries. For example, 1000 threatened plants were propagated at the Mount Lofty Botanic Garden nursery for reintroduction planting at the Sand Cave Conservation Park, Naracoorte.
- Project partners that contributed to seed collection and storage include Santos Ltd, the Australian Seed Bank Partnership and the Millennium Seed Bank, Royal Botanic Gardens, Kew. Seed biology for restoration technology development post-mining was supported by Hillgrove Resources Ltd through a three year research partnership that has resulted in 40 collections of local species for reintroduction to the site at Kanmantoo.

## **SASP Target 70 – Sustainable land management**

To achieve Target 70, the department worked in partnership with regional NRM boards, the Pastoral Board, agricultural industry groups and other agencies to increase the adoption of best practice farming and grazing systems. Partnership projects increased the adoption of no-till sowing techniques, stubble retention, improved grazing management and other practices. Adoption barriers and innovative ways to address them were identified with stakeholders. These projects have contributed to a 24 percent improvement in soil erosion protection for agricultural land since 2003.

- A telephone survey across the agricultural areas showed that 65 percent of the state's cropped area was sown using no-tillage methods in 2013, a significant increase from 23 percent in 2001.
- Partnership projects with the SA Arid Lands NRM Board and Trans-Australia Eco-Link enabled pastoralists to understand and manage their properties from a landscape perspective, implementing on-ground works to combine biodiversity conservation and sustainable pastoral production.
- DEWNR continued to support the Native Vegetation Council to preserve and manage the state's remaining native vegetation – a significant biodiversity and community asset. The department and council revised guidelines on pastoral waterpoint distribution, shifting the focus to managing vegetation clearance for grazing across a pastoral lease.
- DEWNR was an active partner in a national project to build more user-friendly soil information. Terrestrial Ecosystem Research Network's Soil and Landscape Grid of Australia will identify good agricultural land and crop suitability, inform and prioritise management of soil degradation issues like soil acidification, erosion and salinity, and model landscape-scale soil-plant-water relationships.

## **SASP Target 75 – Sustainable water use**

DEWNR leads progress on managing our state's water resources within sustainable limits by 2018, through ongoing water resource monitoring and assessments, water planning and management in partnership with NRM boards under the *Natural Resources Management Act 2004* (reported on above), implementing the



Murray-Darling Basin Plan (reported on above), and programs such as the Great Artesian Basin Sustainability Initiative.

- DEWNR continued to review and upgrade water monitoring networks for groundwater and surface water across the state and identify water monitoring information gaps to better inform resource condition reporting:
  - Salinity and water level data was collected in 146 groundwater monitoring networks (4584 monitoring wells), and flow, water quality and meteorological monitoring data was collected at 361 surface water monitoring sites.
  - On Kangaroo Island, 77 new and replacement groundwater monitoring wells were established. Two existing weir structures were modified and stabilised and a replacement weir was constructed at Rocky River, and ten new standalone groundwater monitoring platforms were installed, and surface water sites upgraded.
  - 22 new wells were constructed in the Central Adelaide Prescribed Wells Area.
  - The department continued to extend and modernise water monitoring and information systems, including a new application to store well pump testing and geophysical data in the state's drillhole database, Groundwater Data.
- Annual status reports for prescribed groundwater and surface water resources provide regular reviews of how these resources are responding to climatic influences and consumptive demands. The reports assist decision-making about sustainable use and identify emerging resource condition trends and risks to water supplies. In 2013-14, key achievements included:
  - completing 40 annual water resource status reports
  - developing 3-D hydro-stratigraphic models for groundwater resources in the Eyre Peninsula and Northern & Yorke NRM regions
  - analysing groundwater hydro-geochemistry for the Alinytjara Wilurara NRM region.
- Under the Great Artesian Basin Sustainability Initiative (GABSI) Phase 3 program, over 68 megalitres per day of water savings have been realised to date through rehabilitating and decommissioning wells and piping and redistributing stock water in the Great Artesian Basin. This saving has direct tourism, Aboriginal heritage and feral animal removal benefits to mound springs, as well as improving economic development in the mining and pastoral industries. Ten projects were completed in 2013-14, including a new well at Toonketchen Bore. Two wells were decommissioned at Tirari West and Old Toonketchen, and another eight rehabilitated.

## **SASP Target 77 – River Murray Salinity**

Salinity management in the River Murray requires continued action to manage the long-term impacts from saline groundwater inflows along the length of the River. Activities, such as Irrigation development, that increase the mobilisation of groundwater to the river require management to ensure the quality of water from the River Murray is suitable for irrigators, industry, town water supplies and the environment. Key activities in 2013-14 included:

- delivery of South Australia's obligations under Schedule B of the Murray-Darling Basin Agreement, including South Australia maintaining a positive balance on the Basin Salinity Management Strategy (BSMS) Salinity Registers
- representation of the State's interests in a review of Basin salinity management
- commencing implementation of the Water Quality Salinity Management Plan in the Basin Plan.

## State Strategic Priority – Creating a vibrant city

In addition to providing quality nature and heritage experiences for residents and tourists in our parks, botanic gardens, and commercial sites like Cleland Wildlife Park, DEWNR contributes to the state's priority for Adelaide as a vibrant city through Adelaide's Living Beaches, heritage conservation, and advocating for ecologically sustainable and efficient design and development.

- The Adelaide's Living Beaches strategy will ensure that sand is kept on Adelaide's beaches to provide protection against erosion and damage to coastal infrastructure, and so that people can continue visiting and enjoying the benefits of the beach.
  - The \$23 million Adelaide's Living Beaches sand transfer project was completed in February 2013 and is now in its operational phase.
  - Pipelines and pumping stations along Adelaide's coast are used to collect sand from areas where it builds up at Glenelg and the River Torrens outlet and pump it southwards to be deposited onto eroding beaches. 30 000 cubic metres of sand was pumped from each location in 2013-14.
- In 2013-14 DEWNR continued to work with the South Australian Heritage Council to identify priorities for the state's built heritage:
  - 17 heritage grants were awarded to the owners of State Heritage Places and within State Heritage Areas to assist with maintenance and care of their properties. Grants are provided on a matched basis, either dollar for dollar or a combination of cash and 'in-kind' work.
  - Conservation of the Clan Ranald anchor was substantially completed.
- DEWNR has continued to advocate for ecologically sustainable land use planning, design and development that conserves biodiversity, soil, water and energy resources, enhances the beauty and liveability of Adelaide, and facilitates climate change adaption. This includes advocating for green infrastructure, water sensitive urban design and climate smart precincts.
- In partnership with the Adelaide City Council and the Local Government Association of South Australia, DEWNR worked to establish a mechanism for accessing commercial loans to improve the energy, water and environmental efficiency of existing commercial buildings. The draft *Local Government (Building Upgrade Agreements) Amendment Bill 2014* was released for public consultation and is expected to be introduced in Parliament in 2014-15.
- DEWNR worked with South Australian government agencies to support the appointment of a dedicated sustainability manager for the Tonsley Park redevelopment to achieve waste, water, energy and green infrastructure policy priorities.
- A statewide policy on water sensitive urban design was released, setting targets for the design of new urban developments to address local water conservation, flood and flow management and water quality improvement, while creating beautiful and useful public spaces.

## State Strategic Priority – An affordable place to live

The department implements the *Water Industry Act 2012* to reduce cost of living pressures by increasing competition and efficiency in the water and wastewater services sectors, and to strengthen water demand and supply planning and more efficiently regulate the plumbing sector.

- Key achievements in 2013-14 included:
  - establishing the first period of independent economic regulation of SA Water by the Essential Services Commission of South Australia
  - implementing new exemptions from the Save the River Murray Levy for those that do not have access to that water source

- o developing draft legislation for a new third party access regime for water and wastewater infrastructure across the state.

## **State Strategic Priority – Realising the benefits of the mining boom for all**

DEWNR balances conservation and resource use objectives which support realising the benefits of the mining boom for all. The department works collaboratively with the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) and industry to maximise environmental benefits and minimise potential impacts, while streamlining approvals processes.

- Efforts to streamline environmental regulation for the mining sector were made as part of one-stop-shop reforms and other process and policy improvements.
- The way that Significant Environmental Benefit (SEB) offsets are calculated continued to be reviewed in consultation with other agencies, local government and peak environmental and industry groups.
- Around 74 percent of protected land area is available for exploration and mining, as is the majority of South Australia's marine park network. DEWNR continued to work with companies like Beach Energy, Santos, Senex and Iluka to enable mineral and petroleum development in protected areas within a conservation framework.
- DEWNR contributed to the Regional Mining and Infrastructure Planning project to identify infrastructure solutions that connect proposed mining developments to overseas customers as well as to vital infrastructure such as electricity, water, gas, roads and railways.
- In partnership with the Goyder Institute for Water Research, the department is identifying potential water supply options for remote Far North communities and to support economic development from mining. The Finding Long-term Outback Water Solutions (FLOWS) initiative will develop techniques to identify groundwater resources and facilitated their application:
  - o Stage 1 was completed, with airborne geophysical analysis techniques developed to locate groundwater resources in the Musgrave Block area in the northern part of the APY Lands and the Frome Embayment east of the Northern Flinders Ranges
  - o Stage 2 commenced to locate groundwater reserves in the Gawler Craton using the techniques developed in Stage 1
  - o The airborne geophysics techniques were applied by a mineral exploration company to identify a silver deposit in northern Eyre Peninsula.
- A range of projects is generating improved knowledge of the interaction of coal seam gas and coal mining with water resources to inform regulatory decisions. This will ensure that well-informed communities have greater confidence in the regulation of coal seam gas and coal mining development. Highlights this year include:
  - o completing preliminary assessment work for bioregional assessments in the Arckaringa and Pedirka Basins and enhanced monitoring and analysis within the Lake Eyre Basin
  - o signing further agreements with the Australian Government for more detailed assessments in the Arckaringa and Pedirka Basins
  - o working across government to lead development of a water and resources guideline. This will provide greater clarity to the community and industry as to how water-related issues are managed and assessed for mining and petroleum developments.

## State Strategic Priority – Premium food and wine from our clean environment

DEWNR is working in partnership with the NRM Council, NRM boards, Primary Industries and Regions South Australia (PIRSA) and Primary Producers SA (PPSA), to implement the *Agriculture and NRM: Working Together Action Plan 2013-14*. The aim of the Action Plan is to improve how the NRM system works with the agriculture sector in South Australia, with a focus on improving communications. To support this DEWNR has funded a Liaison Officer with PPSA to work with the NRM agencies.

## UPCOMING CHALLENGES

The Department of Environment, Water and Natural Resources (DEWNR) faces a number of significant challenges in managing South Australia's natural resources. These challenges include the increasing demand for our natural resources through a growing population as well as the pressures of a changing climate. Reduced budgets will force new ways of funding and delivering core services and business will need to be realigned to maintain the effective management of our water, soils, pests and landscapes, which are becoming increasingly important to the State's future economic prosperity. This is particularly true for the agricultural, mining and energy sectors and DEWNR has continued to adapt and evolve to ensure it is meeting the needs of government, business and the community.

Savings for 2014-15 amount to a \$52 million reduction in the net budget, with a greater than 50 percent reduction in appropriation over the last three years. In response, DEWNR developed and implemented a range of savings measures and additional revenue opportunities during 2013-14 for the 2014-15 financial year. However, these changes will have a flow-on effect and will lead to an increased risk profile for the Government, particularly in regard to fire management, flood management, water management, ongoing maintenance of parks and key sites and infrastructure along the River Murray.

Throughout the next financial year, DEWNR will continue to strengthen its connections and interactions with the community and industry partners in all areas of its business. One particular focus will be the working relationship between the agricultural sector and the natural resource management system, with work continuing with the Natural Resources Management Council and Primary Industries and Regions SA to increase engagement and linkages between the NRM system and the agricultural sector.

DEWNR will also continue to work with its partners to manage fire on all of South Australia's public lands. DEWNR shares this responsibility across the landscape with the South Australian Country Fire Service, Local Government and private landholders in working to protect life and property, as well as maintaining environmental values through the management of fire.

DEWNR will also continue to work with the Murray-Darling Basin Authority and other Basin jurisdictions to drive the implementation of the Murray-Darling Basin Plan, as per the South Australian Murray-Darling Basin Plan Implementation Strategy 2013 – 2019. A key element of Basin Plan implementation is the introduction of new sustainable diversion limits that will require 183.8 gigalitres of water recovery from the South Australian River Murray system. South Australia has already recovered over half of the water required and the remaining water recovery will be achieved with input from relevant industry organisations and through willing participation.

With the end of the National Water Commission and the reform of the COAG committees, national coordination and leadership in water planning and management will be firmly the responsibility of the individual States. DEWNR will need to ensure that the corporate knowledge of the National Water Commission and COAG Committees continues to be available to water planners and managers across the State. Capacity building in water planning and management across DEWNR and the wider community will be a key focus for 2014-15.

Another key challenge for DEWNR in 2014-15 will be continuing to grow revenue in a cost-constrained environment. Work will continue on developing exceptional opportunities for people to enjoy South Australia's National Parks, with plans to implement practices that enable the tourism sector to access our key commercial sites, and in particular to take advantage of opportunities that are encouraged by the South Australian Tourism Commission's China Strategy.

## FUTURE PRIORITIES

Addressing our main challenges for the next few years, the *Corporate Plan 2014-15* sets the department's priorities for 2014-16:

1. Meet our obligations under the Murray-Darling Basin Plan and keep other jurisdictions honest and accountable in meeting their obligations.
2. Ensure that the impacts of climate change are considered in the development of public policy across all of government.
3. Bridge the gap between farmers, local government and the natural resource management system.
4. Overhaul the water allocation planning process to make it simpler, quicker and more pragmatic.
5. Increase public support for, and involvement in the new marine parks network.
6. Build internal and external support for greater public awareness, access, enjoyment and benefit of our national parks, reserves and botanic gardens.
7. Deliver the government's election commitments.
8. Improve the prescribed burning program through productivity gains in technology, equipment and the deployment of staff.
9. Achieve our budget savings.
10. Build on our foundations to achieve outstanding organisational performance, by living our values and concentrating on a few important actions.

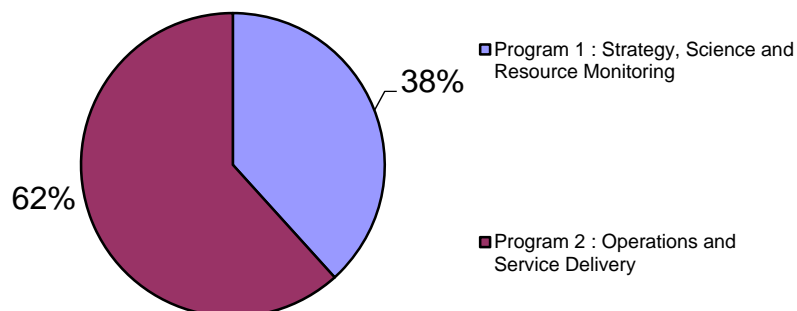
# FINANCIAL COMMENTARY

## **Financial Overview**

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

The audited DEWNR financial statements are published on the department's website [www.environment.sa.gov.au](http://www.environment.sa.gov.au). The following report makes comparison between the revised budget for 2013-14 as tabled in Parliament in June 2014 as part of the 2014-15 Agency Statements, and an abridged version of the actual financial statements as at 30 June 2014. The abridged report is formatted to include the Statement of Comprehensive Income; Statement of Financial Position; and Statement of Changes in Equity.

## Program Expenditure



## Actual Expenditure by Program

The two programs actual expenditure as a percentage of total expenditure is Strategy, Science and Resource Monitoring (38 per cent) and Operations and Service Delivery (62 per cent).

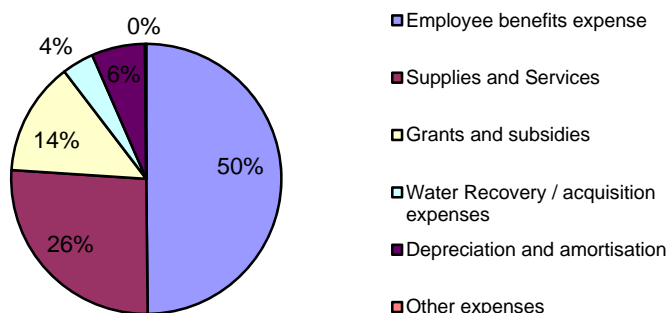
## Income Statement

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2014

	Budget 2013-14 (\$'000)	Actual 2013-14 (\$'000)
Operating expenses	354 223	343 797
Operating revenues	162 550	180 047
<b>Net cost of providing services</b>	<b>191 673</b>	<b>163 750</b>
Revenues from Government	181 777	181 779
<b>Net Result</b>	<b>(9 896)</b>	<b>18 029</b>
Other Comprehensive Income	-	
<b>Total Comprehensive result</b>	<b>(9 896)</b>	<b>18 029</b>

The actual comprehensive result was a net surplus of \$18.029 million.

## Operating Expenditure

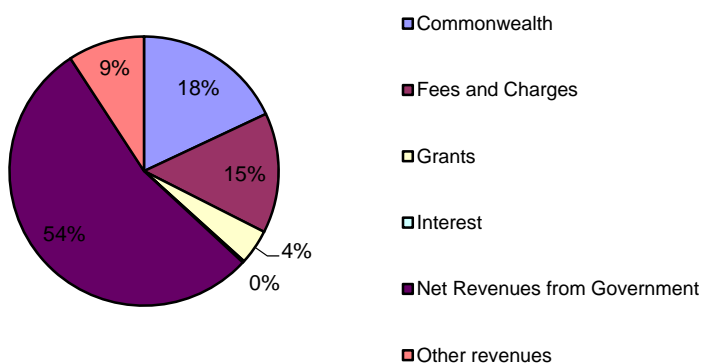


### Actual Operating Expenditure by Program

Operating expenses were approximately \$10.4 million lower than expected, largely as a result of:

- Under spend relating to various Commonwealth, external party and cabinet approved initiatives for which carryover has been sought (\$10.1 million).

## Operating Revenues



### Actual Operating Revenue

Operating revenue was approximately \$17.5 million higher than expected, largely as a result of:

- Unbudgeted revenue received late in the financial year relating to CLLMM South East Flows (\$13.7 million), Riverine Recovery (\$1.9 million) and the South Australian Riverland Floodplain Integrated Infrastructure Program (\$1.2 million).

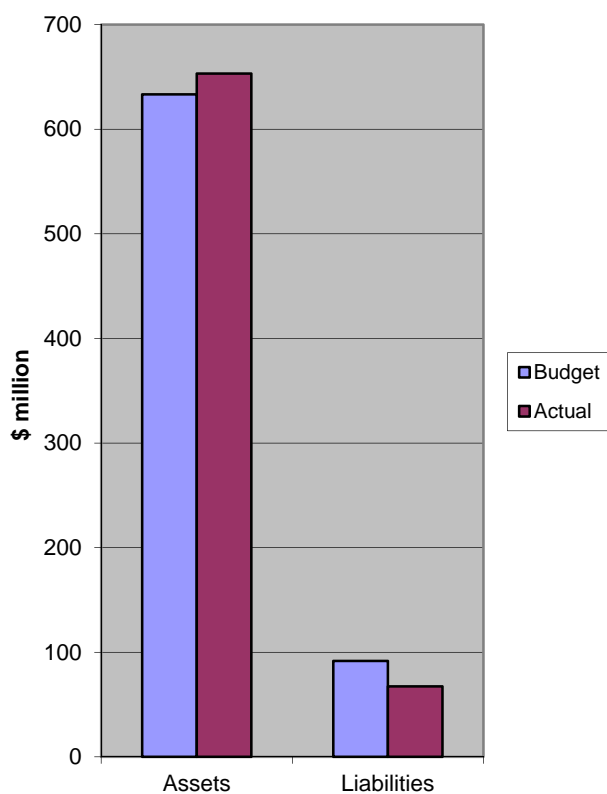


**SUMMARY STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2014**

	<b>Budget 2013-14 (\$'000)</b>	<b>Actual 2013-14 (\$'000)</b>
Current assets	137 144	142 160
Non-current assets	496 180	510 927
<b>Total assets</b>	<b>633 324</b>	<b>653 087</b>
Current liabilities	57 249	38 129
Non-current liabilities	34 407	29 229
<b>Total liabilities</b>	<b>91 656</b>	<b>67 358</b>
<b>Net assets</b>	<b>541 668</b>	<b>585 729</b>
<b>Equity</b>	<b>541 668</b>	<b>585 729</b>
<b>Equity at 30 June 2013</b>	<b>551 564</b>	<b>563 897</b>
Surplus/(deficit) for the year	(9 896)	18 029
Net Increment for Asset First time recognition	-	-
Net Increment for Asset Valuation adjustments	-	3 803
Net Assets received from Administrative Restructure	-	-
Equity Contribution received	-	-
Assets transferred	-	-
<b>Equity</b>	<b>541 668</b>	<b>585 729</b>

Net Assets and Equity is approximately \$44.1 million higher than budget.

**Assets and Liabilities**

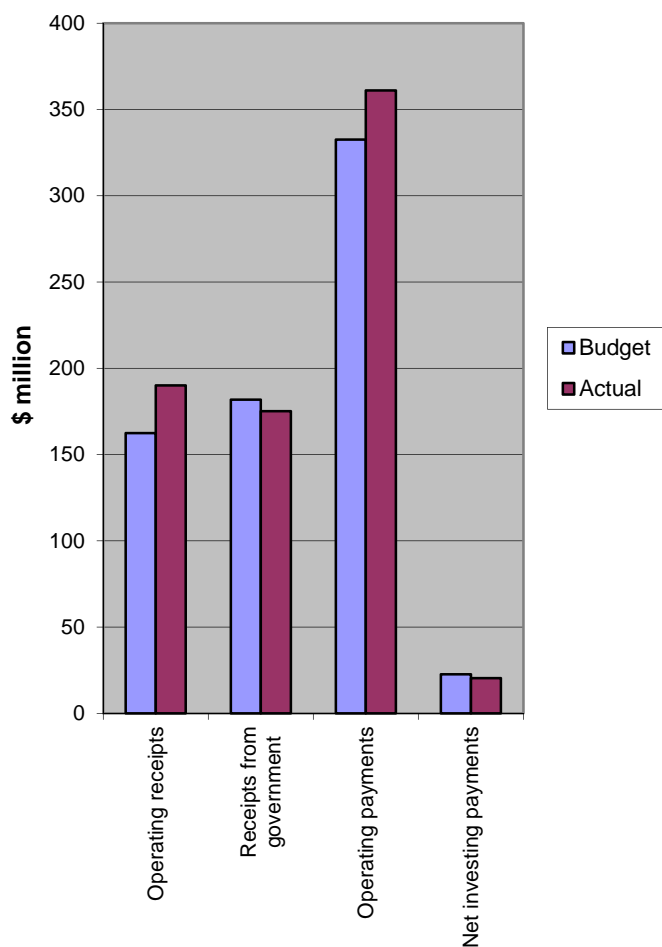


Current Assets for the department are \$5.0 million higher than budget, primarily due to increased receivables (\$14.6 million) offset by reduced cash and cash equivalents (\$5.3 million) and other current assets (\$4.3 million). Non Current Assets are \$14.8 million higher than budget primarily due to asset valuation adjustments.

Current Liabilities are \$19.1 million lower than budget primarily due to below budget payables (\$18.9 million). Non Current Liabilities are \$5.2 million lower than budget primarily due to a reduction in the long service leave liability (\$4.2 million).

	<b>Budget 2013-14 (\$'000)</b>	<b>Actual 2013-14 (\$'000)</b>
Cash flows from operating activities:		
Payments	(332 548)	(361 008)
Receipts	162 380	190 070
Cash flows from Government	181 777	175 085
<b>Net cash provided by operating activities</b>	<b>11 609</b>	<b>4 147</b>
Cash flows from investing activities:		
Payments	(22 631)	(20 460)
Receipts	-	37
<b>Net cash used in investing activities</b>	<b>(22 631)</b>	<b>(20 423)</b>
Cash flows from financing activities		
Payments	-	-
Receipts	-	-
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(11 022)</b>	<b>(16 276)</b>
Cash at 1 July 2013	121 725	121 725
<b>Cash at 30 June 2014</b>	<b>110 703</b>	<b>105 449</b>

## Cash Receipts and Payment



### SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

The department's budget provided for a net decrease in cash of \$11.0 million. The actual result was a decrease of \$16.3 million.

This \$5.3 million variation is made up of:

- An operating cash decrease of \$7.5 million is primarily explained by a payment to SA Government of \$6.694 million relating to the Riverine Recovery Program
- An investing cash increase of \$2.2 million.

# APPENDICES

## Public Lands and Coastal Conservation

### SPECIAL CIRCUMSTANCE SALES UNDER THE *CROWN LAND MANAGEMENT ACT 2009*

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

#### *Perpetual Leases*

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

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

Single Perpetual Lease	\$6000 or twenty times the annual rent whichever is the greater, except where a lower purchase price is fixed PLUS documentary fees.
Multiple Perpetual Leases	\$6000 for up to 4 leases; \$1200 for each additional lease in the application up to 10; \$900 for each between 10-20; and \$600 for any lease above 20; or Twenty times the rent, whichever is the greater PLUS documentary fees.
War Service	The purchase price nominated in the lease (or portion commensurate with the area for a partial surrender) PLUS documentary fees.
Waterfront Land	Purchase is conditional on the lessee handing back waterfront land held under the lease and arranging survey of an adequate waterfront reserve. Due to the loss of land and survey costs, the purchase price is reduced to \$1.

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

LAND DESCRIPTION	MARKET VALUE	CONSIDERATION
Section 51 Hundred of Butler	\$925 000	\$6 000
Section 133 Hundred of Wanilla	\$1 075 000	\$20 862
Section 51 Hundred of Caralue Sections 14 and 22 Hundred Of Panitya	\$880 000	\$21 895
Section 202 Hundred of Rounsevell Sections 31 74 75 and 77 and Allotment 3 DP 26699 Hundred of Witera	\$333 000	\$6 000
Section 65 Hundred of Witera	\$550 000	\$13 776
Section 411 and Allotment 4 DP 64899 Hundred of Benara	\$2 875 000	\$29 125
Sections 467 470 471 and 472 Hundred of Joanna	\$949 000	\$15 472
Section 126 Hundred of Richards	\$960 000	\$6 000
Sections 19 20 21 and 25 Hundred of Archibald	\$590 000	\$6 000
Sections 79 80 and 81 Hundred of Ross	\$837 500	\$6 000
Section 468 Hundred of Goyder	\$19 000	\$6 000

LAND DESCRIPTION	MARKET VALUE	CONSIDERATION
Section 41 Hundred of Carribe	\$136 000	\$6 000
Section 1429 Berri Irrigation Area	\$120 000	\$6 000
Section 709 Loxton Irrigation Area	\$117 000	\$4 025
Sections 383 and 407 Loxton Irrigation Area	\$132 000	\$4 700
Section 502 Loxton Irrigation Area	\$169 000	\$4 500
Allotments 50 51 and 52 Town of Monash	\$52 000	\$6 000
Section 412 and 422 Loxton Irrigation Area	\$144 000	\$4 250
Sections 90 and 186 Chaffey Irrigation Area	\$50 000	\$6 000
Section 722 and 729 Mypolonga Irrigation Area	\$66 500	\$6 000
Sections 2 3 30 34 35 36 39 41 46 66 67 68 71 324 325 and 326 Hundred of Eurilpa Sections 121 135 136 138 139 344 363 364 and 380 Hundred of Yanyarrie	\$302 632	\$13 200
Section 77 and 101 Hundred of Eurilpa	\$32 272	\$6 000
Section 342 Hundred of Gregory	\$205 000	\$6 000
Section 895 Hundred of Pirie	\$95 000	\$6 000
Section 225 Hundred of Myponga	\$198 000	\$6 000
Allotment 1 DP 36402 Loxton Irrigation Area	\$115 000	\$2 225
Allotment 1 DP 43629 Loxton Irrigation Area	\$115 000	\$1 975
Section 333 and 452 Hundred of Neales	\$135 000	\$6 000
Allotment 4 DP 27902 Loxton Irrigation Area	\$115 000	\$1 875
Section 131 and Allotment 80 DP 92535 Hundred of Pyap	\$125 000	\$1
Allotment 1 and 2 DP 81580 Hundred of EBA	\$57 500	\$1
Section 74 and Allotment 15 Hundred of Paisley	\$250 000	\$5 500
Pieces 100, 101 & 102 DP 84946 Hundred of Wokurna	\$161 666	\$1
Allotment 23 DP 86262 Hundred of Baroota	\$55 000	\$1
Section 20, 33, 34, 35 & 36 Hundred of Charra Allotment 10 DP 26947 & Allotment 66 DP 91031	\$107 000	\$6 000
Allotments 12 and 13 DP 57049 Hundred of Nangkita	\$40 000	\$38500

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

In the 2013-14, there have been no other properties that have been sold without a market process or for less than market value due to special circumstances.

## Reporting under the National Parks and Wildlife Act 1972

### Park Revenue

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

Aggregated totals of park revenue for 2013-14 are categorised below:

PARK REVENUE	\$
Admissions and guided tours	7,826,182
Levies, licences and other	275,511
Property rental and related income	1,239,006
Sale of goods	2,073,098
Camping accommodation and hire fees	1,185,119
<b>Total: Park Revenue</b>	<b>12,598,917</b>

### Assessment of conservation status under the Act

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

The Department has almost 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. Following the completion of the regional assessments in 2014, a statewide review of species identified as threatened will be undertaken to inform revision and amendment of the Threatened Species Schedules (Schedules 7, 8 and 9) of the *National Parks and Wildlife Act 1972*. These reviews will also help inform decisions about the need to amend schedule 10 (Unprotected Species) of the Act.

## South Australia's climate change policy and related initiatives – 2013-14

### Introduction

This report includes work undertaken within the Department of Environment, Water and Natural Resources (DEWNR) in relation to the development of climate change policy and related initiatives during 2013-14. This fulfils the requirement of section 20(1) of the *Climate Change and Greenhouse Emissions Reduction Act 2007* (the Act).

Key initiatives reported include:

- South Australia's international leadership and engagement
- National climate change policy
- Review of climate change policies and programs
- South Australia's climate change vision
- Building Upgrade Finance
- South Australia's Climate Change Adaptation Framework
- Prospering in a Changing Climate grants program
- Sector agreements
- Sea level rise
- Natural Resources Management
- Natural Resources Management Planning for Climate Change Fund

The Act contains specific targets to reduce greenhouse gas emissions and increase renewable energy. In particular, it contains a target 'to reduce by 31 December 2050 greenhouse gas emissions within South Australia by at least 60 percent to an amount that is equal to or less than 40 percent of 1990 levels' as part of a national and international response to climate change. This target is incorporated in South Australia's Strategic Plan (SASP) as Target 59, which includes an additional first step to achieve the Kyoto target by limiting the state's greenhouse gas emissions to 108 percent of 1990 levels during 2008-12.

The latest measure of South Australia's progress towards this target was released by the Commonwealth Government on 15 April 2014. The Commonwealth reported that South Australia's net greenhouse gas emissions were 30.0 million tonnes of carbon dioxide equivalent in 2011-12. This means that 2011-12 greenhouse gas emissions in South Australia were over 10 percent lower than the 1990 baseline. Over the same period, South Australia's Gross State Product rose over 65 percent, showing that emissions can be reduced with continued economic growth.

In 2009, an additional target was established under Part 2 of the Act to increase the proportion of renewable energy generated in the state to 33.3 percent by 2020. This target was incorporated into SASP as Target 64. In less than 10 years, installed renewable energy capacity has grown from zero in 2003 to more than 1,200 megawatts in wind and 400 megawatts in roof-top solar.

This success has been achieved through the Government of South Australia working collaboratively with industry and the community through the notable climate change programs and initiatives implemented across the state.

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

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

The latest [\*Report on the operation of the Climate Change and Greenhouse Emissions Reduction Act 2007 – December 2013\*](#) details key outcomes of South Australia's climate change programs and initiatives implemented across the state. The 2013 Report covering 2012-2013 supports key actions of the [\*Tackling Climate Change: South Australia's Greenhouse Strategy 2007-2020\*](#), which is a framework for meeting all of South Australia's greenhouse targets and commitments in a coordinated way. The 2013 Report was prepared by DEWNR in accordance with section 7 of the Act. The 2013 Report was tabled in Parliament on 8 May 2014 and is available on the [sa.gov.au](http://sa.gov.au) website.



## **South Australia's international leadership and engagement**

The contributions of Working Groups I, II and III to the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report clearly show that warming of the climate system is unequivocal, and that human influence on the climate system is clear.

IPCC Assessment Reports cover the full scientific, technical and socio-economic assessment of climate change.

The Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) is an international treaty that sets binding obligations on industrialised countries to reduce emissions of greenhouse gases.

The release of the most recent data series covers the first reporting period of the Kyoto Protocol. South Australia has exceeded the target and averaged 91 percent of the 1990 baseline during the period. In other words, in contrast to a target of 8 percent above the baseline, South Australia has achieved 9 percent below the baseline during the period 2008–2012.

As part of South Australia's international leadership, the South Australian government is a member of The Climate Group and is involved in their States and Regions Alliance program (the Alliance).

The Alliance is a network that supports the work that sub-national governments undertake to accelerate action on climate change. South Australia is involved in a number of activities as part of the Alliance, including chairing the Adaptation Working Group and the Energy Efficiency Financing Working Group. South Australia is the longest standing co-chair and a founding member of the Alliance. The Premier of South Australia, the Hon Jay Weatherill MP, has been a co-chair since 2012.

At The Climate Group's 10-year anniversary event 'Low Carbon Growth and Opportunity: Paris and Beyond', held in London on 28 April 2014, the Premier as a co-chair, gave a keynote address on 'Progressive Governments: How States and Regions are already building a low carbon economy'.

## **National climate change policy**

The Act aims to promote action within South Australia that provides consistency with national and international schemes designed to address climate change.

DEWNR as the lead agency for climate change, provides coordination and advice across government on national climate change policy issues. Some aspects of climate change policy are led by other agencies with specific technical expertise in those areas.

### *Direct Action Plan*

Following the Federal Election on 7 September 2013 there has been a significant change in national climate change policy. The incoming government has outlined a Direct Action Plan to address climate change including legislation being tabled to repeal the national carbon pricing mechanism. The Commonwealth Government has committed to a 5 percent greenhouse gas emissions reduction target by 2020. To achieve this aim, the Direct Action Plan will use a reverse auction as its primary mechanism through a \$2.55 billion Emissions Reduction Fund to cut emissions. DEWNR led the development of a South Australian government submission on the design of the Fund.

On 24 April 2014, the Commonwealth Government released the Emissions Reduction Fund White Paper. DEWNR is coordinating a whole-of-government working group to consider the emerging design of the Fund, as well as its implications for both existing South Australian government programs, and the potential for participation by South Australian organisations.

Another element of the Direct Action Plan is \$9 million in funding for the National Climate Change Adaptation Research Facility at Griffith University. The focus of this funding will be on the implications of sea level rise at the local government level.

### *Renewable Energy Target Review*

The Commonwealth Government has also commenced a review of Australia's Renewable Energy Target (RET). The RET is a federal government policy designed to ensure that at least 20 percent of Australia's

electricity comes from renewable sources by 2020. DEWNR contributed to the state government's submission on the RET which was led by the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE).

DMITRE has led a number of successful initiatives to boost energy generation from renewables, including wind and solar in South Australia in order to meet the renewable energy target under the Act.

DEWNR will continue to partner with other South Australian government agencies to develop greenhouse gas reduction policies that complement emerging national carbon policies, including encouraging South Australian participation in the Commonwealth's Emission Reduction Fund.

#### *Greenhouse 2013 conference*

The Greenhouse 2013 conference, Australia's pre-eminent climate change science conference, run biannually by the Commonwealth Scientific and Industrial Research Organisation (CSIRO), was held in Adelaide from 8 to 11 October. The South Australian government was the major sponsor and provided significant support to CSIRO.

The Greenhouse 2013 conference provided a timely opportunity for the leaders in climate science to communicate the outcomes of the IPCC report and share ideas about what will be the most important areas of focus for the coming years.

At the conference, the Premier announced that the Premier's Climate Change Council would lead a climate change review. He also announced a new target for low carbon investment of \$10 billion by 2025.

#### **Review of climate change policies and programs**

KPMG was commissioned to undertake an independent climate change review in response to the Premier's announcement. The review focussed on South Australian government climate change policies and commitments undertaken since 2007. The review was finalised in December 2013.

The KPMG Review focussed on 13 case studies that were selected from a number of agencies.

The Review identified that well targeted regulatory approaches, information provision and partnerships have been relatively low cost and can be very effective. It suggested that in the context of a changing national policy setting and current fiscal constraints, that the state government's primary objective should be a mitigation approach that achieves significant emissions reduction at the lowest possible abatement cost, with programs designed to remain eligible for funding through the Commonwealth Government's Direct Action Plan where possible. The Review also recommended that the state government continue its adaptation approach, seek to influence the federal adaptation agenda, and prepare for joint funding responsibility, as large infrastructure investments for adaptation are likely to become necessary in the future.

#### **South Australia's climate change vision**

In August 2013, the Minister asked the Premier's Climate Change Council to develop a vision of a state that is moving towards a low carbon economy and adapting to climate change.

The development of the Council's advice was informed by the KPMG review and consultation undertaken with industry and other key stakeholders, particularly in relation to transitioning South Australia to a low carbon economy.

The Chair of the Council, Mr Bruce Carter, forwarded the advice, [\*South Australia's Climate Change Vision: Pathways to 2050\*](#), to the Minister for Sustainability, Environment and Conservation on 27 February 2014. The Council's advice and the Minister's statement of response was tabled in Parliament on 21 May 2014.

The Council's advice contains eight key recommendations and highlights 29 priority actions, with a focus on the next 10-15 years.

The advice is the culmination of two years of Council's work with industry, academics and local communities.

In 2014-15, DEWNR will develop a comprehensive response to the Council's vision in collaboration with other government agencies. The response to the Council's advice will provide an opportunity to set a new strategic direction for climate change action in South Australia that is cognisant of the changed national policy context and findings of the KPMG Review. The community will be consulted in the development of the strategy.

### **Building Upgrade Finance**

Building Upgrade Finance is a voluntary mechanism which assists building owners to access commercial loans to improve the energy, water and environmental efficiency of existing commercial buildings. Under the mechanism, loans are tied to a property rather than a property owner, with loan repayments being collected via a local government charge that is levied on the property. Loan repayments are then passed on to the financier by the local council.

In October 2013, the state government approved that enabling amendments to the *Local Government Act 1999* be drafted for consultation with stakeholders. On 30 January 2014, the draft Local Government (Building Upgrade Agreements) Amendment Bill 2014 was released for a ten week public consultation period. Consultation closed on 11 April 2014.

This feedback will inform the finalised draft Bill which is expected to be introduced in Parliament in 2014-15.

The South Australian government is also committed to extending the BUF mechanism to heritage conservation building upgrades. DEWNR will engage with key stakeholders to progress this commitment.

### **South Australia's Climate Change Adaptation Framework**

The South Australian government is on track to meet SASP Target 62, which requires the development of regional climate change adaptation plans in all 12 state government regions by 2016. This is supported by [\*Prospering in a Changing Climate: South Australia's Climate Change Adaptation Framework\*](#), which outlines the government's commitment to work closely with regional organisations to plan for the impacts of climate change.

Two adaptation plans have been released for the Yorke and Mid North, and Eyre Peninsula regions.

In 2014-15, four adaptation plans are expected to be completed from the Southern Adelaide, Western Adelaide, Murray Darling Basin, and Barossa regions. Adaptation plans are in various stages of development in the South East, Far North, Eastern Adelaide, Northern Adelaide, Adelaide Hills, Fleurieu and Kangaroo Island regions.

One of the key actions of the Yorke and Mid North Climate Change Adaptation Plan includes the establishment of a regional sustainability centre, known as Goyder's Line Sustainability Hub. The centre's name is symbolic of the implications of climate change for the Yorke and Mid North Region.

Goyder's Line Sustainability Hub was successfully launched on 28 March 2014. The Sustainability Hub is a regionally driven community cooperative and network that showcases and incubates research, regional business and adaptive rural living practices in the Yorke and Mid North Region.

The Eyre Peninsula Climate Change Adaptation Plan was released in February 2014. A key outcome of the Plan has been the recognition amongst regional leaders that many decisions made today need to actively consider future climate change in a cross-sectoral way.

The Eyre Peninsula Region will now focus on how to better manage existing and new coastal residential developments, as well as the Region's port and wharf facilities in the face of increased risk of flooding and erosion from sea-level rise and storm surge.

The Plan also identifies the need to adapt farming and peri-urban expansion in a warming and drying climate.

South Australia is seen as a national leader in climate change adaptation and has been an exemplar in engaging the community to prepare for the impacts of climate change. The Adaptation Framework

received national recognition through state and national awards in 2013. This is due to the significant commitment of local leaders from industry sectors and the community.

The South Australian Climate Change Adaptation Showcase established in 2013, builds on the success of the partnerships established as part of the adaptation planning process.

The 2014 Showcase held on 13 and 14 February included presentations from an international expert, Roger B Street from the United Kingdom Climate Impacts Program, and national experts, Professor Will Steffen from the Climate Council, and Dr Karl Braganza from the Bureau of Meteorology.

Delegates included mayors, councillors, members of the Premier's Climate Change Council and the Natural Resources Management Council, presiding members of natural resources management boards, chief executives of Regional Development Australia, industry representatives from the wine, mining and construction sectors, representatives from research institutions and the tertiary education sector, Commonwealth, state and local government officials, as well as private consultants.

The Showcase facilitated people from the regions to come together to share knowledge, build networks and communicate the tremendous work that is happening 'on the ground'.

It also provided an opportunity to bring together the growing network of adaptation practitioners and academics within South Australia, along with national and international experts to expand South Australia's knowledge-base and better understand the latest climate science.

### **Prospering in a Changing Climate grants program**

The Prospering in a Changing Climate Grants Program was launched in 2012-13 with the commitment of \$450,000 per annum for three years. The program consists of two funding streams to support implementation of the Adaptation Framework.

Stream A provides seed funding for the development of adaptation plans in each of the 12 state government regions. The provision of seed funding for projects is an integral part of the regional implementation model – supporting the partnership approach and allocation of responsibility between Commonwealth, state and local governments.

Stream B is a competitive funding program for innovative adaptation projects selected through grant application rounds.

Stream B funding is available for adaptation projects undertaken by current sector agreement partners, local government, regional boards, research organisations, non-government organisations or industry bodies.

The first and second rounds of Stream B provided project grants to organisations such as the Local Government Association of South Australia, The University of Adelaide, the Adelaide and Mount Lofty Ranges Natural Resources Management Board, the Central Local Government Region and Green Cross Australia.

Round three of the Stream B Grants Program commenced on 13 February 2014 and closed on 28 March 2014. Grants were awarded to organisations such as the City of Unley, the City of Marion, Jacqueline Balston and Associates, Australian Red Cross, Flinders University and the Adelaide Hills Wine Region.

DEWNR is actively involved in these projects to support the achievement of state and regional project objectives and the achievement of SASP Target 62. Experience so far has been that the state government contribution has represented 20 to 30 percent of the total cost, with the rest made up of local government and Commonwealth Government funds.

## Sector agreements

The South Australian government has moved into a phase of mainstreaming climate change considerations across government, and using sector agreements to partner with industry and the community on climate change action.

Under section 16 of the Act, the Minister for Sustainability, Environment and Conservation is able to enter into Sector Agreements 'for the purpose of recognising, promoting or facilitating strategies to meet any target set under the Act'. A sector can be defined as a 'person or entity or industry or business group'.

There are currently 11 Sector Agreements in operation with industries and community groups as diverse as steel, community services, local government and regional development.

New Sector Agreements were entered into with the Southern Adelaide region (comprising the cities of Holdfast Bay, Marion, Mitcham and Onkaparinga) in July 2013; the Local Government Association of South Australia in October 2013; and the Western Adelaide Region (comprising the cities of Port Adelaide Enfield, West Torrens and Charles Sturt) in October 2013.

## Sea level rise

The latest report by the IPCC highlights that globally there has already been 0.85 degrees of warming, 19 centimetres of sea level rise and a significant increase in weather related natural disasters.

The Premier's Climate Change Council's advice, '*Opportunities to facilitate appropriate land use decisions in order to adapt to sea level rise and inundation*', was submitted to the Minister for Sustainability, Environment and Conservation on 27 August 2013. The advice and the Minister's response was tabled in Parliament on 30 October 2013.

DEWNR engaged URPS in collaboration with the Coast Protection Board and the Local Government Association of South Australia to develop a Sea Level Rise Project Definition Statement.

The work will be used as a basis for engagement across state government agencies and the community on issues associated with sea level rise.

## Natural Resource Management

The *State Natural Resources Management Plan 2012-2017 'Our Place — Our Future'* includes a guiding target to "improve capacity of individuals and community to respond to climate change".

The Natural Resources Management Reporting Framework trial has progressed the drafting of report cards on the scientific understanding of the causes and potential impacts of climate change.

The Reporting Framework trial has produced three report cards relating to our 'Capacity to Respond to Climate Change', which include the following:

- How many South Australians understand the causes and consequences?
- How good is the scientific understanding of the causes and consequences?
- How many climate adaptation plans have been produced?

Funding from the Commonwealth Government was received by natural resources management boards to support regions to develop 'climate change ready' natural resources management plans. This will assist regions to examine and respond to potential impacts of climate change, including directing investment through initiatives such as the Biodiversity Fund and the Carbon Farming Initiative.

Natural resources management planning is undergoing a change in approach in South Australia with the majority of natural resources management boards adopting 'resilience thinking' as a basis for reviewing and updating their regional natural resources management plans. Both the Adelaide Mount Lofty Ranges (AMLR) and South Australian Murray-Darling Basin regions have applied the concepts of 'resilience and systems thinking' to develop their recently revised plans.

## Natural Resources Management Planning for Climate Change Fund

The Commonwealth's Regional Natural Resources Management Planning for Climate Change Fund (NRM Fund) aims to help regional communities plan for climate change impacts on the land and maximise the environmental benefits of biodiversity and carbon farming projects.

The NRM Fund is divided into two streams. Stream 1 funding supports the revision of existing regional natural resources management plans to identify where climate change adaptation and mitigation activities should be undertaken in the landscape. South Australia has secured \$3.86 million in Stream 1 funding from 2012-13 to 2015-16, with projects led and coordinated by the eight natural resources management regions.

Stream 1 activities include community engagement, development of new policies, spatial land use analysis, procuring technical expertise, and awareness raising and capacity building. All natural resources management boards received funding through this scheme.

[Stream 1 Regional Natural Resource Management Planning for Climate Change](#) on the Commonwealth Government website provides a list of successful South Australian projects.

Stream 2 funding was provided by the NRM Fund to develop new science to inform the management of natural resources planning for climate change.

Stream 2 focussed on the coordination of research to produce regional-level climate change information, and guidance on the integration of that information into regional natural resources and land use planning.

## Conclusion

Throughout 2013-14 DEWNR has worked collaboratively with state and local government, regional bodies, industry and the community to progress climate change programs and initiatives across South Australia. Key future initiatives for 2014-15 will include:

- Implementing the Climate Change Adaptation Framework through the delivery of adaptation plans in all regions;
- Progressing the implementation of the Building Upgrade Finance mechanism through work to introduce amendments to the *Local Government Act 1999*;
- Leading a whole of government response to the Premier's Climate Change Council's advice, [South Australia's Climate Change Vision: Pathways to 2050](#); and
- Developing a new strategy for climate change action.

## Basin Plan implementation strategy status report

No.	Action	2013-14 Progress Update
1	Develop and implement water planning and management frameworks that comply with the sustainable diversion limit (SDL) requirements of the Basin Plan.	Gap analysis and planning was progressed to support Basin Plan compliance for the River Murray, Eastern Mount Lofty Ranges, and Murray Region water resource plan areas. DEWNR officers worked with the Murray-Darling Basin Authority (MDBA) through the inter-jurisdictional Water Resources Planning Working group to identify and progress transitional issues and ensure state interests were considered.
2	Participate in, and influence, the development and implementation of the SDL adjustment mechanism and assessment of projects.	A draft scientific method to adjust SDLs was completed with input from State government officials and scientists and trial implementation by the Murray-Darling Basin Authority has commenced. Eleven proposed upstream SDL adjustment projects were assessed to ensure there are no adverse impacts on South Australia's water security, water quality and environmental flows.
3	Identify and develop potential South Australian SDL adjustment project proposals and implement approved projects.	The Riverine Recovery project and Chowilla Floodplain regulator were approved as potential South Australian sustainable diversion limit (SDL) adjustment 'supply' measures, presenting an opportunity to offset some of the State's water recovery target by achieving equivalent environmental outcomes with less water.
4	Identify and support implementation of strategic water recovery projects, with advice from the Water Recovery Advisory Committee.	Over half (103.9 GL) of South Australia's water recovery target of 183.8 GL (long term average annual yield) has been achieved. A Water Recovery Advisory Forum of industry representatives was established to provide advice on the development of South Australian water recovery projects.
5	Work with the Commonwealth Environmental Water Holder and the MDBA to ensure appropriate arrangements for environmental water delivery to South Australia.	South Australia was successful in securing the delivery of 801 GL of held environmental water to improve the health of the riverine environment, floodplain wetlands and the Coorong, Lower Lakes and Murray Mouth. This water has enabled the first significant recovery of an important keystone plant species ( <i>Ruppia</i> ) in the Coorong and contributed to the maintenance of populations of threatened species, such as Murray Hardyhead fish and Regent parrots.
6	Influence the management of environmental water under the environmental watering plan, in particular through the development of the Basin-wide environmental watering strategy and annual priorities.	DEWNR officers actively participated in environmental water planning and delivery, developing the Basin annual environmental watering priorities and the Basin-wide environmental watering strategy. South Australia's 2013-14 annual environmental watering priorities for the River Murray influenced the Basin annual environmental watering priorities and informed the Commonwealth Environmental Water Holder's priority watering actions for the year. The 2014-15 environmental watering priorities were submitted to the MDBA in May 2014.
7	Develop and implement South Australia's long-term environmental watering plans and annual watering priorities.	Work commenced on a long-term environmental watering plan for the River Murray. State annual environmental watering priorities were provided in May 2013 and May 2014 to inform the MDBA's Basin-wide annual environmental watering priorities.
8	Identify and advocate for projects and reforms aimed at removing the	The MDBA released the Constraints Management Strategy on 28 November 2013 to support action to address barriers to effective

No.	Action	2013-14 Progress Update
	barriers limiting the effective delivery of environmental flows through the River Murray system.	environmental water delivery. During 2013-14, State government officials worked with the MDBA to understand the barriers to environmental watering in South Australia and to explore options to address or mitigate any potential third party impacts.
9	Facilitate the implementation of the Pike and Katarapko environmental works and measures project.	Planning and implementation commenced for the \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP). The program involves the construction of environmental regulators at the Pike and Katarapko floodplains to enable more efficient environmental watering.
10	Develop and implement water quality management plans for South Australia's Murray-Darling Basin water resource plan areas.	A work program for the delivery of water quality management plans for the South Australian Murray Region, Eastern Mount Lofty Ranges, and River Murray water resource plan areas was finalised.  DEWNR officers participated in a basin-wide review of Basin salinity risks and management and developed guidelines for river operators and environmental water managers to have regard for Basin Plan salinity and water quality targets.
11	Develop water trading policies, protocols, and processes that comply with the Basin Plan.	The Basin Plan water trading rules came into effect on 1 July 2014. DEWNR officers worked with the MDBA to develop Water Trading Rules guidelines and have taken action to ensure consistency between the water trading rules and relevant South Australian plans and policies.
12	Develop and implement water resource plans that are consistent with the Basin Plan.	DEWNR officers have provided input to developing guidelines for water resource planning and to transitional regulations as well as planning for development of compliant water resource plans through the inter-jurisdictional Water Resource Planning Working Group. A five year program was prepared for development of Basin Plan compliant water resource plans for the SA Murray Region, Eastern Mount Lofty Ranges, and River Murray water resource plan areas, with a risk assessment commenced for the South Australian Murray Region water resource plan.
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.	To date, 30GL of South Australian entitlement flow has been deferred and stored in upstream storages for critical human water needs.  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.
14	Support community and industry access to funding for economic diversification and regional development projects.	In negotiations on the Basin Plan, South Australia secured \$25 million from the \$100 million MDB Regional Economic Diversification Programme. In March 2014, \$5 million from the programme was committed to the Murray Bridge Racing Club for the development of a multi-purpose conference and convention centre.
15	Support implementation of the Water Industry Alliance River Murray Improvements Program (SARMS).	The \$240 million SARMS Irrigation Industry Improvement Programme (3IP) was launched by PIRSA to support regional development and industry redevelopment projects and recover up to 40 GL of



No.	Action	2013-14 Progress Update
		<p>water entitlements for the environment. Round 1 received strong interest, with 213 expressions of interest received and 171 proponents being invited to submit a full application for funding.</p> <p>In June 2014, \$25 million was allocated in support of the \$12.5 million Regional Development and Innovation Fund (RDIF), the \$5 million Industry-led Research Sub-Program (IRSP), and the \$7.5 million Loxton Research Centre (LRC) Redevelopment.</p>
16	Engage the community throughout the Basin Plan implementation process.	<p>The release of the Murray-Darling Basin Plan: South Australian Implementation Strategy 2013-2019 was promoted via media, the DEWNR website, Facebook, Twitter, South Australian Government Electronic Messaging Service (SAGEMS), and letters to key stakeholders.</p> <p>During 2013-14, key stakeholders and/or the broader community were engaged in delivery of environmental works and measures, water recovery planning, regional development initiatives and environmental water planning and management.</p>
17	Ensure South Australia's Basin Plan monitoring, evaluation and reporting arrangements are effective and efficient.	South Australia's monitoring, evaluation and reporting arrangements were reviewed for consistency with Basin Plan requirements. DEWNR officers actively participated in the development of MDBA's monitoring, evaluation and reporting program.
18	Ensure best available science supports South Australia's implementation of the Basin Plan.	A range of science projects are being undertaken by the Goyder Institute for Water Research including projects to improve understanding about: River Murray ecology and responses to environmental watering; floodplain groundwater salinity mobilisation; the management and operations of infrastructure on floodplains for environmental outcomes and the management of riverbank collapse.
19	Negotiate and implement a Basin Plan Implementation Agreement with the MDBA and other Basin states that has regard to South Australian circumstances and any relevant Commonwealth-State agreements.	A Basin Plan Implementation Agreement between Basin water agencies, the Commonwealth Environmental Water holder and the Murray-Darling Basin Authority (MDBA) was endorsed, setting out the timing, processes and standards for delivery of formal obligations set out in the Basin Plan.
20	Implement the Inter-governmental Agreement on Implementing Water Reform in the Murray-Darling Basin.	All Basin states have now signed the Intergovernmental Agreement (IGA) and National Partnership Agreement (NPA) on Implementing Water Reform in the Murray-Darling Basin. South Australia successfully met its Basin Plan implementation milestones under the IGA and is on track to meet its milestones for 2014-15.
21	Ensure South Australia's interests are considered in any reviews or amendment of the Murray-Darling Basin Agreement.	South Australian government representatives represented the state's interest in reviews of Schedule D (interstate water trade) and Basin salinity management under the Agreement.

## Human Resource Management

Details of human resources management within the Department of Environment, Water and Natural Resources for 2013-14 are outlined in the following tables.

### EMPLOYEE NUMBERS, GENDER AND STATUS

Total Number of Employees		
Persons	1643	
FTEs	1512.84	

Gender	% Persons	% FTEs
Male	51.49	54.39
Female	48.51	45.61

Number of Persons During the 2013-14 Financial Year	
Separated from the agency	432
Recruited to the agency	259

Number of Persons at 30 June 2014	
On Leave without Pay	44

### NUMBER OF EMPLOYEES BY SALARY BRACKET

Salary Bracket	Male	Female	Total
\$0 - \$54,799	166	163	329
\$54,800 - \$69,699	216	258	474
\$69,700 - \$89,199	290	261	551
\$89,200 - \$112,599	152	107	259
\$112,600+	22	8	30
<b>TOTAL</b>	<b>846</b>	<b>797</b>	<b>1643</b>

Note: Salary details relate to pre-tax income excluding super and FBT. Non-executive employees on salary sacrifice arrangements are shown as pre-sacrifice values. Executive employees are shown as the value of the financial benefits component of their Total Remuneration Package Value excluding super. Non-financial benefits and allowances are excluded for all employees. The salary brackets have been constructed as an approximation for the level of responsibility, and are based on the current remuneration structures of the PS Act Administrative Services Stream with consideration of the Operational, Professional, Technical and Executive Streams.

### STATUS OF EMPLOYEES IN CURRENT POSITION

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	449.73	137.00	221.30	14.77	822.80
Female	334.87	111.60	218.59	24.98	690.04
<b>TOTAL</b>	<b>784.60</b>	<b>248.60</b>	<b>439.89</b>	<b>39.75</b>	<b>1512.84</b>

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	456	138	224	28	846
Female	377	120	247	53	797
<b>TOTAL</b>	833	258	471	81	1643

#### EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

	Ongoing		Term Tenured		Term Untenured		Other (Casual)		Total				
Classification	Male	Female	Male	Female	Male	Female	Male	Female	Male	%	Female	%	Total
EXEC0E					1				1	3			1
SAES1					17	7			17	59	7	24	24
SAES2					3	1			3	10	1	3	4
<b>Total</b>					21	8			21	72	8	28	29

#### AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type	2010-11	2011-12	2012-13 *	2013-14
Sick Leave	7.6	7.68	6.78	7.52
Family Carer's Leave	1.34	1.23	1.11	1.28
Miscellaneous Special Leave	.64	.75	.82	0.87

\*Average FTE used for 2013-14 calculations = 1602.8.

#### ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYEES

Salary Bracket	Aboriginal Employees	Total Employees	% Aboriginal Employees	Target* (%)
\$0 - \$54,799	18	329	5.47	2
\$54,800 - \$69,699	20	474	4.22	2
\$69,700 - \$89,199	1	551	0.18	2
\$89,200 - \$112,599	1	259	0.39	2
\$112,600+		30	0	2
<b>TOTAL</b>	<b>40</b>	<b>1643</b>	<b>2.43</b>	<b>2</b>

\* Target from SASP

#### NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER

Age Bracket	Male	Female	Total	% of Total	2013 Workforce Benchmark*(%)
15-19	2	2	4	0.24	5.5
20-24	18	28	46	2.80	9.7
25-29	60	81	141	8.58	11.2
30-34	104	132	236	14.36	10.7
35-39	111	153	264	16.07	9.6
40-44	121	124	245	14.91	11.4

Age Bracket	Male	Female	Total	% of Total	2013 Workforce Benchmark*(%)
45-49	138	101	239	14.55	11.1
50-54	107	91	198	12.05	11.4
55-59	114	62	176	10.71	9.1
60-64	64	16	80	4.87	6.7
65+	7	7	14	0.85	3.6
<b>TOTAL</b>	<b>846</b>	<b>797</b>	<b>1643</b>	<b>100</b>	<b>100</b>

\*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 2013

#### CULTURAL AND LINGUISTIC DIVERSITY

	Male	Female	Total	% of Agency	SA Community*
Number of employees born overseas	114	86	200	12.17	22.1%
Number of employees who speak language(s) other than English at home	49	39	88	5.36	14.4%

\* Benchmarks from ABS Publication Basic Community Profile (SA) Cat No. 2001.0, 2011 census.

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

Male	Female	Total	% of Agency
12	13	25	1.5

#### TYPES OF DISABILITY (WHERE SPECIFIED)

Disability	Male	Female	Total	% of Agency
Disability Requiring Workplace Adaptation	8	9	17	1
Physical	6	3	9	0.5
Intellectual	0	1	1	0.1
Sensory	2	1	3	0.2
Psychological/Psychiatric	1	1	2	0.1

## VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER

	Male	Female	Total
Purchased Leave	2	4	6
Flexitime	658	637	1295
Compressed Weeks	7	13	20
Part-time	65	272	337
Job Share Positions	2	14	16
Working from Home	9	25	34

*Note: Employees may be undertaking more than one type of Flexible Working Arrangement at the same time. In this way, the total is unlikely to add to 100%.*

## DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Employees with ...	% Total Workforce
A review within the past 12 months	86
A review older than 12 months	0.55
No Review	13.45

## LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

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

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$1,204,400	0.9%
Total leadership and management development expenditure	\$436,010	0.3%

## ACCREDITED TRAINING PACKAGES

The following table refers to employees currently enrolled in an accredited training package or who have attained a qualification or statement of attainment during the 2013-14 financial year and who were 'active' or on leave with pay with the agency as at the end of the last pay period in the 2013-14 financial year. The table includes executives.

Classification	Number of Accredited Training Packages
CMW4	2
GSE4	2
GSE5	1
GSE7	1
ASO2	1
ASO3	5
ASO4	9
ASO5	3
ASO6	9
ASO7	2

Classification	Number of Accredited Training Packages
OPS1	2
OPS2	5
OPS3	4
OPS4	3
OPS5	1
OPS6	1
PO1	7
PO2	2
PO3	1
PO5	1
SAES	1
TGO1	2
TG02	2
TG03	2
TG04	2

## Equal Employment Opportunity Programs

### *Traineeships, cadetships and apprenticeships*

As at June 2014 there are 11 trainees in the three year horticultural discipline and five Administrative Trainees as part of the Jobs for Youth Scheme. It is anticipated that as existing horticultural trainees graduate from TAFE that new trainees will be recruited.

### *Aboriginal Recruitment Programs*

As at 30 June 2014, 2.43 percent of DEWNR's workforce were identified as of Aboriginal decent. This figure exceeds South Australia's Strategic Plan target of 2 percent. When appropriate, DEWNR has sought referrals from the Aboriginal Employment Register for potential placement into vacancies.

DEWNR continues to build and sustain its Aboriginal workforce through its Aboriginal Workforce Strategy. Highlights include an Indigenous Cadet at Cleland Wildlife Park and sponsorship of secondary and tertiary scholarships for Aboriginal students to create future employment pathways. In 2013 two Gavin Wanganeen Indigenous Scholarships were awarded in partnership with the University of South Australia. These students will be given networking opportunities and undertake work experience within the DEWNR.

DEWNR has also continued to support two Aboriginal Groundwater Scholarship recipients in 2013-14 in partnership with Flinders University and the National Centre for Groundwater Research and Training.

Employment for 5 years (2013-2018) has been funded for Aboriginal Ranger positions within the Gawler Ranges Working on Country program. In addition, four Aboriginal Learning on Country Trainees were employed on a term basis, utilising Commonwealth Working on Country funding within the Riverland region.

A Public Sector Aboriginal Employment Cluster Committee has been formed, coordinated by the Department of Further Education, Employment, Science and Technology. This committee contains a number of senior level representatives from SA Government agencies including DEWNR. DEWNR has committed to support a minimum of one Trainee from the Public Sector Pre-Employment / Traineeship Program.

DEWNR strongly encourages Aboriginal people to apply for annual seasonal fire crew roles. In addition a number of Graduate Ranger positions are designated specifically for graduates who identify as of Aboriginal descent.

More detail regarding employment opportunities is provided in the Aboriginal Reconciliation Statement.

***Disability Employment Register***

DEWNR uses demographic data from employment forms to monitor the employment rate of people with disabilities. As at 30 June 2014, a total of 32 people were identified as having a disability.

## **Work Health and Safety and Injury Management**

The key focus of the 2013-14 financial year has been the implementation of the Department of Environment, Water and Natural Resources (DEWNR) Work Health and Safety and Injury Management system and associated activities.

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

### ***Commitment to the Management of Safety and Wellbeing***

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

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

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

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

### ***Accountability for Safety and Wellbeing Performance***

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

Officers under the WHS Act 2012 have been identified and have attended training to assist them fulfil their duties under the Act. Additionally, managers and supervisors across the department have received training in the legislative requirements of the Act. Worksite managers are required to undertake worksite inspections in accordance with the department's inspection schedule, while Group Executive Directors are required to inspect two worksites under their control annually.

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

### ***Integrated Risk Management***

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



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

Safety risk management is integrated into project and contractor management, particularly for major projects, to meet the legislated requirement to 'consult, cooperate and coordinate' where there are shared duties under the WHS Act. The Volunteer Management Framework, the department's response to safety management for volunteers has been implemented across the department, supported by appropriate training of volunteer coordinators.

The department continues to invest in safety and wellbeing initiatives to reduce risk. This includes contingency arrangements for staff working in remote and isolated field conditions, ergonomic workstation assessments and a comprehensive program of safety and injury management training. StepBack (which contributes to dynamic risk assessment) and manual handling training are mandatory for all employees. Online refresher training programs for Stepback, Injury Management and Manager WHS and Injury Management have been developed. Assessment of WHS and Injury Management training needs is an integral part of the department's performance review processes.

#### ***Effective Measurement and Evaluation***

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

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

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

#### ***External Evaluation***

In September 2013, SA Government adopted a pilot reform of public sector workers compensation performance. The reform integrates audit, analysis, reporting and policy to facilitate further improvement in public sector safety, injury management and workers compensation performance. As part of the reform, the public sector has withdrawn from the WorkCover Evaluation process and will instead be subject to an independent external audit and verification process. While public sector Agencies retain WorkCover registration, audit and verification of performance will be undertaken by an external contractor engaged by the Department for the Premier and Cabinet (DPC).

DEWNR is scheduled to be audited in the first half of the 2014-15 year. The DEWNR Internal Audit program will continue to monitor and evaluate performance against internal and legislative requirements to inform the AVS process.

In September 2013, a Responsible Officer report was provided to WorkCover SA summarising activities during 2011 -12 under the Partnership Plans of both former departments.

#### ***Consultative Arrangements***

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

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

The following tables report the department's OHSW performance for 2012-13.

**Table 1: OHS Notices and Corrective Action taken**

Number of notifiable incidents to WHS Act Part 3	4
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices)	0

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

**Table 2: Agency gross workers compensation expenditure<sup>1</sup> for 2013-14 compared with 2012-13<sup>2</sup>**

EXPENDITURE	2013-14 (\$)	2012-13 (\$)	Variation (\$ + (-))	% Change + (-)
Income Maintenance	351 706	341 560	10146	2.97%
Lump Sum Settlements Redemptions – Sect.42	41 250	70 000	-28750	-41.07%
Lump Sum Settlements Permanent Disability – Sect. 43	56 599	39 418	17181	43.59%
Medical/Hospital Costs combined	171 254	140 110	31144	22.23%
Other	126 297	94 486	31811	33.67%
<b>Total Claims Expenditure</b>	<b>747 107</b>	<b>685 574</b>	<b>61533</b>	<b>8.98%</b>

**Table 3: Meeting Safety Performance Targets<sup>3</sup>**

	Base: 2009-10	Performance: 12 months to end of June 2014*			Final Target
	Number s or %	Actual	Notional Quarterly Target**	Variation	Numbers or %
1. Workplace Fatalities	0	1	0		0
2. New Workplace Injury Claims	52	46	42	4	39
3. New Workplace Injury Claims Frequency Rate	18.57	15.95	14.86	1.09	13.93
4. Lost Time Injury Frequency Rate ***	8.21	5.55	6.57	-1.02	6.16
5. New Psychological Injury Frequency Rate	0.72	1.44	0.58	0.87	0.54
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	80.77%	91.30%	80.00%	11.30%	80.00%

<sup>1</sup> Before 3rd party recovery

<sup>2</sup> Information available from The Self Insurance Management System (SIMS)

<sup>3</sup> Information available from Self Insurance Management System (SIMS) (SIPS Target report)

	Base: 2009-10	Performance: 12 months to end of June 2014*			Final Target
	Numbers or %	Actual	Notional Quarterly Target**	Variation	Numbers or %
<b>6b.</b> Early Intervention within 5 days	100.00%	100.00%	90.00%	10.00%	90.00%
<b>6c.</b> LTI have 10 business days or less lost time	75.00%	68.75%	60.00%	8.75%	60.00%
<b>7. Claim Determination:</b>					
<b>7a</b> New claims not yet determined, assessed for provisional liability in 7 days	9.52%	69.23%	100.00%	-30.77%	100.00%
<b>7b.</b> Claims determined in 10 business days	69.23%	78.26%	75.00%	3.26%	75.00%
<b>7c.</b> Claims still to be determined after 3 months	7.69%	13.04%	3.00%	10.04%	3.00%
<b>8. Income Maintenance Payments for Recent Injuries:</b>					
2012-13 Injuries (at 24 months development)		\$200,325.1 2	\$112,173. 94	\$88,151.1 8	
2013-14 Injuries (at 12 months development)		\$22,168.58	\$115,972.4 1	-\$93,803.83	

\* Except for Target 8, which is YTD.

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

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

\*\*\*Lost Time Injury Frequency Rate Injury Frequency Rate is the injury frequency rate for new lost-time injury/disease for each one million hours worked. This frequency rate is calculated for benchmarking and is used by the WorkCover Corporation.

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

$\frac{\text{Number of new cases of lost-time injury/disease for year} \times 1,000,000}{\text{Number of hours worked in the year.}}$

## Disability Action Plan

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

- Inclusive and accessible communities
- Economic security and employment
- Rights protection, justice and legislation
- Personal and community support
- Learning skills
- Health and wellbeing

### • *Inclusive and accessible communities*

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

- Wheel chair access established from visitor car park to main Black Hill worksite office with separate disabled car parking spaces allocated
- Board Walk and a disabled toilet at Newland Head
- Ramp at the Granite Island kiosk

- Wheel chair accessible ramps into the Deep Creek, Gawler and Victor Harbor Offices

### ***Economic security and employment***

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

### ***Rights, protection, justice and legislation***

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

### ***Personal and community support***

DEWNR has upgraded sites to assist independent living including :

- Cleland Wildlife Park: A collection of wheelchairs are available to both staff and the community to access the park. As this is a large visitor site there is also a lowered reception desk for those in wheelchairs.
- Black Hill Conservation Park: Wheel chair access has been established from identified disabled car parks that lead to the main Black Hill worksite office.

### ***Learning and skills***

The DEWNR induction program both paper based and a new online program includes modules on disability awareness, Code of Ethics and fair treatment in the workplace.

DEWNR have also implemented online training packages to encourage a flexible approach to learning including an online disability awareness training that is mandatory for all staff.

### ***Health and wellbeing***

DEWNR provides a range of flexible work arrangements, adjustable work stations and workplace facilities to support the employment of all employees.

Employees have access to trained and qualified consultants who can assess individual work stations, providing an individualised report to their manager.

The department currently has 27 employees with disabilities (up 7.5% from last year) and through strategies identified in the Disability Action Plan, is aiming to achieve the SASP Target 50: *People with Disabilities: increasing by 10% the number of people with a disability employed in South Australia by 2020.*

## Contractual Arrangements

The Department of Environment, Water and Natural Resources did not enter into any contractual arrangements in the 2013-14 financial year, where the total value of the contract exceeded \$4 million and the contract extended beyond one year.

## Account Payment Performance

Treasurer's Instruction 11 *Payment of Creditors' Accounts* requires public authorities to forward account payment performance reports to the Department of Treasury and Finance. The table below shows the number and value of creditors' accounts paid in 2013-14.

Particulars	Number of accounts paid	% of accounts paid (by number)	Value in \$A of accounts paid	% of accounts paid (by value)
Paid by due date*	47 491	96.12	204 303 247	89.94
Paid late, but paid within 30 days of due date	1 561	3.16	20 026 991	8.82
Paid more than 30 days from due date	354	0.72	2 825 842	1.24

\*Note: The due date is defined under section 11.8 of Treasurer's Instruction 11 Payment of Creditors' Accounts.

### Explanation of Account Payment Performance

During 2013-14, DEWNR paid 96.12 per cent of all invoices, by volume, within the due date, as defined by Treasurer's Instruction 11. The payment rate of invoices paid by the due date, by value, was impacted primarily as a result of delaying payments that were subject to acquittal feedback, or contractual delays. The department continues to work in conjunction with Shared Services SA to focus on improving invoice payment processes.

## Fraud

There was no fraud detected in the 2013-14 financial year.

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

## Consultants

Consultant	Purpose of Consultancy	Number	Total \$
<b>Value below \$10 000</b>			
Various	Various	11	\$50 557
<b>Value \$10 000 - \$50 000</b>			
Infomasters Pty Ltd	AssetMaster Development & training.	1	\$14 915
SMEC Australia Pty Ltd	Management of SA Deferred Water workshop.	1	\$48 048
<b>Value above \$50 000</b>			

Consultant	Purpose of Consultancy	Number	Total \$
KPMG	Review of Climate Change Policy.	1	\$82 181
<b>Total for 2013-14</b>		<b>14</b>	<b>\$195 701</b>

## Overseas Travel

No of staff	Destination/s	Reasons for Travel	Total Cost to Agency ♦
1	Philadelphia/Delaware, USA and Padova, Italy	Invited by the University of Delaware to present at a 4 day symposium 'Earth Perfect?: Nature, Utopia & the Garden'	\$13,241.35
1	Shanghai, China	Invited to present a keynote speech at the 2nd International Symposium of Shanghai Chenshan Botanic Garden	\$4,357.33
2	Hong Kong and mainland China	The trip forms part of the agreed delivery of koalas to Ocean Park Corporation in Hong Kong	\$3,804.44
1	Orleans, France	To attend the GlobalSoilMap Conference	\$3,082.96
1	Oregon, USA	To work with Department of Natural Resources staff on the first foods framework	\$7,051.20
1	Texas, USA	Undergoing collaborative development at the Universities of Texas and Adelaide	\$10,898.21
1	Marseille, France	To attend the Third International Marine Protected Areas Congress	\$6,669.10
1	LA, San Francisco & New York, USA	To attend the 2014 G'Day USA Program	\$26,552.19
1	Boston, USA	To attend Executive Leadership Course at Harvard Business School	\$21,013.40
2	Hong Kong and mainland China	Second trip of three trips re Koalas to China project	\$3,599.04
1	Reunion Island, Republic of France	To present at the International Climate-Energy Conference on 'Islands and Climate Change: Opportunities, Resilience, Adaptation	\$3,311.58
1	Bosnia & Herzegovina and Croatia	To present at the Karst Without Boundaries Conference and Field Seminar	\$1391.30
<b>Total Expenditure for 2013-14</b>			<b>\$104,972.10</b>

Note: Overseas travel is defined in the Commissioner's Public Sector Management Standard 3.2, 'Travel' which states that: 'Travel within Australasia (including visits to New Zealand, Papua New Guinea and Australian Territories) is not subject to overseas travel requirements of this standard, unless it forms part of a more extensive itinerary encompassing other overseas destinations'.

♦ This report includes salary (plus on-costs), travel, accommodation, meals and incidentals.

## Asbestos Management in Government Buildings

DEWNR has modified and verified as correct the standard report provided by Department of Transport, Energy and Infrastructure from the Strategic Asset Management Information System (SAMIS). This is detailed in the following table as at 30 June 2014.

Category	Number of Sites		Category Description	Interpretation One or more items at these sites
	At start of year	At end of year		
1	4	6	Remove	Should be removed promptly.
2	15	15	Remove as soon as practicable	Should be scheduled for removal at a practicable time.
3	11	10	Use care during maintenance	May need removal during maintenance works.
4	13	16	Monitor condition	Has asbestos present. Inspect according to legislation and policy.
5	5	5	No asbestos identified / identified asbestos has been removed	All asbestos identified as per OHS&W Regulations 2010 (Division 2 – Asbestos) has been removed.
6	56	58	Further information required	These sites not yet categorised or some asbestos items do not have recommended actions.

## Urban Design Charter

No events occurred in 2013-14 that required DEWNR to consider the principles of urban design contained in the South Australian Urban Design Charter.

## Greening of Government Operations Report

### Energy Efficiency

In accordance with the requirements of the across-government Energy Efficiency Action Plan (EEAP), DEWNR's energy use for 2013-14 is presented in relation to previous annual consumption.

#### *Total Energy Use*

Table 1 below shows the total energy used by DEWNR in delivering its programs and services, listed in the end-use categories required for reporting to Government. In accordance with the EEAP implementation requirements, DEWNR has determined its energy use from primary-source data. Complexities associated with this include continuing improvements in DEWNR's capture of this data, which results in apparent increased use in some categories, but overall energy consumption has reduced when compared to 12-13 – the first year of reporting following the amalgamation of the Department of Environment and Natural Resources and the Department for Water.

<i>Table 1: Total DEWNR Annual Energy Use (Giga Joules - GJ)</i>						
	Office Light & Power	Other Buildings	Other Transport	Other Uses	Passenger Vehicles	TOTAL GJ
2000-01	15 849	16 596	3 016	8 158	17,955	<b>61 574</b>
2001-02	4 998	15 866	2 910	8 158	17 955	<b>49 887</b>
2002-03	4 576	16 717	2 805	8 158	17 955	<b>50 211</b>
2003-04	4 810	15 875	1 606	8 158	23 697	<b>54 146</b>
2004-05	6 963	14 790	1 787	6 993	23 813	<b>54 346</b>
2005-06	6 724	8 060	646	10 225	21 415	<b>47 070</b>
2006-07	3 836	15 590	2 059	12 335	22 721	<b>56 541</b>
2007-08	3 897	12 657	3 265	8 891	20 900	<b>49 611</b>
2008-09	3 109	14 034	2 142	11 426	19 824	<b>50 535</b>
2009-10	4 616	4 977	908	9 645	27 145	<b>47 291</b>
2010-11	4 975	5 191	478	9 166	27 948	<b>47 758</b>
2011-12	7 384	7 705	530	7 064	14 247	<b>36 930</b>



2012-13	10 821	11 292	1 002	6 804	39 088	<b>69 007</b>
2013-14	9 155	6 751	1 103	9 465	38 234	<b>64 710</b>

Note: Office Light and Power is made up of Electricity Office. Other Buildings is made up of Electricity Other Buildings. Other Transport is made up of Avgas. Other Uses is made up of Diesel Other, Electricity Other Uses, ULP Other, Natural Gas and LPG Bottled/Bulk. Passenger Vehicles is made up of Diesel Vehicle, LPG Vehicle and ULP Vehicle. This data includes all fuels used by Fleet Vehicles.

### ***Buildings' Energy Use***

In addition to the office premises leased by DEWNR, the department owns and operates a buildings asset folio of 1410 structures that covers approximately 101 370m<sup>2</sup>. These buildings have a range of energy requirements. As a result of difficulties in accurately identifying energy use associated with these assets it has been necessary to report it across both the 'Other Buildings' and 'Other Uses' categories in Table 1 above. Therefore DEWNR's total buildings energy use cannot be accurately calculated by simply aggregating that for 'Office Light & Power' and 'Other Buildings'. A complete breakdown of the updated DEWNR energy data for use, emissions and cost, by type, is shown in Tables 2.1 - 2.3 on the following pages.

There are notable changes in the usage of Diesel (other) and Electricity (other Buildings) between 2012-13 and 2013-14 reporting. The numbers between and across categories have fluctuated during all reporting periods, however as previously noted, overall Gigajoule consumption across DEWNR has decreased in this reporting period.

Table 2.1: Energy use (GJ) by year and energy type

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electricity (Office)	Electricity (Other buildings)	Electricity (Other uses)	LPG (Bottled/ bulk)	LPG (Vehicle)	Natural Gas	ULP (Vehicle)	ULP (Other)	TOTAL GJ
2000-01	1 451	11 327	8 060	15 849	1 659	98	1 240	2 116	13 670	4 513	1 565	<b>61 548</b>
2001-02	1 346	11 327	8 060	4 996	8 919	98	1 240	2 116	5 708	4 513	1 565	<b>49 888</b>
2002-03	1 240	11 327	8 060	4 576	8 918	98	1 240	2 116	6 559	4 513	1 565	<b>50 202</b>
2003-04	795 <sup>1</sup>	14 262	8 060	4 810	9 083	98	1 240	4 033	5 552	5 402	811	<b>54 146</b>
2004-05	1 426	16 973	6 539	6 539	5 249	229	1 527	3 136	8 189	3 703	360	<b>53 834</b>
2005-06	603 <sup>1</sup>	15 480	1 993	6 724	6 470	415	1 371 <sup>2</sup>	2 707	7 853	3 271	183	<b>47 070</b>
2006-07	523 <sup>3</sup>	17 089	10 036	3 836	8 105	936	2 563	3 343	5 463	3 825	821	<b>56 540</b>
2007-08	1 302	17 832	6 934	3 898	9 011	1 091	238	5 847	3 647	2 998	628	<b>49 611</b>
2008-09	1 102	15 861	7 492	3 109	7 363	3 048	2 003	5 847	4 900	2 589	654	<b>50 535</b>
2009-10	908	22 042	1 008	4 616	4 977	613	1 841	2 339	5 435	2 764	748	<b>47 291</b>
2010-11	470	23 343	1 222	4 975	5 191	650	1 895	1 833	4 868	2 772	531	<b>47 750</b>
2011-12	530	12 733	705	7 384	7 705	963	1 434	325	3 562	1 189	400	<b>36 930</b>
2012-13	1 002	34 872	659	10 821	11 292	1 411	2 035	703	2 380	3 513	319	<b>69 007</b>
2013-14	1 103	34 105	6 894	9 155	5 067	532	2 209	318	1 151	3 809	361	<b>64 710</b>

<sup>1</sup> DEWNR plane grounded for major refit/repairs <sup>2</sup> Understated total - usage data not available for West Region <sup>3</sup> Flying operations restricted in first half of year due to ongoing repairs

Table 2.2: Greenhouse Gas (GHG) emissions (tonnes) by year and energy type

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electricity (Office)	Electricity (Other buildings)	Electricity (Other uses)	LPG (Bottled/ bulk)	LPG (Vehicle)	Natural Gas	ULP (Vehicle)	ULP (Other)	TOTAL TONNES
2000-01	106	848	604	4 333	464	27	83	137	744	362	112	<b>7 714</b>
2001-02	99	848	604	1 398	130	27	83	137	310	362	112	<b>4 110</b>
2002-03	96	885	630	1 280	2 495	27	83	144	339	362	126	<b>6 467</b>
2003-04	61	1 114	630	1 345	2 541	27	83	275	287	434	65	<b>6 862</b>
2004-05	110	1 327	511	1 948	1 468	64	106	214	423	301	29	<b>6 501</b>
2005-06	47	1 211	156	1 881	1 809	116	93	185	406	266	15	<b>6 185</b>
2006-07	36	1 192 <sup>1</sup>	776	1 114	2 355	272	173	199	285	253 <sup>1</sup>	67	<b>6 722</b>
2007-08	2 091	1 245	484	910	3 029	255	239	139	187	201	42	<b>8 821</b>
2008-09	2 235	1 107	523	726	1 718	711	2 003	145	251	173	44	<b>9 637</b>
2009-10	60	625	70	987	1 064	131	110	140	278	191	51	<b>3 707</b>
2010-11	31	1 613	82	991	1 036	129	113	109	249	191	35	<b>4 579</b>
2011-12	35	880	66	1 332	1 390	173	85	19	182	79	26	<b>4 267</b>
2012-13	66	2 399	45	1 864	1 945	243	121	42	122	234	21	<b>7 102</b>
2013-14	73	2 346	474	1 653	915	96	132	19	59	254	24	<b>6 046</b>

<sup>1</sup>Reflects revision of emissions factors by AGO

Table 2.3: Energy cost (\$) by year and energy type (GST-exclusive amounts)

	AVGAS	Diesel (Vehicle)	Diesel (Other)	Electricity (Office)	Electricity (Other buildings)	Electricity (Other uses)	LPG (Bottled/ bulk)	LPG (Vehicle)	Natural Gas	ULP (Vehicle)	ULP (Other)	TOTAL \$
2000-01	54 795	233 564	167 545	569 383	89 094	8 486	21 537	33 900	104 163	104 920	36 357	<b>1 423 744</b>
2001-02	50 813	233 564	167 545	182 266	357 789	8 486	21 537	33 900	49 271	104 920	36 357	<b>1 246 448</b>
2002-03	46 828	233 564	167 545	162 492	357 789	8 486	21 537	33 900	62 868	104 920	36 357	<b>1 236 286</b>
2003-04	30 014	290 066	167 545	171 929	385 239	8 486	21 537	55 078	45 477	120 412	19 220	<b>1 315 003</b>
2004-05	48 776	408 838	161 350	293 972	251 110	11 071	39 508	48 145	65 766	98 405	9 771	<b>1 436 712</b>
2005-06	26 116	473 090	64 612	298 392	263 411	19 997	41 235	52 202	61 944	105 154	6 195	<b>1 412 348</b>
2006-07	22 037	523 508	249 252	169 083	312 168	29 495	53 164	77 789	43 154	123 673	28 502	<b>1 631 823</b>
2007-08	481 182	695 947	183 606	180 086	278 322	25 127	18 483	54 056	31 749	106 701	22 642	<b>2 077 901</b>
2008-09	58 005	546 497	246 869	151 881	233 962	38 024	81 861	53 476	45 211	88 374	23 428	<b>1 567 589</b>
2009-10	53 611	658 705	30 329	271 077	280 485	36 764	123 740	52 125	53 110	89 039	26 894	<b>1 675 879</b>
2010-11	26 423	772 256	34 308	328 267	342 539	42 817	81 398	42 167	38 727	94 697	18 495	<b>1 479 555</b>
2011-12	28 021	765 943	25 056	406 074	423 729	52 966	66 486	22 759	42 166	90 899	15 171	<b>1 939 270</b>
2012-13	63 115	1 217 742	22 787	609 444	635 942	79 493	85 445	18 516	38 880	132 822	11 972	<b>2 916 158</b>
2013-14	72 512	1 264 377	262 544	814 488	479 703	48 789	98 149	9 634	26 827	152 031	16 057	<b>3 245 115</b>

### Specific DEWNR Energy Management Achievements in 2013-14

Energy Savings Achieved	Energy Created/Saved	Energy Saving p.a. (Giga Joules – GJ)
State Flora Murray Bridge –office lighting upgrade to LED	Saving 2,574 kWh per annum approximate.	9 GJ p.a.
LED Lighting replacement at Naracoorte and Tantanoola Caves	Saving 18,466 kWh per annum approximate. Installation partially complete in 13-14 (to be finalised in 14-15).	67 GJ p.a.
Naracoorte office lighting upgrade to LED and solar panel installation	Saving 12,790 kWh per annum approximate	46 GJ p.a.
Plant Biodiversity Centre solar panel installation	Saving 184,500 kWh per annum approximate	664 GJ p.a.

## DEWNR Water Management

The total use of metered mains water during 2013-14 was \$578,862 which includes supply charges, service charges, sewerage charges and the 'Save the Murray Levy'.

Metered Mains Water Use 2013-14 – Water Use (kL)	
Total as per SA Water accounts for which DEWNR was charged for mains water usage	144 859

Note: The information reflects the first year of the amalgamation of the previous Department for Environment and Natural Resources and Department for Water, therefore the data cannot be compared to previous reported information.

Note: There was an error in the 2012-2013 report for metered mains of \$1,162,691 and water use (KL) of 538 631. The report should have shown metered mains of \$587,860 and water use (KL) of 147 852.

### Specific DEWNR Water-Management Achievements

- Mt Lofty Botanic Gardens – Reticulation supply upgrade
- Belair National Park – Reticulation supply upgrade
- Maintenance upgrades have been implemented within sites where applicable; smaller hot water services and the install of efficient appliances and equipment

## Paper Reduction

- DEWNR's consolidation of printing devices across the agency, reduces the amount of paper being used and reduces the amount of energy consumption.
- Electronic records management is being introduced to reduce the need for hard copy records.
- The intranet is utilised to keep all files and correspondence and is connected to the electronic records management system.
- DEWNR purchased 11,482 reams of A4 paper and 674 reams of A3 paper in 2013-14, at a total cost of \$57,783.82.
- The A4 paper consisted of 14 percent non-recycled, 27 percent of 100% recycled, 2 percent of 80% recycled, 4 percent of 50% recycled, 5 percent of 10% recycled and 48% carbon neutral paper.
- The A3 paper consisted of 9 percent non-recycled, 22 percent of 100% recycled and 68% percent carbon neutral paper.
- The amount of paper purchased in 2013-14 has increased by 8 percent compared to 2012-13

Note: Coloured paper has been included in these figures

## Regional Impact Assessment Statement

The department did not undertake any Regional Impact Assessment Statements in 2013-14.

## 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](http://www.environment.sa.gov.au)

## Whistleblowers Statement

The *Whistleblowers Protection Act 1993* requires the department to report on the number of occasions on which public interest information has been disclosed to a Responsible Officer of the agency. Accordingly, there were no disclosures made during 2013-14.

# FINANCIAL STATEMENTS

## **Department of Environment, Water and Natural Resources**

### **Annual Financial Statements**

For the Year Ended 30 June 2013







*Our Ref: A14/110*

23 September 2014

Mr A Holmes  
Chief Executive  
Department of Environment, Water and Natural Resources  
GPO Box 1047  
ADELAIDE SA 5000

9th Floor  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

Dear Mr Holmes

**The audit of the Department of Environment, Water and  
Natural Resources for the year ended 30 June 2014**

The audit of the accounts of Department of Environment, Water and Natural Resources (DEWNR) for the year ended 30 June 2014 has been completed.

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

The notable areas of audit coverage included;

- revenue
- payroll
- accounts payable
- fixed assets
- cash
- purchase cards
- financial accounting – general ledger review.

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

Two important outcomes result from the annual audit process:

- The issue of the Independent Auditor's Report (IAR) on the integrity of the DEWNR financial report.
- The issue of a management letter advising of system, process and control matters and recommendation for improvement.

## **For Official Use Only**

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

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

In addition, during the year audit management letters were forwarded to DEWNR detailing findings and recommendations from the audit. Responses to the letters and matters raised were received and will be followed up in the 2014-15 annual audit.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'S O'Neill', followed by a short horizontal line.

S O'Neill  
**AUDITOR-GENERAL**

enc



9th Floor  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgsa@audit.sa.gov.au  
www.audit.sa.gov.au

**To the Acting 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 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2014
- a Statement of Administered Financial Position as at 30 June 2014
- a Statement of Administered Changes in Equity for the year ended 30 June 2014
- a Statement of Administered Cash Flows for the year ended 30 June 2014
- Schedule of Administered Expenses and Income attributable to administered activities for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer

**The Acting Chief Executive's Responsibility for the Financial Report**

The Acting 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 Acting Chief Executive, as well as the overall presentation of the financial report.

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

### **Basis for Qualified Opinion**

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

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

Disclosure of property, plant and equipment is contained in note A3 to the Administered Financial Statements.

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

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

### **Qualified Opinion**

In my opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraphs, the financial report gives a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2014, 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.



**S O'Neill**  
**AUDITOR-GENERAL**  
23 September 2014

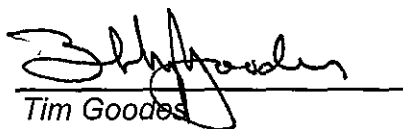
## Department of Environment, Water and Natural Resources

### 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 2014 and the results of its operations and cash flows for the financial year.

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



Tim Goodes

Assistant Chief Executive  
Department of Environment,  
Water and Natural Resources

18 September 2014



Michelle Griffiths

Chief Financial Officer  
Department of Environment,  
Water and Natural Resources

18 September 2014

**Department of Environment, Water and Natural  
Resources**

**Annual Financial Statements**

**For the Year Ended 30 June 2014**

**Department of Environment, Water and Natural Resources**

**Statement of Comprehensive Income**

**For the Year Ended 30 June 2014**

	Note	2014 \$'000	2013 \$'000
<b>Expenses</b>			
Employee benefits expenses	5	171,323	159,029
Supplies and services	6	90,110	101,792
Grants and subsidies	7	46,703	78,366
Water recovery / acquisition expenses	8	13,134	9,567
Depreciation and amortisation expense	9	21,959	24,296
Net loss from disposal of non-current assets	10	78	1,519
Other expenses	11	490	1,554
<b>Total expenses</b>		<b>343,797</b>	<b>376,123</b>
<b>Income</b>			
Revenues from fees and charges	13	73,282	49,085
Grant revenues	14	75,044	73,079
Interest revenues	15	648	1,119
Other income	16	31,073	26,938
<b>Total income</b>		<b>180,047</b>	<b>150,221</b>
<b>Net cost of providing services</b>		<b>163,750</b>	<b>225,902</b>
<b>Revenues from / payments to SA Government</b>			
Revenues from SA Government	17	181,779	220,571
Payments to SA Government	17	-	(6,815)
<b>Total net revenues from SA Government</b>		<b>181,779</b>	<b>213,756</b>
<b>Net result</b>		<b>18,029</b>	<b>(12,146)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment revaluation surplus	23	3,803	-
<b>Total other comprehensive income</b>		<b>3,803</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>21,832</b>	<b>(12,146)</b>

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

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

**Department of Environment, Water and Natural Resources**

**Statement of Financial Position**

**As at 30 June 2014**

	Note	2014 \$'000	2013 \$'000
<b>Current assets</b>			
Cash and cash equivalents	18	105,449	121,725
Receivables	19	33,765	23,410
Inventories	20	1,947	1,949
Other assets	21	999	912
<b>Total current assets</b>		<b>142,160</b>	<b>147,996</b>
<b>Non-current assets</b>			
Receivables	19	73	88
Other financial assets	22	3	3
Property, plant and equipment	23	505,588	499,804
Intangible assets	24	5,263	7,531
<b>Total non-current assets</b>		<b>510,927</b>	<b>507,426</b>
<b>Total assets</b>		<b>653,087</b>	<b>655,422</b>
<b>Current liabilities</b>			
Payables	26	24,780	42,052
Employee benefits	27	12,031	12,685
Provisions	28	626	529
Other current liabilities	29	692	461
<b>Total current liabilities</b>		<b>38,129</b>	<b>55,727</b>
<b>Non-current liabilities</b>			
Payables	26	2,332	2,890
Employee benefits	27	24,620	30,213
Provisions	28	2,277	2,450
Other non-current liabilities	29	-	245
<b>Total non-current liabilities</b>		<b>29,229</b>	<b>35,798</b>
<b>Total liabilities</b>		<b>67,358</b>	<b>91,525</b>
<b>Net assets</b>		<b>585,729</b>	<b>563,897</b>
<b>Equity</b>			
Contributed capital	30	22,612	22,612
Retained earnings	30	283,326	265,297
Asset revaluation surplus	30	279,791	275,988
<b>Total equity</b>		<b>585,729</b>	<b>563,897</b>
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	32		
Contingent assets and liabilities	33		

*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 2014**

		<b>Contributed Capital</b>	<b>Asset Revaluation Surplus</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2012</b>	30	-	214,036	177,914	391,950
Error correction - property, plant and equipment		-	-	15,730	15,730
Error correction - payables		-	-	1,363	1,363
<b>Restated balance at 30 June 2012</b>		<b>-</b>	<b>214,036</b>	<b>195,007</b>	<b>409,043</b>
Net result for 2012-13		-	-	(12,146)	(12,146)
<b>Total comprehensive result for 2012-13</b>		<b>-</b>	<b>-</b>	<b>(12,146)</b>	<b>(12,146)</b>
Equity transfer on asset disposal		-	(41)	41	-
<b>Transactions with SA Government as owner</b>					
Net assets received from an administrative restructure		10,893	61,993	82,395	155,281
Equity contribution received		11,719	-	-	11,719
<b>Balance at 30 June 2013</b>	30	<b>22,612</b>	<b>275,988</b>	<b>265,297</b>	<b>563,897</b>
Net result for 2013-14		-	-	18,029	18,029
Gain on revaluation of property, plant and equipment		-	3,803	-	3,803
<b>Total comprehensive result for 2013-14</b>		<b>-</b>	<b>3,803</b>	<b>18,029</b>	<b>21,832</b>
<b>Balance at 30 June 2014</b>	30	<b>22,612</b>	<b>279,791</b>	<b>283,326</b>	<b>585,729</b>

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

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

**Department of Environment, Water and Natural Resources**

**Statement of Cash Flows**

**For the Year Ended 30 June 2014**

	<b>Note</b>	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		(178,129)	(154,910)
Payments for supplies and services		(110,775)	(131,360)
Payments of grants and subsidies		(52,537)	(85,757)
Water recovery / acquisition expenses		(19,291)	(3,300)
Other payments		(276)	(655)
<b>Cash used in operations</b>		<b>(361,008)</b>	<b>(375,982)</b>
<b>Cash inflows</b>			
Fees and charges		66,486	64,129
Receipts from grants		76,480	75,866
Interest received		680	1,153
GST recovered from the Australian Taxation Office		12,248	17,410
Other receipts		34,176	27,966
<b>Cash generated from operations</b>		<b>190,070</b>	<b>186,524</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		181,779	220,571
Payments to SA Government		(6,694)	(121)
<b>Cash generated from SA Government</b>		<b>175,085</b>	<b>220,450</b>
<b>Net cash provided by operating activities</b>	31	<b>4,147</b>	<b>30,992</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(20,460)	(28,513)
<b>Cash used in investing activities</b>		<b>(20,460)</b>	<b>(28,513)</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		37	-
<b>Cash generated from investing activities</b>		<b>37</b>	<b>-</b>
<b>Net cash used in investing activities</b>		<b>(20,423)</b>	<b>(28,513)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Cash received from restructuring activities		-	36,323
Capital contributions from government		-	11,719
<b>Cash generated from financing activities</b>		<b>-</b>	<b>48,042</b>
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>48,042</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(16,276)</b>	<b>50,521</b>
Cash and cash equivalents at the beginning of the period		<b>121,725</b>	<b>71,204</b>
<b>Cash and cash equivalents at the end of the period</b>	18	<b>105,449</b>	<b>121,725</b>

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

**Department of Environment, Water and Natural Resources**  
**Disaggregated disclosures - expenses and income**  
**For the Year Ended: 30 June 2014**

	Strategy, Science and Resource Monitoring		Operations and Service Delivery		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Expenses</b>						
Employee benefits expenses	50,450	49,046	120,873	109,983	171,323	159,029
Supplies and services	26,662	61,358	63,448	40,434	90,110	101,792
Grants and subsidies	36,209	64,494	10,494	13,872	46,703	78,366
Water recovery / acquisition expenses	13,134	9,567	-	-	13,134	9,567
Depreciation and amortisation expense	4,758	5,278	17,201	19,018	21,959	24,296
Net loss from disposal of non-current assets	23	151	55	1,368	78	1,519
Other expenses	417	189	73	1,365	490	1,554
<b>Total expenses</b>	<b>131,653</b>	<b>190,083</b>	<b>212,144</b>	<b>186,040</b>	<b>343,797</b>	<b>376,123</b>
<b>Income</b>						
Revenues from fees and charges	35,445	14,341	37,837	34,744	73,282	49,085
Grant revenues	33,855	35,507	41,189	37,572	75,044	73,079
Interest revenues	534	825	114	294	648	1,119
Other income	241	200	30,832	26,738	31,073	26,938
<b>Total income</b>	<b>70,075</b>	<b>50,873</b>	<b>109,972</b>	<b>99,348</b>	<b>180,047</b>	<b>150,221</b>
<b>Net cost of providing services</b>	<b>61,578</b>	<b>139,210</b>	<b>102,172</b>	<b>86,692</b>	<b>163,750</b>	<b>225,902</b>
<b>Revenues from / payments to SA Government</b>						
Revenues from SA Government	54,806	67,425	126,973	153,146	181,779	220,571
Payments to SA Government	-	-	-	(6,815)	-	(6,815)
<b>Total net revenues from SA Government</b>	<b>54,806</b>	<b>67,425</b>	<b>126,973</b>	<b>146,331</b>	<b>181,779</b>	<b>213,756</b>
<b>Net result</b>	<b>(6,772)</b>	<b>(71,785)</b>	<b>24,801</b>	<b>59,639</b>	<b>18,029</b>	<b>(12,146)</b>

# **Department of Environment, Water and Natural Resources**

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**For the Year Ended 30 June 2014**

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**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the Financial Statements**  
**For the Year Ended 30 June 2014**

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

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

- engaging and involving the community, industry and government, to help share responsibility for natural resources and encourage informed decisions
- facilitating the sustainable use of natural resources for productive purposes
- striving to conserve natural systems for the long term.

**2 Summary of significant accounting policies**

**(a) Statement of compliance**

DEWNR has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

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

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

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 2014. Refer to Note 3.

**(b) Basis of preparation**

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying DEWNR's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes
- accounting policies are selected and applied 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; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in these financial statements:
  - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items may be utilised. DEWNR has elected to utilise this threshold in relation to transactions applicable to revenue and expense items. The threshold has not been applied to financial assets and financial liabilities, i.e. all financial assets and financial liabilities relating to SA Government have been separately disclosed;
  - (b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
  - (c) employee targeted voluntary separation package information;
  - (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
  - (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 twelve 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 2014 and the comparative information presented.

**(c) Reporting entity**

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

The financial statements and accompanying notes include all the controlled activities of DEWNR. 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.

Transactions in relation to the Murray-Darling Basin Authority are reflected in both the Department's controlled activities and also administered items.

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**(d) Comparative information**

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

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

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

**(e) Rounding**

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

**(f) Taxation**

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

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

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

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

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

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

DEWNR prepares a Business Activity Statement on behalf of its controlled entities, administered items and other clients to which it provides business services under the grouping provisions of the GST legislation. Under the grouping provisions, DEWNR is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in DEWNR's Statement of Financial Position and the GST cash flows recorded in DEWNR's Statement of Cash Flows.

**(g) 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.

**(h) Income**

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

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

The following are specific recognition criteria:

*Fees and charges*

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

*Contributions received*

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

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

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

*Resources received free of charge*

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

*Net gain on non-current assets*

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

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Gains on disposal of assets are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

*Revenues from SA Government*

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

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

*Other income*

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

**(i) Expenses**

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

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

The following are specific recognition criteria:

*Employee benefits expenses*

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

*Superannuation*

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

*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:

<b>Class of asset</b>	<b>Useful Life (years)</b>
<u>Property, plant and equipment</u>	
Buildings and improvements	5-60
Groundwater monitoring wells	30-48
Lower Murray embankments	200
Park infrastructure	3-60
Patawalonga seawater circulation and Barcoo Outlet	7-97
Plant and equipment	3-40
Roads, tracks and trails	3-35
Salinity disposal schemes	10-86
Surface water monitoring network	30-80
Waste disposal stations	30-50
Sand Pumping Infrastructure	10-50
Other	3-60
<u>Intangible assets</u>	
Externally acquired	3-5
Internally generated	3-12
War services leases	45

*Grants and subsidies*

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

*Payments to SA Government*

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

**(j) Current and non-current classification**

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



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

**(k) Assets**

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

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be recovered after more than twelve months.

*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 three 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.

*Inventories*

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

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

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

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

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

*Other financial assets*

DEWNR measures financial assets at historical cost.

*Non-current assets*

Acquisition and recognition

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

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

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

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

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

Revaluation of non-current assets

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

Every 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 asset 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 asset revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

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

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. 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 \$15.730 million has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to the carrying values of property, plant and equipment assets. The error correction relates to first time recognition of assets, data dictionary asset revisions and asset de-recognised.

*Heritage assets*

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

*Land*

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

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

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

*Intangible assets*

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

The useful lives of intangible assets are assessed to be either finite or indefinite. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

For the War Services Leases the rate of amortisation has been determined after reference to both the unexpired period of the leases and the rate of extinguishment of the leases.

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

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

*Fair Value measurement*

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

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

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in an active market and derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in an active market and are derived from unobservable inputs.

*Non-financial assets*

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

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

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

Refer to 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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**(I) 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.

Where a liability line item combine amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be settled after more than twelve months.

*Payables*

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

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

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

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

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

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect to 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(i).

*Error correction*

An error correction of \$1.363 million has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to payables. The error correction relates to the de-recognition of a payable to Consolidated Account (\$1.141m) and a revision to employment on-cost liabilities (\$0.222m).

*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.

*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 and sick leave

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within twelve 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 ten years of service.

*Provisions*

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

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

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

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2014 provided by a consulting actuary engaged through the Public Sector Workforce Relations 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.

**(m) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

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

**(n) Interests in Joint Ventures**

*Murray Darling Basin Authority*

DEWNR administers the State's interest in the Murray-Darling Basin Authority (MDBA). These transactions are reflected in the Administered Statements. Note A10 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 other accounting policies during 2013-14.

In accordance with the new AASB 13 *Fair Value Measurement*, which became effective for the first time in 2013-14, the department has:

- reviewed its fair value valuation techniques (both internal estimates and independent valuation appraisal) for non-financial assets to ensure they are consistent with the standard. Previously, the department has used the cost approach or the market approach to determine fair value. The department will continue to measure its non-financial assets using either the cost or market approach. The application of AASB 13 has not had a material impact on the fair value measurements; and
- included additional disclosures where required to assist users in assessing the valuation techniques and inputs used to ascertain fair value measurements used for asset and liability measurements.

Fair value hierarchy and other information is provided in Notes 23 and 25.

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 2014. DEWNR has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the department.

**4 Activities of the department**

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

**Activity 1: Strategy, Science and Resource Monitoring**

To lead the development and implementation of government policies and strategies for the sustainable use and management of South Australia's natural resources for the benefit of the community, industry and ecosystems. To provide practical, science-based advice to guide operations and inform government and community decisions on the use of natural resources.

**Activity 2: Operations and Service Delivery**

To provide coordinated delivery of the government's environment and natural resources management (NRM) agenda across the eight NRM regions in South Australia, working closely with regional NRM boards through delivering services and engaging stakeholders, partners, regional communities and other agencies in the management of natural resources. To design and deliver complex and major projects as well as DEWNR's hazard management responsibilities.

To provide support and customer-focussed services, including the Botanic Gardens, the operation of the River Murray and the administration and reform of licensing and permits.

The disaggregated disclosures schedules presents expenses and income information attributable to each of the activities for the years ended 30 June 2014 and 30 June 2013.

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

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2014

5 Employee benefits expenses

	2014	2013
	\$'000	\$'000
Salaries and wages	115,466	116,952
Annual leave	10,440	11,047
Long service leave	3,538	1,973
Skills and experience retention leave	398	588
Employment on-costs - superannuation	13,025	13,443
Employment on-costs - other	8,072	8,462
Targeted voluntary separation packages (refer below)	19,478	5,371
Board and committees fees	340	505
Other employee related expenses	566	688
<b>Total Employee benefits expenses</b>	<b>171,323</b>	<b>159,029</b>

Targeted voluntary separation packages (TVSPs)

Amount paid during the reporting period to separated employees:

TVSPs	19,478	5,371
Leave paid to those employees	7,003	1,889
	26,481	7,260
Recovery from the Department of Treasury and Finance	(13,036)	(5,296)
<b>Net cost to Department</b>	<b>13,445</b>	<b>1,964</b>

Number of employees who received a TVSP during the reporting period

172 48

Remuneration of employees

The table below includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$17.186 million (2013: \$9.017 million).

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

	2014	2013
\$138 000 – 141 499 *	n/a	-
\$141 500 – 151 499	3	7
\$151 500 – 161 499	5	3
\$161 500 – 171 499	6	6
\$171 500 – 181 499	6	3
\$181 500 – 191 499	2	4
\$191 500 – 201 499 **	4	2
\$201 500 – 211 499	1	2
\$211 500 – 221 499	1	5
\$221 500 – 231 499	-	1
\$231 500 – 241 499	-	1
\$241 500 – 251 499 **	3	1
\$251 500 – 261 499 **	1	-
\$261 500 – 271 499 **	2	1
\$271 500 – 281 499	1	-
\$281 500 – 291 499 **	2	-
\$291 500 – 301 499 **	1	-
\$301 500 – 311 499 **	2	2
\$311 500 – 321 499 **	2	1
\$321 500 – 331 499 **	1	-
\$331 500 – 341 499	1	1
\$341 500 – 351 499 **	1	1
\$351 500 – 361 499 **	1	-
\$361 500 – 371 499	-	1
\$371 500 – 381 499 **	1	-
\$381 500 – 391 499	1	1
\$391 500 – 401 499 **	5	-
\$401 500 – 411 499 **	3	-
\$411 500 – 421 499 **	2	-
\$421 500 – 431 499 **	1	-
\$441 500 – 451 499 **	1	-
\$451 500 – 461 499 **	1	-
\$461 500 – 471 499 **	2	-
<b>Total number of employees</b>	<b>63</b>	<b>43</b>

\* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2012-13.

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

The table includes TVSPs paid where the employee's normal remuneration exceeds the executive base level threshold. In 2013-14, 30 employees (2012-13: 3 employees) in the table received a TVSP.

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2014

**6 Supplies and services**

	2014	2013
	\$'000	\$'000
Accommodation and property management	13,684	15,198
Consultants	196	472
Contractors	5,075	5,681
Cost of goods sold	1,807	1,423
Fee for service	30,038	36,372
General administration	9,618	9,909
Heritage advisors	-	13
Information technology & communication expenses	8,365	9,315
Minor works, maintenance & equipment	4,408	6,166
Monitoring fees	150	211
Sand replenishment	2,472	1,351
Scientific and technical services	313	687
Transportation	421	448
Travel and accommodation	1,869	2,181
Vehicle and aircraft	6,022	6,196
Staff development	1,768	1,829
Other	3,904	4,340
<b>Total Supplies and services</b>	<b>90,110</b>	<b>101,792</b>

**Consultants**

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

	2014	2013	2014	2013
	Number	Number	\$'000	\$'000
Below \$10 000	11	17	51	52
\$10 000 to \$50 000	2	5	63	136
Above \$50 000	1	3	82	284
<b>Total paid/payable to consultants engaged</b>	<b>14</b>	<b>25</b>	<b>196</b>	<b>472</b>

**Supplies and services provided by entities within the SA Government**

Accommodation and property management	7,706	7,562
Fee for service	1,095	497
General administration	5,547	4,045
Information technology & communication expenses	813	-
Minor works, maintenance & equipment	-	332
Other	-	238
<b>Total Supplies and services - SA Government entities</b>	<b>15,161</b>	<b>12,674</b>

**7 Grants and subsidies**

	2014	2013
	\$'000	\$'000
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	6,525	4,530
Goyder Institute	5,000	5,000
Great Artesian Basin Sustainability Initiative	359	-
Murray Darling Basin Authority	26,445	28,962
Nature Play SA	875	-
NRM community grants	1,554	1,999
One Million Trees	143	231
River Murray Improvement Program	300	633
South East Infrastructure Operations and Maintenance	-	3,335
State Heritage Fund - grants program	150	249
Stormwater projects	113	27,299
Water industry alliance	-	768
Other	5,239	5,360
<b>Total Grants and subsidies</b>	<b>46,703</b>	<b>78,366</b>

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

Coorong, Lower Lakes and Murray Mouth - Long Term Plan	209	475
River Murray Improvement Program	300	440
South East Infrastructure Operations and Maintenance	-	3,200
Other	592	658
<b>Total Grants and subsidies - SA Government entities</b>	<b>1,101</b>	<b>4,773</b>

**8 Water recovery / acquisition expenses**

	2014	2013
	\$'000	\$'000
Environmental water purchase	13,134	9,567
<b>Total Water recovery / acquisition expenses</b>	<b>13,134</b>	<b>9,567</b>

**Water recovery / acquisition expenses paid/payable to entities within the SA Government**

Environmental water purchase	8,542	9,567
<b>Total Water recovery / acquisition expenses - SA Government entities</b>	<b>8,542</b>	<b>9,567</b>

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2014

**9 Depreciation and amortisation expense**

	2014	2013
	\$'000	\$'000
<b>Depreciation</b>		
Buildings and improvements	3,284	3,515
Park infrastructure	3,556	4,918
Roads, tracks and trails	5,881	6,239
Groundwater monitoring wells	2,171	2,127
Salinity disposal schemes	549	550
Patawalonga seawater circulation and Barcoo outlet	495	496
Sand pumping infrastructure	1,006	-
Surface water monitoring network	121	115
Waste disposal stations	137	106
Lower Murray embankments	50	50
Plant and equipment	2,423	2,319
Other	18	19
<b>Total Depreciation</b>	<b>19,691</b>	<b>20,454</b>
<b>Amortisation</b>		
Application software - internally generated	2,238	3,689
Application software - externally purchased	8	131
Other - war services leases	22	22
<b>Total Amortisation</b>	<b>2,268</b>	<b>3,842</b>
<b>Total Depreciation and amortisation</b>	<b>21,959</b>	<b>24,296</b>

**Revision of accounting estimates**

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

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

	2014	2013
	\$'000	\$'000
Buildings and Improvements	(339)	(69)
Park Infrastructure	(163)	(12)
Roads, Tracks and Trails	(600)	(296)
	<u>(1,102)</u>	<u>(377)</u>

**10 Net loss from disposal of non-current assets**

	2014	2013
	\$'000	\$'000
<b>Buildings</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	(43)	(329)
Net (loss)/gain from disposal	<u>(43)</u>	<u>(329)</u>
<b>Park infrastructure</b>		
Proceeds from disposal	1	-
Less net book value of assets disposed	(10)	(413)
Net (loss)/gain from disposal	<u>(9)</u>	<u>(413)</u>
<b>Roads, tracks and trails</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	(5)	(220)
Net (loss)/gain from disposal	<u>(5)</u>	<u>(220)</u>
<b>Plant and equipment</b>		
Proceeds from disposal	36	-
Less net book value of assets disposed	(57)	(385)
Net (loss)/gain from disposal	<u>(21)</u>	<u>(385)</u>
<b>Waste disposal stations</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(71)
Net (loss)/gain from disposal	<u>-</u>	<u>(71)</u>
<b>Internally developed intangible assets</b>		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	(99)
Net loss from disposal	<u>-</u>	<u>(99)</u>
<b>Externally acquired intangible assets</b>		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	(2)
Net loss from disposal	<u>-</u>	<u>(2)</u>
<b>Total Assets</b>		
Total proceeds from disposal	37	-
Less total net book value of assets disposed	(115)	(1,519)
<b>Total Net loss from disposal of non-current assets</b>	<b><u>(78)</u></b>	<b><u>(1,519)</u></b>

**Department of Environment, Water and Natural Resources**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

**Assets transferred free of charge**

During the current year, assets to the value of \$20,000 (2013: \$727,000) was transferred to the Board of the Botanic Gardens and State Herbarium free of charge. Assets transferred in the prior year related to the Trails Statewide Investment Project and the Mt Lofty Botanic Gardens-Class 1 Walk Project.

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
Buildings and improvements	-	96
Park infrastructure	-	283
Roads, tracks and trails	-	203
Plant and equipment	20	105
Other	-	40
<b>Total Assets transferred free of charge</b>	<b>20</b>	<b>727</b>

**11 Other expenses**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
Bad and doubtful debts	1	(40)
Capital project costs not capitalised	240	1,569
Audit fees	522	433
Inventory revaluation decrement	(283)	-
Reversal of impairment losses	-	(482)
Other	10	74
<b>Total Other expenses</b>	<b>490</b>	<b>1,554</b>

**Other expenses paid/payable to entities within the SA Government**

Audit fees	440	381
<b>Total Other expenses - SA Government entities</b>	<b>440</b>	<b>381</b>

**12 Auditors remuneration**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	434	376
<b>Total audit fees</b>	<b>434</b>	<b>376</b>

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

**13 Revenues from fees and charges**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
Admissions and guided tours	7,961	7,135
Fees, levies and licences	2,169	1,970
Property rental and related income	5,826	5,831
Taxation revenue - River Murray rehabilitation levy	24,591	-
Taxation revenue	-	209
Service recoveries	11,150	16,524
Other property related income	150	15
Sale of goods	3,888	3,736
Sale of professional services	4,792	1,820
Sale of support services	11,710	11,008
Sale of spatial information	942	711
Sale of freehold titles	103	126
<b>Total Revenues from fees and charges</b>	<b>73,282</b>	<b>49,085</b>

**Fees and charges received/receivable from entities within the SA Government**

Service recoveries	11,150	16,486
Sale of support services	9,673	2,412
Sale of spatial information	-	200
<b>Total Fees and charges - SA Government entities</b>	<b>20,823</b>	<b>19,098</b>

The River Murray rehabilitation levy of \$24.591m (2013: \$26.600m) was disclosed in Note 17 as part of revenues from SA Government in the prior period, as it was originally collected by the Treasurer and paid into the Save the River Murray Fund (the Fund) as appropriation. The Fund was established under section 100 of the *Waterworks Act 1932* - this act was repealed and replaced by the *Water Industry Act 2012* (the Act) and effective from 1 July 2013, this levy is now paid directly into the Fund.

**14 Grant revenues**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
<b>(a) Grant revenues from the Commonwealth</b>		
Common Registry System	635	865
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	25,905	16,841
GAP monitoring	-	460
Goolwa Channel Water Level Management	437	1,232
Great Artesian Basin Sustainability Initiative	2,297	-
Implementing the Murray Darling Basin reform	2,396	446
National Partnership Agreement - Bioregional Assessment Lake Eyre Basin	1,700	-
Murray Futures - Lower Lakes, Coorong Adaptive Management	712	1,789
Murray Futures - Preparation of Business Case	-	900
Murray Futures - Riverine Recovery	16,174	3,500
National framework for compliance and enforcement systems	1,514	1,507
Nature Links	286	-



**Department of Environment, Water and Natural Resources**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

NPA - Bioregional Assessment Arkaringa/Pedirka	1,950	-
Restoring Piccaninnie Ponds Karst Wetlands	33	243
Restoration of Upper South East flows	-	669
SA Riverland Floodplain Infrastructure Program	3,000	-
Securing Additions to the National Reserve System	-	210
Stormwater Projects	-	18,524
The Living Murray - Chowilla	1,151	786
The Living Murray - Lower Lakes, Coorong and Murray Mouth	1,118	464
Water and wastewater in remote communities	300	3,390
Other	1,171	3,149
<b>Total grant revenues from the Commonwealth</b>	<b>60,779</b>	<b>54,975</b>
<b>(b) Grant revenues from SA Government</b>		
Aboriginal Learning on Country	-	215
Adelaide Living Beaches strategy	2,436	2,363
Adelaide Mount Lofty Ranges - Bush Management Advisor	-	250
Biodiversity Assessments	100	354
Botanic Gardens - Aquifer Storage and Redraw	655	1,591
Bushfire Mitigation Program	282	242
Community Emergency Services Funding	2,634	1,839
Compliance and Monitoring	527	225
Dukes Highway Safety	-	530
East Plain Fire Trail	-	237
Ecologist Southern Flinders	-	207
Highbury Aqueduct fire prevention	301	482
Nature Play	250	-
National Partnership Agreement Coal Seam Gas and Coal mining project	500	248
One million trees	1,150	1,151
Priority habitat enhancement	266	719
Recovering grey box woodlands	-	340
Threatened Plant Recovery - Kangaroo Island	-	150
Water Industry Act	155	151
Youth Creating Habitat	-	201
Other	3,489	5,400
<b>Total grant revenues from SA Government</b>	<b>12,745</b>	<b>16,895</b>
<b>(c) Grant revenues from private industry and local government</b>		
Implementing the Limestone Coast and Coorong Coastal Action Plan	672	-
Natural Heritage Trust - Comprehensive, Adequate and Representative Reserve System	-	250
South East Cooperative Coastal Conservation Initiative	-	102
Other	848	857
<b>Total grant revenues from private industry and local government</b>	<b>1,520</b>	<b>1,209</b>
<b>Total Grant revenues</b>	<b>75,044</b>	<b>73,079</b>

**Contributions with conditions of expenditure**

The Department received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2014 \$62.696m (2013: 15.568m) 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**

	2014	2013
	\$'000	\$'000
Interest from entities within the SA Government	645	1,101
Interest from entities external to the SA Government	3	18
<b>Total Interest revenues</b>	<b>648</b>	<b>1,119</b>

**16 Other income**

	2014	2013
	\$'000	\$'000
Insurance recoveries	201	16
Salaries and wages recoveries	30,463	26,230
Sponsorships, donations, commissions and bequests	45	85
Other sundry revenue	364	607
<b>Total Other income</b>	<b>31,073</b>	<b>26,938</b>

**Other income received/receivable from entities within the SA Government**

Insurance recoveries	130	16
Salaries and wages recoveries	28,945	14,868
<b>Total Other income - SA Government entities</b>	<b>29,075</b>	<b>14,884</b>

**17 Revenues from / payments to SA Government**

	2014	2013
	\$'000	\$'000
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the Appropriation Act	166,466	208,774
Appropriations from contingency funds	15,313	11,797
<b>Total Revenues from SA Government</b>	<b>181,779</b>	<b>220,571</b>
<b>Payments to SA Government</b>		
Return to consolidated account	-	(6,815)
<b>Total Payments to SA Government</b>	<b>-</b>	<b>(6,815)</b>

**Department of Environment, Water and Natural Resources**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

Total revenues from government consist of \$152.945m (2013: \$182.227m) for operational funding and \$13.521m (2013 \$26.547m) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

The revenues from SA Government for the prior period include revenues for the River Murray rehabilitation levy of \$26.600m as disclosed in Note 13.

**18 Cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
Deposits with the Treasurer	105,267	121,531
Imprest account / cash on hand	182	194
<b>Total Cash and cash equivalents</b>	<b>105,449</b>	<b>121,725</b>

**Deposits with the Treasurer**

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.

**Other short-term deposits**

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. DEWNR invests surplus funds with the Treasurer. Interest is earned on the average monthly balances of the Wildlife Conservation Fund, General Reserves Trust account and SA Lower Lakes Bioremediation and Revegetation (CLLMM) account. 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.

**Interest rate risk**

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. DEWNR invests surplus funds with the Treasurer. Interest is earned on the average monthly balances of the Wildlife Conservation Fund, General Reserves Trust account and SA Lower Lakes Bioremediation and Revegetation (CLLMM) account. 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**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
<b>Current</b>		
Receivables	29,511	19,167
Less allowance for doubtful debts	(234)	(235)
	29,277	18,932
Accrued revenues	50	82
GST input tax recoverable	4,417	4,363
Workers compensation recoveries	21	33
<b>Total Current receivables</b>	<b>33,765</b>	<b>23,410</b>
 <b>Receivables from SA Government entities</b>		
Receivables	12,070	14,690
	12,070	14,690
Accrued revenues	50	82
<b>Total Receivables from SA Government entities</b>	<b>12,120</b>	<b>14,772</b>
 <b>Non-current</b>		
Workers compensation recoveries	73	88
<b>Total Non-current receivables</b>	<b>73</b>	<b>88</b>

**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.

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>235</b>	<b>310</b>
Amounts written off	(1)	(108)
Increase in the allowance	-	33
<b>Carrying amount at the end of the period</b>	<b>234</b>	<b>235</b>

**Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

(a) **Maturity analysis of receivables** - Please refer to table 36.2 in Note 36.

(b) **Categorisation of financial instruments and risk exposure information** - Please refer to table 36.1 in Note 36.

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2014

**20 Inventories**

	2014 \$'000	2013 \$'000
<b>Inventories held for distribution at no or nominal amount</b>		
Inventories held for distribution - at cost	476	514
<b>Total Inventories held for distribution at no or nominal amount</b>	<b>476</b>	<b>514</b>
<b>Inventories held for resale - at cost</b>		
Finished goods held for resale - at cost	1,471	1,435
<b>Total Inventories held for resale - at cost</b>	<b>1,471</b>	<b>1,435</b>
<b>Total Inventories</b>	<b>1,947</b>	<b>1,949</b>

**21 Other assets**

	2014 \$'000	2013 \$'000
<b>Current</b>		
Prepaid supplies and services	996	911
Other	3	1
<b>Total Other current assets</b>	<b>999</b>	<b>912</b>

**22 Other financial assets**

	2014 \$'000	2013 \$'000
<b>Non-current</b>		
Equity in listed entities	3	3
<b>Total Non-current other financial assets</b>	<b>3</b>	<b>3</b>

**23 Property, plant and equipment**

	2014 \$'000	2013 \$'000
<b>Land</b>		
Independent valuation <sup>(i)</sup>	205,368	203,464
At cost <sup>(ii)</sup>	11,686	10,958
<b>Total Land</b>	<b>217,054</b>	<b>214,422</b>
<b>Buildings and improvements</b>		
Independent valuation <sup>(i)</sup>	144,344	144,165
At cost <sup>(ii)</sup>	9,668	10,488
Less accumulated depreciation	(101,889)	(99,778)
<b>Total Buildings and improvements</b>	<b>52,123</b>	<b>54,875</b>
<b>Park infrastructure</b>		
Independent valuation <sup>(i)</sup>	178,092	179,295
At cost <sup>(ii)</sup>	8,873	8,243
Less accumulated depreciation	(160,650)	(157,866)
<b>Total Park infrastructure</b>	<b>26,315</b>	<b>29,672</b>
<b>Roads, tracks and trails</b>		
Independent valuation <sup>(i)</sup>	194,272	190,674
At cost <sup>(ii)</sup>	8,043	11,705
Less accumulated depreciation	(174,666)	(168,861)
<b>Total Roads, tracks and trails</b>	<b>27,649</b>	<b>33,518</b>
<b>Groundwater monitoring wells</b>		
Independent valuation	130,256	130,256
At cost <sup>(ii)</sup>	984	932
Less accumulated depreciation	(86,060)	(83,889)
<b>Total Groundwater monitoring wells</b>	<b>45,180</b>	<b>47,299</b>
<b>Salinity disposal schemes</b>		
Independent valuation	44,751	44,751
Less accumulated depreciation	(18,609)	(18,060)
<b>Total Salinity disposal schemes</b>	<b>26,142</b>	<b>26,691</b>
<b>Patawalonga seawater circulation and Barcoo outlet</b>		
Independent valuation	30,774	30,774
At cost <sup>(ii)</sup>	546	546
Less accumulated depreciation	(8,662)	(8,167)
<b>Total Patawalonga seawater circulation and Barcoo outlet</b>	<b>22,658</b>	<b>23,153</b>
<b>Sand pumping infrastructure</b>		
At cost <sup>(ii)</sup>	20,544	20,544
Less accumulated depreciation	(1,425)	(419)
<b>Total Sand pumping infrastructure</b>	<b>19,119</b>	<b>20,125</b>
<b>Surface water monitoring network</b>		
Independent valuation	8,469	8,469
At cost <sup>(ii)</sup>	183	72
Less Accumulated depreciation	(3,708)	(3,587)
<b>Total Surface water monitoring network</b>	<b>4,944</b>	<b>4,954</b>

**Department of Environment, Water and Natural Resources**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

<b>Waste disposal stations</b>		
Independent valuation	7 752	4,882
At cost <sup>(ii)</sup>	-	1,340
Less Accumulated depreciation	(2,505)	(2,756)
<b>Total Waste disposal stations</b>	<b>5,247</b>	<b>3,466</b>
<b>Lower Murray embankments</b>		
Independent valuation	13,760	10,062
Less Accumulated depreciation	(6,742)	(4,879)
<b>Total Lower Murray embankments</b>	<b>7,018</b>	<b>5,183</b>
<b>Plant and equipment</b>		
At cost (deemed fair value) <sup>(iii)</sup>	33,395	32,819
Less accumulated depreciation	(22,459)	(20,536)
<b>Total Plant and equipment</b>	<b>10,936</b>	<b>12,283</b>
<b>Other</b>		
At cost (deemed fair value) <sup>(iii)</sup>	1,867	1,867
Less accumulated depreciation	(631)	(613)
<b>Total Other</b>	<b>1,236</b>	<b>1,254</b>
<b>Capital works in progress</b>		
Capital works in progress	39,967	22,909
<b>Total Capital works in progress</b>	<b>39,967</b>	<b>22,909</b>
<b>Total Property, plant and equipment</b>	<b>505,588</b>	<b>499,804</b>

**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(k) for further details.
- ii At cost (acquisition cost):  
This class includes one or more items that have an acquisition cost exceeding \$1m. All assets within this class are temporarily held at cost pending revaluation that occurs no later than three years from acquisition date.
- iii At cost (deemed fair value):  
These assets have an acquisition cost below \$1m or have an estimated useful life of less than three years, and have not been revalued in accordance with APF III and are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

**Asset Revaluations**

The valuation of the Department's Waste disposal stations and Lower Murray embankments were performed in June 2014 by a Certified Practising Valuer (Mr F. Taormina, BAppSc (Val), AAPI) from Valcorp Pty Ltd as at 30 June 2014. The revaluation of the Waste disposal stations resulted in changes in replacement values, as well as changes to some of the useful lives of componentry assets. The revaluation of the Lower Murray embankments resulted in changes in replacement values.

As there is no active market for the revalued assets, the valuer used the cost approach (i.e. depreciated replacement cost) having regard to the specialised nature of the assets by virtue of the type of improvement, location or scale. In relation to the River Vessel Waste disposal stations, the valuation was determined from the available information and departmental internal records of current construction costs from recent refurbished sites. Both Waste disposal stations and Lower Murray embankment assets fall within level 3 inputs as the quoted prices are generally specialised and unobservable.

The impact of the completed asset revaluations have resulted in adjustments being recognised in the statements and are further disclosed in the Statement of Comprehensive Income and the Statement of Changes in Equity. Changes relating to the Waste disposal stations amounted to \$1.932m; changes relating to the Lower Murray embankments amounted to \$1.977m.

DEWNR uses the Data Dictionary model to value generic building, infrastructure and road assets. The data dictionary model is contained within DEWNR's Asset Register and Management Information System (ARAMIS) and calculates a value for an asset based on description, grade / composition, condition and size / quantity. The model value is adjusted by a locality factor to take into account climatic conditions. The valuation model itself is reviewed every three years by a Certified Practising Valuer. The application of the Data Dictionary model results in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

The valuers used by DEWNR are as follows:

The fair value of unique items was determined by identifying a market buying price, estimated as written down modern equivalent replacement cost. The fair value of land and buildings was based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

Other specialised assets have been revalued per the schedule below.

<b>Class of Asset</b>	<b>Date of Last Independent Valuation</b>	<b>Name of Valuer</b>
Buildings, infrastructure and roads	1 July 2011	Valcorp Pty Ltd
Land, building and park infrastructure	1 July 2011	Herron Todd White
Mutton Cove levee bank, lands and aviary	1 July 2010	Valcorp Pty Ltd
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	30 June 2010	Currie and Brown Pty Ltd
Salinity disposal schemes	30 June 2010	Currie and Brown 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**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

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

	Land	Buildings	Park infra- structure	Roads, tracks & trails	Ground-water Monitoring Wells	Salinity Disposal Schemes	Patawalo-nga Seawater Circulation
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2014</b>							
<b>Carrying amount at the start of period</b>	<b>214,422</b>	<b>54,875</b>	<b>29,672</b>	<b>33,518</b>	<b>47,299</b>	<b>26,691</b>	<b>23,153</b>
Acquisitions	2,632	575	-	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	-	-	-
Disposals	-	(43)	(10)	(5)	-	-	-
Transfers to/(from) capital works in progress	-	-	209	17	52	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>2,632</b>	<b>532</b>	<b>199</b>	<b>12</b>	<b>52</b>	<b>-</b>	<b>-</b>
<b>Gains/(losses) for the period recognised in net result:</b>							
Depreciation expense	-	(3,284)	(3,556)	(5,881)	(2,171)	(549)	(495)
<b>Subtotal</b>	<b>-</b>	<b>(3,284)</b>	<b>(3,556)</b>	<b>(5,881)</b>	<b>(2,171)</b>	<b>(549)</b>	<b>(495)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>							
Net revaluation increment	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>217,054</b>	<b>52,123</b>	<b>26,315</b>	<b>27,649</b>	<b>45,180</b>	<b>26,142</b>	<b>22,658</b>

	Sand pumping infrastruc- ture \$'000	Surface Water Monitoring Network \$'000	Waste Disposal Stations \$'000	Lower Murray Embank- ments \$'000	Plant & equipment \$'000	Other \$'000	Subtotal \$'000	Capital work in progress \$'000	Total \$'000
<b>Carrying amount at the start of period</b>	<b>20,125</b>	<b>4,954</b>	<b>3,466</b>	<b>5,183</b>	<b>12,283</b>	<b>1,254</b>	<b>476,895</b>	<b>22,909</b>	<b>499,804</b>
Acquisitions	-	-	-	-	1,095	-	4,302	17,725	22,027
Disposals - transfers for nil consideration	-	-	-	-	(20)	-	(20)	-	(20)
Disposals	-	-	-	-	(37)	-	(95)	-	(95)
Transfers to/(from) capital works in progress	-	111	-	-	38	-	427	(427)	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-	(240)	(240)
<b>Subtotal</b>	<b>-</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>1,076</b>	<b>-</b>	<b>4,614</b>	<b>17,058</b>	<b>21,672</b>
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation expense	(1,006)	(121)	(137)	(50)	(2,423)	(18)	(19,691)	-	(19,691)
<b>Subtotal</b>	<b>(1,006)</b>	<b>(121)</b>	<b>(137)</b>	<b>(50)</b>	<b>(2,423)</b>	<b>(18)</b>	<b>(19,691)</b>	<b>-</b>	<b>(19,691)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>									
Net revaluation increment	-	-	1,918	1,885	-	-	3,803	-	3,803
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>1,918</b>	<b>1,885</b>	<b>-</b>	<b>-</b>	<b>3,803</b>	<b>-</b>	<b>3,803</b>
<b>Carrying amount at the end of period</b>	<b>19,119</b>	<b>4,944</b>	<b>5,247</b>	<b>7,018</b>	<b>10,936</b>	<b>1,236</b>	<b>465,621</b>	<b>39,967</b>	<b>505,588</b>

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

	Land	Buildings	Park infra- structure	Roads, tracks & trails	Ground-water Monitoring Wells	Salinity Disposal Schemes	Patawalo-nga Seawater Circulation
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2013</b>							
<b>Carrying amount at the start of period</b>	<b>209,534</b>	<b>56,087</b>	<b>32,008</b>	<b>37,343</b>	<b>-</b>	<b>-</b>	<b>-</b>
Acquisitions	2,465	1,280	71	-	-	-	-
Acquisition through administrative restructuring	2,423	978	-	-	49,426	27,241	23,649
Disposals	-	(233)	(130)	(17)	-	-	-
Disposals - transfers for nil consideration	-	(96)	(283)	(203)	-	-	-
Transfers to/(from) capital works in progress	-	374	2,924	2,634	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>4,888</b>	<b>2,303</b>	<b>2,582</b>	<b>2,414</b>	<b>49,426</b>	<b>27,241</b>	<b>23,649</b>
<b>Gains/(losses) for the period recognised in net result:</b>							
Depreciation expense	-	(3,515)	(4,918)	(6,239)	(2,127)	(550)	(496)
Reversal of impairment loss	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>(3,515)</b>	<b>(4,918)</b>	<b>(6,239)</b>	<b>(2,127)</b>	<b>(550)</b>	<b>(496)</b>
<b>Carrying amount at the end of period</b>	<b>214,422</b>	<b>54,875</b>	<b>29,672</b>	<b>33,518</b>	<b>47,299</b>	<b>26,691</b>	<b>23,153</b>

**Department of Environment, Water and Natural Resources**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

	Sand pumping infrastruc- ture \$'000	Surface Water Monitoring Network \$'000	Waste Disposal Stations \$'000	Lower Murray Embank- ments \$'000	Plant & equipment \$'000	Other \$'000	Subtotal \$'000	Capital work in progress \$'000	Total \$'000
<b>Carrying amount at the start of period</b>	-	-	-	-	9,261	1,273	345,506	27,181	372,687
Acquisitions	-	-	130	-	2,184	-	6,130	23,272	29,402
Acquisition through administrative restructuring	-	5,069	2,629	5,233	1,087	-	117,735	4,626	122,361
Disposals	-	-	(71)	-	(240)	-	(691)	-	(691)
Disposals - transfers for nil consideration	-	-	-	-	(145)	-	(727)	-	(727)
Transfers to/(from) capital works in progress	20,544	-	402	-	2,455	-	29,333	(30,601)	(1,268)
Capital WIP - expensed in current period	-	-	-	-	-	-	-	(1,569)	(1,569)
<b>Subtotal</b>	20,544	5,069	3,090	5,233	5,341	-	151,780	(4,272)	147,508
<b>Gains/(losses) for the period recognised in net result:</b>									
Depreciation expense	(419)	(115)	(106)	(50)	(2,319)	(19)	(20,873)	-	(20,873)
Reversal of impairment loss	-	-	482	-	-	-	482	-	482
<b>Subtotal</b>	(419)	(115)	376	(50)	(2,319)	(19)	(20,391)	-	(20,391)
<b>Carrying amount at the end of period</b>	20,125	4,954	3,466	5,183	12,283	1,254	476,895	22,909	499,804

## 24 Intangible assets

	2014 \$'000	2013 \$'000
<b>Internally developed intangible assets</b>		
Computer software - at cost (deemed fair value)	19,553	19,553
Less accumulated amortisation	(17,433)	(15,195)
<b>Total Internally developed intangible assets</b>	<b>2,120</b>	<b>4,358</b>
<b>Externally acquired intangible assets</b>		
Computer software and water licences	2,918	2,918
Less accumulated amortisation	(590)	(582)
<b>Total Computer software - external</b>	<b>2,328</b>	<b>2,336</b>
<b>Other</b>		
Revenue stream (War services freehold leases) - At cost (deemed fair value)	1,000	1,000
Less accumulated amortisation	(185)	(163)
<b>Total Other</b>	<b>815</b>	<b>837</b>
<b>Total Intangible assets</b>	<b>5,263</b>	<b>7,531</b>

The Department recognises the following intangible assets:

### Computer software

The internal development of software is capitalised by the Department when the expenditure meets the definition and recognition criteria of an intangible asset outlined in AASB 138 and when the amount of expenditure is greater than or equal to \$10 000, in accordance with APF III Asset Accounting Framework APS 2.15. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed. Subsequent expenditure on intangible assets has not been capitalised. The department has capitalised the internal development of software for the Crown Lands System, Water Information and Licensing and Management Application system (WILMA) and ARAMIS Solution Software. In addition, certain costs have been capitalised in respect of the Water Connect Portal (Natural Resources Management Information System) and other software specific to the department's core activities. Some intangibles are currently included in work in progress. Externally acquired computer software relates to ARCGIS software.

### Water licenses – acquired at no cost

An intangible asset for water licences has been recognised. The asset was initially acquired for nil consideration prior to 1 July 2005. A reliable fair value at the time of acquisition was not available. The assets were recognised for the first time at fair value as at 30 June 2006. Fair value was determined by observing prices in the water trading market as at 30 June 2006.

### Revenue stream

The revenue stream relates to various property leases that were offered by the Commonwealth Government to ex-service personnel with Australian War Service history. A contract to purchase the right to this revenue stream from the Commonwealth Government by DEWNR was negotiated during the 2005-06 year, and is being amortised in accordance with the expected life of the revenue stream.

### Intangible asset movement reconciliation schedule

	Internally Developed \$'000	Externally Developed \$'000	Revenue stream \$'000	2014 Sub-total \$'000
<b>2014</b>				
<b>Carrying amount at the start of the period</b>	<b>4,358</b>	<b>2,336</b>	<b>837</b>	<b>7,531</b>
Amortisation	(2,238)	(8)	(22)	(2,268)
<b>Carrying amount at the end of the period</b>	<b>2,120</b>	<b>2,328</b>	<b>815</b>	<b>5,263</b>
	Internally Developed \$'000	Externally Developed \$'000	Revenue stream \$'000	2013 Sub-total \$'000
<b>2013</b>				
<b>Carrying amount at the start of the period</b>	<b>666</b>	-	<b>859</b>	<b>1,525</b>
Acquisition through administrative restructuring	6,212	2,469	-	8,681
Transfers between classes	1,268	-	-	1,268
Disposals	(99)	(2)	-	(101)
Amortisation	(3,689)	(131)	(22)	(3,842)
<b>Carrying amount at the end of the period</b>	<b>4,358</b>	<b>2,336</b>	<b>837</b>	<b>7,531</b>

**Department of Environment, Water and Natural Resources**

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**Assets Not Recognised**

**Acquisition of Water Licences for Environmental Flows**

While the Department recognises certain water licences controlled by the Minister for the River Murray as intangible assets at 30 June 2013, the acquisition and / or transfer of water licences for environmental purposes is generally expensed when such expenditure is incurred.

The decision not to capitalise these expenditures is linked to the provisions of two Intergovernmental Agreements to which the state of South Australia is a party as follows:

(i) The Intergovernmental Agreement on Addressing Water Over-allocation and Achieving Environmental Objectives in the Murray-Darling Basin (June 2004) gives effect to a decision by the southern Murray-Darling Basin jurisdictions to commit \$500 million over five years to address water over-allocation in the Murray-Darling Basin with an initial focus on achieving specific environmental outcomes for six significant ecological assets along the River Murray.

The Living Murray Business Plan provided for under Clause 13 of the above Agreement describes how the actions and milestones in the Agreement in relation to the acquisition and transfer of water licences are to be achieved.

(ii) The Agreement on Murray-Darling Basin Reform (July 2008) gives 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 the Department.

**25 Fair Value Measurement**

**Fair value hierarchy**

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2014.

The Department had no valuations categorised into level 1 or level 2.

**Fair value measurements at 30 June 2014**

**Recurring fair value measurements**

	<b>Level 3</b>
	\$'000
Land	217,054
Buildings and improvements	52,123
Park infrastructure	26,315
Roads, tracks and trails	27,649
Groundwater monitoring wells	45,180
Salinity disposal schemes	26,142
Patawalonga seawater circulation and Barcoo outlet	22,658
Surface water monitoring network	4,944
Waste disposal stations	5,247
Lower Murray embankments	7,018
Sand pumping infrastructure	19,119
Plant and equipment	10,936
Other	1,236
<b>Total recurring fair value measurements</b>	<b>465,621</b>

Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2014. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**Valuation techniques and inputs**

Valuation techniques used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements are detailed at Note 23.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement.

Description	Valuation technique	Unobservable input	Range of inputs
Land	Market comparable	Adjusted market value	refer Note 23, 2 (i) & (k)
Buildings and improvements	Depreciated replacement cost <sup>(1)</sup>	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Park infrastructure	Depreciated replacement cost <sup>(1)</sup>	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Roads, tracks and trails	Depreciated replacement cost <sup>(1)</sup>	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Groundwater monitoring wells	Depreciated replacement cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Salinity disposal schemes	Depreciated replacement cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Patawalonga seawater circulation and Barcoo outlet	Depreciated replacement cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Surface water monitoring network	Depreciated replacement cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Waste disposal stations	Depreciated replacement cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Lower Murray embankments	Depreciated replacement cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Sand pumping infrastructure	Depreciated replacement cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Plant and equipment	Depreciated Cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)
Other	Depreciated Cost	Cost, Useful Life	refer Note 23, 2 (i) & (k)

<sup>(1)</sup> The data dictionary model is contained within DEWNR's Asset Register and Management Information System (ARAMIS) and calculates a value for an asset based on description, grade / composition, condition and size / quantity.

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2014

26 Payables

	2014	2013
	\$'000	\$'000
<b>Current</b>		
Accrued expenses	1,126	966
Creditors	21,028	38,522
Employment on-costs	2,592	2,544
Paid Parental Leave Scheme payable	34	20
<b>Total Current payables</b>	<b>24,780</b>	<b>42,052</b>
 <b>Current payables to SA Government entities</b>		
Accrued expenses	415	385
Creditors	3,556	9,527
Employment on-costs	1,360	1,269
<b>Total Current payables to SA Government entities</b>	<b>5,331</b>	<b>11,181</b>
 <b>Non-current</b>		
Employment on-costs	2,332	2,890
<b>Total Non-current payables</b>	<b>2,332</b>	<b>2,890</b>
 <b>Non-current payables to SA Government entities</b>		
Employment on-costs	1,270	1,560
<b>Total Non-current payables to SA Government entities</b>	<b>1,270</b>	<b>1,560</b>

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 remained at the 2013 rate of 40%. This rate is used in the employment on-cost calculation. As a result there is no net financial impact on the employment on-cost and employee benefit expense.

**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** - Please refer to table 36.3 in Note 36.

(b) **Categorisation of financial instruments and risk exposure information** - Please refer to table 36.1 in Note 36.

27 Employee benefits

	2014	2013
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	395	8
Annual leave	8,896	10,129
Short-term long service leave	2,147	1,981
Skills and experience retention leave	593	567
<b>Total Current employee benefits</b>	<b>12,031</b>	<b>12,685</b>
 <b>Non-current</b>		
Long service leave	24,620	30,213
<b>Total Non-current employee benefits</b>	<b>24,620</b>	<b>30,213</b>

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 set level of liability 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 2013 (3.75%) to 2014 (3.50%).

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. However, the actual reported long service liability decreased due to the 172 TVSP's taken during the year.

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$0.542m and employee benefit expense of \$0.542m. 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%. As a result there is no net financial effect resulting from changes in the salary inflation rate.

28 Provisions

	2014	2013
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	626	529
<b>Total Current provisions</b>	<b>626</b>	<b>529</b>
 <b>Non-current</b>		
Provision for workers compensation	2,277	2,450
<b>Total Non-current provisions</b>	<b>2,277</b>	<b>2,450</b>



**Department of Environment, Water and Natural Resources**

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**For the Period Ended 30 June 2014**

**Provision movement**

<b>Carrying amount at the beginning of the period</b>	<b>2,979</b>	<b>2,172</b>
Additional provisions recognised	(76)	447
Transfer due to administrative restructure	-	360
<b>Carrying amount at the end of the period</b>	<b>2,903</b>	<b>2,979</b>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet. These claims are expected to be settled within the next financial year.

**29 Other liabilities**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
<b>Current</b>		
Lease incentive	245	314
Unearned revenue	81	146
Other	366	1
<b>Total Current other liabilities</b>	<b>692</b>	<b>461</b>
<b>Non-current</b>		
Lease incentive	-	245
<b>Total Non-current other liabilities</b>	<b>-</b>	<b>245</b>

**30 Equity**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
Contributed capital	22,612	22,612
Retained earnings	283,326	265,297
Asset revaluation surplus	279,791	275,988
<b>Total Equity</b>	<b>585,729</b>	<b>563,897</b>

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.

**31 Cash flow reconciliation**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	<b>105,449</b>	<b>121,725</b>
Cash and cash equivalents disclosed in the Statement of Cash Flows	<b>105,449</b>	<b>121,725</b>
<b>Reconciliation of net cash provided by operating activities to net cost of providing services:</b>		
Net cash provided by operating activities	4,147	30,992
Less revenues from SA Government	(181,779)	(220,571)
Add payments to SA Government	-	6,815
<b>Add/less non-cash items</b>		
Depreciation and amortisation expense of non-current assets	(21,959)	(24,296)
Reversal of impairment of non-current assets	-	482
Capital work in progress expensed	(240)	(1,569)
(Loss) on disposal of non-current assets	(78)	(1,519)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	10,340	(14,759)
(Decrease) in inventories	(2)	(101)
Increase in other assets	87	654
Decrease in payables	19,397	1,339
Decrease/(increase) in employee benefits	6,247	(3,422)
Decrease/(increase) in provisions	76	(447)
Decrease in other liabilities	14	500
<b>Net cost of providing services</b>	<b>(163,750)</b>	<b>(225,902)</b>

**32 Unrecognised contractual commitments**

	<b>2014</b>	<b>2013</b>
	\$'000	\$'000
<b>Operating lease commitments</b>		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	9,355	9,088
Later than one year but not longer than five years	9,441	13,120
Later than five years	7,845	6,922
<b>Total Operating lease commitments</b>	<b>26,641</b>	<b>29,130</b>

During the 2005-06 financial year, DEWNR received lease incentives for two leased properties amounting to \$3.28 million. These lease incentives are being amortised at a rate of \$245,000 per annum until 2015.

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.

# Department of Environment, Water and Natural Resources

## Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2014

### Capital commitments

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

Within one year	4,815	3,093
<b>Total Capital commitments</b>	<b>4,815</b>	<b>3,093</b>

DEWNR's capital commitments include amounts associated with the Kangaroo Island Multi-Day Walk (\$2.250m), Heysen Trail upgrade (\$1.100m), Belair National Park Facilities Upgrade (\$0.900m), and the Seal Bay Facilities Upgrade (\$0.565m).

### Expenditure commitments - remuneration

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2014	2013
	\$'000	\$'000
Within one year	5,528	6,539
Later than one year but not longer than five years	6,234	7,530
<b>Total Remuneration commitments</b>	<b>11,762</b>	<b>14,069</b>

Amounts disclosed include commitments arising from executive and other service contracts. DEWNR does not offer fixed-term remuneration contracts greater than five years.

### Expenditure commitments - Other

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

	2014	2013
	\$'000	\$'000
Within one year	15,500	26,745
<b>Total Other commitments</b>	<b>15,500</b>	<b>26,745</b>

The Department's other commitments are for contributions to the Murray Darling Basin Authority, and agreements for projects under the Save The River Murray Fund where funds are payable to other agencies undertaking work on behalf of the Department.

## 33 Contingent assets and liabilities

The Department is not aware of the existence of any contingent assets.

At the time of this report the outcomes of any pending legal cases are not known and the effects are not quantifiable.

The Minister has a statutory obligation under the *Upper South East Dryland Salinity and Flood Management Act 2002* (USE Act) to consider landholders' requests for compensation and pay landholders, if it is deemed that they are entitled to compensation. As at reporting date, the outcomes of any compensation claims that have been lodged by eligible landholders are not known and the effects are not quantifiable.

## 34 Remuneration of board and committee members

Members of the board and committees during the 2013-14 financial year were:

### South Australian National Parks & Wildlife Council

Carr P F  
Humann D G  
Leaman E G (retired 05/07/13) \*  
McIntosh W R  
Munday B (appointed 11/07/13)  
Podoliak J  
Schutz J E (appointed 08/08/13) \*\*\*  
Williams S L (appointed 16/01/14)  
Woodlands J F

### South Australian Heritage Council

Carr J M \*  
Donaldson R T  
Harry D B (deputy)  
James J A (retired 30/09/13)  
Leydon G J  
MacKinnon AG (appointed 13/02/14)  
McClurg J J  
O'Connell M B  
Polson L (appointed 13/02/14)  
Queale M (deputy)  
Schulz J  
Wigg C A

### South Australian Heritage Council Register Committee

Beazley S L  
Bell P G (retired 17/03/14)  
Ben Kahn A  
Butland R  
Carr J M \*  
Klenke A T (retired 17/03/14)  
Leadbeter PD (appointed 18/03/14)  
Marsden S E (retired 17/03/14)  
McDougall K (appointed 18/03/14)  
Prest W (appointed 18/03/14)  
Queale M W (retired 17/03/14)  
Wigg C A

### Adelaide Dolphin Sanctuary Advisory Board

Andrews D J  
Bossley M I  
Cugley J A  
Ditter S S  
Gassmanis K B  
Gibbs S E  
Gregory J  
Higgins-Desbiolles B F  
Hughes J A  
Kavina C B  
Osborne M W \*

### Kangaroo Management Reference Group

Ackland T M	Neal J
Ashby D	Reddy X *
Borda R	Richards S (retired 31/01/14)
Dunn E *	Rossetto M (retired 05/07/13) *
Evans D (appointed 01/04/14)	Smith C
Greenfields C	Tansell G
Lewis A G	Turner M (appointed 01/04/14)
Linton V *	Vickery F J
McBride M P	Winen M
Milne T	Wright L
Mould J	

### Wilderness Advisory Committee

Bills C E M  
Cohen B L  
Leaman E G (retired 05/07/13) \*  
Lesslie R G (retired 28/03/14)  
Schutz J E (appointed 08/08/13) \*\*\*  
Whalen M A

**Department of Environment, Water and Natural Resources**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

**Witjira National Park Board of Management**

Ah Chee A  
Ah Chee M R  
Ah Chee P G (deputy)  
Magor A B \*  
Naylon-Fuschtei V T  
Pelton G A \*  
Tjami H (retired 30/06/14)  
Walton J

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

Coulthard C C  
Coulthard J M  
Coulthard R R  
Leaman E G (retired 05/07/13) \*  
McKenzie P J  
Mooney P A \*  
Naismith T L \*  
Paul S A M (appointed 13/05/14) \*  
Toscano M \*

**Animal Welfare Advisory Committee**

Bigwood S  
Carmichael I H \*  
Evans D L (appointed 25/07/13)  
Hazel S J  
Noonan D E  
Ogilvie A D  
Peters M D (observer) \*  
Robb G C (retired 21/01/14)  
Starick W J

**Ngaut Ngaut Conservation Park Co-management Committee**

(Committee abolished 22/04/14)

Campbell I L  
Campbell I M  
Dillon B \*  
Dominelli S \*  
Gillen P G \*  
Hutchinson C

**Scientific Working Group**

Behergaray L  
Cheshire A C  
Connell S D  
Fairweather P G  
Fernandes M B \*  
Gillanders B M  
Huveneers C \*  
Kinloch M A (retired 01/11/13) \*  
Kirkman H  
Moller L M  
Shepherd S A \*  
Vandeleur H M

**Natural Resources Management Council**

Ashby D C (retired 30/04/14)  
Cooper C S (appointed 30/04/14)  
Crisp A  
Foster B J (retired 30/04/14)  
Gartrell G (deputy)  
Inglis A R  
Keynes J L  
Lamont H K (appointed 30/04/14)  
Lewis F A  
Milne T I  
Rasheed F C (deputy)  
Riseley P R  
Walker D (appointed 19/09/13)

**Wildlife Ethics Committee**

Davis K L \*  
Gillam S \*  
Griffith J (appointed 29/01/14) \*  
Hall A (retired 21/11/13) \*  
Hutchinson M N \*  
Johnson L M  
Kemper C M \*  
Males K G  
Manning B C \*  
McGrath K R  
McLelland D J  
O'Connor J  
Peters M D \*  
Richards A J  
Smith I G  
Taylor L U

**Marine Parks Council of SA**

Dittmann S R  
Ellis D C  
Grady M A  
Gear B (appointed 01/07/13) \*  
James G  
Kelly T M W (resigned 22/07/13)  
Lewis R K  
Miller S L  
Riseley P R  
Warhurst K J  
Wright L

**YYPA Committee Coongie Lakes National Park**

Allen C  
Bottrell T F (appointed 10/12/13)  
Brown M \*  
Dodd L (appointed 15/06/14) \*  
Haynes J M  
Linton V M \*  
Magor A B \*  
Singleton R \*

**Pastoral Board**

Anderson B J (deputy)  
Bellette K J (appointed 28/08/13)  
Iwanicki I M (retired 11/08/13)  
Johnson A W (appointed 29/08/13) \*  
Lamont H K (deputy; retired 11/08/13)  
Lillecrapp D G  
Linton V M \*  
Mills G D  
Mould J A  
Oldfield A S (deputy)  
Slade K L (deputy; appointed 28/08/13)  
Wickes R B (retired 11/08/13)  
Williams S L (deputy; appointed 28/08/13)

**Premier's Climate Change Council**

Bellette K J (appointed 01/05/14)  
Carter B J  
Degaris R H  
Foster B J  
Gemmell J C (retired May 2014) \*  
Halsey N M  
Holmes A N (appointed 31/05/14) \*  
Kelly T M (retired 30/04/14)  
McMichael P A (retired 30/04/14)  
O'Brien J K  
Palutikof J P (retired 30/04/14)  
Sanders V J (retired 30/04/14)  
Tucker M (appointed 01/05/14)

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2014

**Natural Resource Management Council - Aboriginal Statewide**

**Advisory Committee**

Agius P  
Chester J \*\*\*  
Hartman T J \*  
McKenzie P (appointed 04/04/14)  
Sansbury T (retired 15/07/13)  
Smith C L  
Telfer K W K (appointed 04/04/14)  
Thomas K K \*  
Vickery F J  
Walker D C

**Water Security Council (ex-DFW)**

(Council abolished October 2013)

Ashby S W \*  
Bursill D B \*  
Chessell C I \*  
Gago G E \*\*  
Hallion J V \*  
Holmes A N \*  
Hook R G \*  
Hunter I K \*\*  
Knight G R \*  
Nightingale I \*  
Ringham J F \*  
Rowse B G \*

**Border Groundwater Review Committee (ex-DFW)**

(South Australian and Victorian members) <sup>[1]</sup>

Grant J C (appointed 01/07/13) \*  
Mensforth L J \*  
Nott R (Victorian Govt)  
Cooke J (Victorian Govt)

\* Denotes government employees

\*\* Denotes government Minister

\*\*\* Denotes statutory employee

<sup>[1]</sup> The reference group is transferred every two years between DEWNR South Australia and the Department of Sustainability and Environment (DSE) Victoria.

Therefore, from 2012 to 2013 the Border Groundwater Review committee falls under the responsibility of DSE and will return to DEWNR in 2014 for a further two years.

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

	2014	2013
	No. of members	No. of members
\$nil	96	92
\$1 - \$9 999	91	111
\$10 000 - \$19 999	8	9
\$20 000 - \$29 999	2	2
<b>Total number of members</b>	<b>197</b>	<b>214</b>

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

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$225,800 (2013: \$265,000).

\* 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.

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.

## 35 Events after the reporting period

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

## 36 Financial instruments / financial risk management

**Table 36.1: 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 Summary of Significant Accounting Policies.

Statement of Financial Position line item	Note number	2014		2013	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and cash equivalents	18	105,449	105,449	121,725	121,725
Receivables <sup>(1)</sup> <sup>(2)</sup>	19	29,327	29,327	19,014	19,014
Financial assets	22	3	3	3	3
<b>Financial liabilities</b>					
Payables <sup>(1)</sup>	26	21,706	21,706	38,885	38,885

(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; audit fees payable to the Auditor-General's Dept etc). 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 levy receivables/payables, tax equivalents, commonwealth tax 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 2014**

**Fair Value**

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 to Notes 2, 19 and 26.

**Credit risk**

Credit risk arises when there is the possibility of DEWNR's debtors defaulting on their contractual obligations resulting in financial loss to the Department. DEWNR measures credit risk on a fair value basis and monitors risk on a regular basis.

The carrying amount of financial assets represents DEWNR's maximum exposure to credit risk.

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

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.

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 to note 19 for information on the allowance for impairment in relation to receivables.

**Table 36.2: Ageing analysis of financial assets**

The following table discloses the ageing of financial assets, past due, including impaired assets past due:

Financial assets item	Current (Not overdue)	Overdue for < 30 days	Overdue for 30–60 days	Overdue for > 60 days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2014</b>					
<b>Not impaired</b>					
Receivables <sup>(1)</sup>	15,540	8,201	3,715	2,105	29,561
Financial assets	3	-	-	-	3
<b>Impaired</b>					
Receivables	-	-	-	(234)	(234)
<b>2013</b>					
<b>Not impaired</b>					
Receivables <sup>(1)</sup>	13,071	1,858	527	3,793	19,249
Financial assets	3	-	-	-	3
<b>Impaired</b>					
Receivables <sup>(1)</sup>	-	-	-	(235)	(235)

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables. In government, certain rights to receive cash may not be contractual and therefore in these situations the requirement will not apply. Where rights have their source in legislation such as levy receivables, tax equivalents, Commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. They are carried at cost.

**Table 36.3: Maturity analysis of financial assets and liabilities**

The following table discloses the maturity analysis of financial assets and financial liabilities.

Financial statements item	Contractual maturities		
	< 1 year	1-5 years	Carrying amount
	\$'000	\$'000	\$'000
<b>2014</b>			
<b>Financial assets</b>			
Cash and cash equivalents	105,449	-	105,449
Receivables	29,327	-	29,327
Financial assets	-	3	3
<i>Total financial assets</i>	134,776	3	134,779
<b>Financial liabilities</b>			
Payables	21,706	-	21,706
<i>Total financial liabilities</i>	21,706	-	21,706
<b>2013</b>			
<b>Financial assets</b>			
Cash and cash equivalents	121,725	-	121,725
Receivables	19,014	-	19,014
Financial assets	-	3	3
<i>Total financial assets</i>	140,739	3	140,742
<b>Financial liabilities</b>			
Payables	38,885	-	38,885
<i>Total financial liabilities</i>	38,885	-	38,885

**Liquidity risk**

Liquidity risk arises where DEWNR is unable to meet its financial obligations as they are due to be settled. 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 of financial liabilities recorded in Table 36.1 represent the Department's maximum exposure to financial liabilities.

**Market risk**

DEWNR has no interest bearing liabilities as at the end of the reporting period. There is no exposure to foreign currency or other price risks.

**Department of Environment, Water and Natural Resources**

**Notes to and forming part of the Financial Statements**

**For the Period Ended 30 June 2014**

**Sensitivity 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.

**37 South Australian Heritage Fund**

The South Australian Heritage Fund (formerly the "State Heritage Fund") was established under the *Heritage Places Act 1993* to conserve places of heritage value. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within the Department's Financial Statements. When incorporating these amounts into the Department's Financial Statements all transactions between the Fund and the Department have been eliminated.

**Statement of Comprehensive Income for the Year Ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<small>\$'000</small>	<small>\$'000</small>
<b>Expenses</b>		
Supplies and services	-	2
Grants and subsidies	150	249
	<b>150</b>	<b>251</b>
<b>Income</b>		
Grant revenues	-	-
	<b>150</b>	<b>251</b>
<b>Net cost of providing services</b>	<b>150</b>	<b>251</b>
<b>Revenues from SA Government</b>	<b>150</b>	<b>250</b>
<b>Net result</b>	<b>-</b>	<b>(1)</b>

**Statement of Financial Position as at 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<small>\$'000</small>	<small>\$'000</small>
<b>Current assets</b>		
Cash	350	367
	<b>350</b>	<b>367</b>
<b>Total assets</b>	<b>350</b>	<b>367</b>
<b>Current liabilities</b>		
Payables	-	17
<b>Total liabilities</b>	<b>-</b>	<b>17</b>
<b>Net assets</b>	<b>350</b>	<b>350</b>
<b>Equity</b>		
Retained earnings	350	350
<b>Total: Equity</b>	<b>350</b>	<b>350</b>

**Statement of Changes in Equity for the Year Ended 30 June 2014**

	<b>Retained Earnings</b>	<b>Total</b>
	<small>\$'000</small>	<small>\$'000</small>
<b>Balance at 1 July 2012</b>	<b>351</b>	<b>351</b>
Net Result for 2012-13	(1)	(1)
<b>Balance at 30 June 2013</b>	<b>350</b>	<b>350</b>
Net result for 2013-14	-	-
<b>Balance at 30 June 2014</b>	<b>350</b>	<b>350</b>

**Statement of Cash Flows for the Year Ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<small>\$'000</small>	<small>\$'000</small>
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Payments for supplies and services	-	(2)
Payments of grants and subsidies	(167)	(318)
<b>Total Cash used in operations</b>	<b>(167)</b>	<b>(320)</b>
<b>Cash inflows</b>		
Receipts from grants	-	-
<b>Total Cash generated from operations</b>	<b>-</b>	<b>-</b>
<b>Cash generated from SA Government</b>	<b>150</b>	<b>250</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>(17)</b>	<b>(70)</b>
Cash at the beginning of the period	367	437
<b>Cash at the end of the period</b>	<b>350</b>	<b>367</b>

**Department of Environment, Water and Natural Resources**  
**Statement of Administered Comprehensive Income**  
**For the Year Ended 30 June 2014**

	Note	2014 \$'000	2013 \$'000
<b>Expenses</b>			
Employee benefits expenses		296	276
Board member expenses		167	157
Supplies and services		2,840	2,466
Grants and subsidies	A4	61,016	56,797
Depreciation expense		1,864	1,904
Net loss from disposal of non-current assets		40	176
Other expenses		(596)	100
<b>Total expenses</b>		<b>65,627</b>	<b>61,876</b>
<b>Income</b>			
Revenues from fees and charges	A5	17,060	15,412
Grant revenues	A6	17,314	18,870
Interest revenues		405	542
Resources received free of charge		20	727
Net gain from disposal of non-current assets		9,413	-
Other income		24	955
<b>Total income</b>		<b>44,236</b>	<b>36,506</b>
<b>Net cost of providing services</b>		<b>21,391</b>	<b>25,370</b>
<b>Revenues from / payments to SA Government</b>			
Revenues from SA Government	A7	35,070	19,791
Payments to SA Government	A7	(17,424)	(2,397)
<b>Total revenues from / payments to SA Government</b>		<b>17,646</b>	<b>17,394</b>
<b>Net result</b>		<b>(3,745)</b>	<b>(7,976)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		3,668	2,955
Gain on revaluation of interest in joint venture	A10	11,000	2,450
<b>Total other comprehensive income</b>		<b>14,668</b>	<b>5,405</b>
<b>Total comprehensive result</b>		<b>10,923</b>	<b>(2,571)</b>

*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 2014**

	<b>Note</b>	<b>2014</b> \$'000	<b>2013</b> \$'000
<b>Current assets</b>		-	
Cash and cash equivalents	A8	32,474	18,180
Receivables	A9	5,119	5,039
Inventories		73	92
<b>Total current assets</b>		<b>37,666</b>	<b>23,311</b>
<b>Non-current assets</b>			
Property, plant and equipment	A3	123,029	128,323
Interest in joint venture	A10	803,835	792,835
<b>Total non-current assets</b>		<b>926,864</b>	<b>921,158</b>
<b>Total assets</b>		<b>964,530</b>	<b>944,469</b>
<b>Current liabilities</b>			
Payables		13,534	4,071
Board member benefits		4	4
Other current liabilities		-	325
<b>Total current liabilities</b>		<b>13,538</b>	<b>4,400</b>
<b>Total liabilities</b>		<b>13,538</b>	<b>4,400</b>
<b>Net assets</b>		<b>950,992</b>	<b>940,069</b>
<b>Equity</b>			
Asset revaluation surplus		405,879	391,211
Retained earnings		545,113	548,858
<b>Total equity</b>		<b>950,992</b>	<b>940,069</b>

*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 2014**

	<b>Asset Revaluation Surplus</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2012</b>	<b>51,893</b>	<b>87,151</b>	<b>139,044</b>
Error correction - property, plant and equipment	-	7,496	7,496
Error correction - payables	-	278	278
Error correction - receivables	-	(151)	(151)
<b>Restated balance at 30 June 2012</b>	<b>51,893</b>	<b>94,774</b>	<b>146,667</b>
Net result for 2012-13	-	(7,976)	(7,976)
Gain on revaluation of property, plant and equipment	2,955	-	2,955
Revaluation adjustment - interest in joint venture	2,450	-	2,450
	-	-	-
<b>Total comprehensive result for 2012-13</b>	<b>5,405</b>	<b>(7,976)</b>	<b>(2,571)</b>
<b>Transactions with SA Government as owner</b>			
Net assets received from administrative restructure	333,913	462,060	795,973
<b>Balance at 30 June 2013</b>	<b>391,211</b>	<b>548,858</b>	<b>940,069</b>
Net result for 2013-14	-	(3,745)	(3,745)
Gain on revaluation of property, plant and equipment	3,668	-	3,668
Revaluation adjustment - interest in joint venture	11,000	-	11,000
<b>Total comprehensive result for 2013-14</b>	<b>14,668</b>	<b>(3,745)</b>	<b>10,923</b>
<b>Balance at 30 June 2014</b>	<b>405,879</b>	<b>545,113</b>	<b>950,992</b>

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

**Department of Environment, Water and Natural Resources**

**Statement of Administered Cash Flows**

**For the Year Ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Employee benefit payments	(296)	(276)
Board member remuneration payments	(167)	(157)
Payments for supplies and services	(3,146)	(2,265)
Payments of grants and subsidies	(61,440)	(58,396)
Other payments	(97)	(102)
<b>Cash used in operations</b>	<b>(65,146)</b>	<b>(61,196)</b>
<b>Cash inflows</b>		
Fees and charges	17,060	15,412
Receipts from grants	17,927	20,389
Interest received	405	542
Other receipts	24	955
<b>Cash generated from operations</b>	<b>35,416</b>	<b>37,298</b>
<b>Cash flows from SA Government</b>		
Receipts from SA Government	35,070	19,791
Payments to SA Government	(7,537)	(2,147)
<b>Cash generated from SA Government</b>	<b>27,533</b>	<b>17,644</b>
<b>Net cash used in operating activities</b>	<b>(2,197)</b>	<b>(6,254)</b>
<b>Cash flows from investing activities</b>		
<b>Cash outflows</b>		
Purchase of property, plant and equipment	(831)	-
<b>Cash used in investing activities</b>	<b>(831)</b>	<b>-</b>
<b>Cash inflows</b>		
Proceeds from the sale of property, plant and equipment	17,322	402
<b>Cash generated from investing activities</b>	<b>17,322</b>	<b>402</b>
<b>Net cash provided by investing activities</b>	<b>16,491</b>	<b>402</b>
<b>Cash flows from financing activities</b>		
<b>Cash inflows</b>		
Cash received from restructuring activities	-	4,963
<b>Cash generated from finance activities</b>	<b>-</b>	<b>4,963</b>
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>4,963</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>14,294</b>	<b>(889)</b>
Cash and cash equivalents at the beginning of the period	<b>18,180</b>	<b>19,069</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>32,474</b>	<b>18,180</b>

*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 2014

	Board of the Botanic Gardens and State Herbarium		Crown Lands		Minister's Other Payments		Special Acts Allocation		Dog and Cat Management Board		Coast Protection Board		Caring For Our Country	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Expenses</b>														
Employee benefits expenses	-	-	-	-	-	-	296	276	-	-	-	-	-	-
Board member expenses	118	121	-	-	-	-	-	-	37	25	12	11	-	-
Supplies and services	666	547	142	45	-	-	-	-	1,675	1,515	30	119	-	-
Grants and subsidies	786	1,175	7,680	-	13,606	13,341	-	-	10	68	448	382	17,015	22,067
Depreciation expense	1,851	1,887	3	7	-	-	-	-	10	10	-	-	-	-
Net loss from disposal of non-current assets	40	3	-	-	-	-	-	-	-	-	-	-	-	-
Net loss/(gain) from disposal of land held for sale	-	-	-	173	-	-	-	-	-	-	-	-	-	-
Other expenses	49	76	-	-	-	-	-	-	9	8	9	8	-	-
<b>Total: Expenses</b>	<b>3,510</b>	<b>3,809</b>	<b>7,825</b>	<b>225</b>	<b>13,606</b>	<b>13,341</b>	<b>296</b>	<b>276</b>	<b>1,741</b>	<b>1,626</b>	<b>499</b>	<b>520</b>	<b>17,015</b>	<b>22,067</b>
<b>Income</b>														
Revenues from fees and charges	1,173	1,100	(58)	-	-	-	-	-	1,443	1,343	21	25	-	-
Grant revenues	119	170	17	330	-	-	-	-	-	-	-	-	17,178	18,142
Interest revenues	92	102	-	-	-	-	-	-	19	28	-	-	21	91
Resources received free of charge	20	727	-	-	-	-	-	-	-	-	-	-	-	-
Net gain from disposal of land held for sale	-	-	9,413	-	-	-	-	-	-	-	-	-	-	-
Other income	22	951	-	4	-	-	-	-	2	-	-	-	-	-
<b>Total: Income</b>	<b>1,426</b>	<b>3,050</b>	<b>9,372</b>	<b>334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,464</b>	<b>1,371</b>	<b>21</b>	<b>25</b>	<b>17,199</b>	<b>18,233</b>
<b>Net cost/(surplus) of providing services</b>	<b>2,084</b>	<b>759</b>	<b>(1,547)</b>	<b>(109)</b>	<b>13,606</b>	<b>13,341</b>	<b>296</b>	<b>276</b>	<b>277</b>	<b>255</b>	<b>478</b>	<b>495</b>	<b>(184)</b>	<b>3,834</b>
<b>Revenues from/(payments to) SA Government</b>														
Revenues from SA Government	-	-	15,360	-	13,614	13,344	289	279	-	-	522	509	-	-
Payments to SA Government	-	-	(17,424)	(478)	-	-	-	-	-	-	-	-	-	-
<b>Total: Revenues from/(payments to) SA Government</b>	<b>-</b>	<b>-</b>	<b>(2,064)</b>	<b>(478)</b>	<b>13,614</b>	<b>13,344</b>	<b>289</b>	<b>279</b>	<b>-</b>	<b>-</b>	<b>522</b>	<b>509</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>(2,084)</b>	<b>(759)</b>	<b>(517)</b>	<b>(369)</b>	<b>8</b>	<b>3</b>	<b>(7)</b>	<b>3</b>	<b>(277)</b>	<b>(255)</b>	<b>44</b>	<b>14</b>	<b>184</b>	<b>(3,834)</b>
<b>Other comprehensive income</b>														
Changes in property, plant and equipment asset revaluation surplus	-	-	3,668	2,955	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of interest in joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total: Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>3,668</b>	<b>2,955</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>	<b>(2,084)</b>	<b>(759)</b>	<b>3,151</b>	<b>2,586</b>	<b>8</b>	<b>3</b>	<b>(7)</b>	<b>3</b>	<b>(277)</b>	<b>(255)</b>	<b>44</b>	<b>14</b>	<b>184</b>	<b>(3,834)</b>

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

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

Department of Environment, Water and Natural Resources

Schedule of Administered Expenses and Income attributable to Administered Activities  
For the Year Ended 30 June 2014

	Natural Heritage Trust		NRM Fund		Native Vegetation Fund		Pastoral Board		National Action Plan for Salinity and Water Quality		Qualco Sunlands		DEWNR Corporate Admin Items		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Expenses</b>																
Employee benefits expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296	276
Board member expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167	157
Supplies and services	-	-	-	-	327	240	-	-	-	-	-	-	-	-	2,840	2,466
Grants and subsidies	182	-	18,386	15,138	2,733	4,096	-	-	170	530	-	-	-	-	61,016	56,797
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,864	1,904
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40	3
Net loss/(gain) from disposal of land held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	173
Other expenses	-	-	(248)	-	9	8	-	-	-	-	-	-	(424)	-	(596)	100
<b>Total: Expenses</b>	182	-	18,138	15,138	3,069	4,344	-	-	170	530	-	-	(424)	-	65,627	61,876
<b>Income</b>																
Revenues from fees and charges	-	-	13,843	11,435	659	2,016	-	-	-	-	-	-	(21)	(507)	17,060	15,412
Grant revenues	-	-	-	-	-	228	-	-	-	-	-	-	-	-	17,314	18,870
Interest revenues	-	-	126	51	145	218	-	-	2	52	-	-	-	-	405	542
Resources received free of charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20	727
Net gain from disposal of land held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,413	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	955
<b>Total: Income</b>	-	-	13,969	11,486	804	2,462	-	-	2	52	-	-	(21)	(507)	44,236	36,506
<b>Net cost/(surplus) of providing services</b>	182	-	4,169	3,652	2,265	1,882	-	-	168	478	-	-	(403)	507	21,391	25,370
<b>Revenues from/(payments to) SA Government</b>																
Revenues from SA Government	-	-	3,990	4,390	1,031	1,004	14	15	-	-	250	250	-	-	35,070	19,791
Payments to SA Government	-	-	-	-	-	-	-	-	-	(1,669)	-	(250)	-	-	(17,424)	(2,397)
<b>Total: Revenues from/(payments to) SA Government</b>	-	-	3,990	4,390	1,031	1,004	14	15	-	(1,669)	250	-	-	-	17,646	17,394
<b>Net result</b>	(182)	-	(179)	738	(1,234)	(878)	14	15	(168)	(2,147)	250	-	403	(507)	(3,745)	(7,976)
<b>Other comprehensive income</b>																
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,668	2,955
Gain on revaluation of interest in joint venture	-	-	-	-	-	-	-	-	-	-	-	-	11,000	2,450	11,000	2,450
<b>Total: Other comprehensive income</b>	-	-	-	-	-	-	-	-	-	-	-	-	11,000	2,450	14,668	5,405
<b>Total comprehensive result</b>	(182)	-	(179)	738	(1,234)	(878)	14	15	(168)	(2,147)	250	-	11,403	1,943	10,923	(2,571)

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**  
**Notes to and forming part of the Administered Financial Statements**  
**For the Year Ended 30 June 2014**

**Administered items of the Department of Environment, Water and Natural Resources**

**A1 Reporting entities and strategic context**

The activities of the administered items are:

**Board of the Botanic Gardens and State Herbarium**

The Board of the Botanic Gardens and State Herbarium was established under Section 6 of the *Botanic Gardens and State Herbarium Act 1978* to ensure the maintenance and development of South Australia's Botanic Gardens and State Herbarium and to provide advice on relevant policies consistent with the provisions of the Act and with the objectives of the Minister for Sustainability, Environment and Conservation.

The Department performs the following functions required for the operation of the Botanic Gardens and State Herbarium:

- managing, planning, accounting and control of recurrent, capital appropriation and funds allocated by the Board;
- monitoring the performance of the staff of the Botanic Gardens and State Herbarium;
- valuing and maintaining assets (including all public, recreational, institutional and administration buildings) not specifically controlled, bequeathed, vested in or assigned to the Board; and
- determining risk management and occupational health and safety and welfare procedures.

However, the Department cannot direct the Board to perform its functions and duties in a particular manner. As a result, the Board is not controlled by the Department and has therefore been reflected in the Administered Financial Statements.

**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 \$13.606m (2013: \$13.341m) 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 \$5.277m (2013: \$5.160m); Adelaide City Council \$1.447m (2013: \$1.414m); Stormwater Management Authority \$4.754m (2013: \$4.638m); South Eastern Water Conservation and Drainage Board \$2.128m (2013: \$2.121m); and other organisations nil (2013: \$0.008m).

**Special Acts Allocation**

This item comprises salary and allowance payments for the Minister for Sustainability, Environment and Conservation.

**Dog and Cat Management Board**

The Dog and Cat Management Board was established under the *Dog and Cat Management Act 1995* to plan for, promote and provide advice about the effective management of dogs and cats throughout South Australia, and oversee the administration and enforcement of the provisions of the Act.

The financial activities of the Board are administered through the Dog and Cat Management Fund in accordance with the Act.

All activities and functions of the Board are performed by DEWNR employees.

**Coast Protection Board**

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

The financial activities of the Board are administered through the Coast Protection Fund in accordance with the Act.

All activities and functions of the Board are performed by DEWNR employees.

**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 Heritage Trust and Natural Heritage Trust Extension**

The Natural Heritage Trust (NHT) was established by the *Natural Heritage Trust of Australia Act 1997*. The Bilateral Agreement to deliver the Natural Heritage Trust Extension reflects the intention of the Commonwealth and SA Governments to work as joint investment partners, with the community and other stakeholders, in natural resource management activities including biodiversity conservation, sustainable use of natural resources and community capacity building and institutional change. Funding for NHT ceased on 30 June 2008 and all projects were completed by 31 December 2009.

Post 31 December 2009, program finalisation continued with the receipt of project final reports and acquittals including the return of unspent funds by project proponents. The Commonwealth requested unspent funds held be returned and elected to allocate remaining funds held in the NHT holding account to existing State agency and Natural Resources Management Board competitive projects approved under the Caring for our Country Program in accordance with clause 13.2c and 20.4 of the 'Transitional Arrangement and Financial Agreement between the Australian Government and State of South Australia for implementation of Caring for our Country' during 2011-12.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the Administered Financial Statements**  
**For the Year Ended 30 June 2014**

**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 \$2.249m (2013: \$2.389m).

Some activities have been restructured to assist in the interpretation of the financial transactions relating to the NRM Fund.

**Natural Resources Management Boards**

The Natural Resources Management Boards (NRM Boards) were established pursuant to subsection 23(1) of the NRM Act. The Department administers various revenues and expenses on account of the NRM Boards.

Specific provisions of the NRM Act require that the following revenues be paid into the NRM Fund prior to being applied for the purposes of the NRM Act:

- Government appropriations (controlled and administered allocated in respect of the regional NRM Boards);
- Water levies;
- Penalties relating to water levies;
- Expiation fees and other penalties.

*(i) Government appropriations*

The Department receives recurrent funding, which is administered through the NRM Fund and provided to regional NRM Boards to support business operations and the administration of the NRM Act.

<b>Regional NRM Board</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Alinytjara Wilurara NRM Board	970	850
Eyre Peninsula NRM Board	500	670
Kangaroo Island NRM Board	970	600
Northern and Yorke NRM Board	380	515
South Australian Arid Lands NRM Board	970	1 020
South East NRM Board	200	335
	<b>3,990</b>	<b>3,990</b>

*(ii) Water Levies*

Water levies are collected for prescribed water resources under section 101 of the NRM Act. The levies are subsequently paid to the regional NRM Boards pursuant to subsection 116(1)(a)(ii)(A) of the NRM Act.

*(iii) Penalties*

Penalties declared in relation to the unauthorised or unlawful taking or use of water were raised pursuant to section 115 of the NRM Act.

*(iv) Reimbursement of Payroll Tax*

Prior to NRM integration into DEWNR, NRM Boards were compensated for the anticipated payroll tax expense they incurred, with provision reflected in the Administered Items of the Department's budget. An appropriation of \$0.400m was received in 2012-13 to fund the payroll tax expenses of the NRM Boards for 2012-13. No appropriation was received in 2013-14.

*(v) 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.

**Native Vegetation Fund**

The Native Vegetation Fund is established under Section 21 of the *Native Vegetation Act 1991*. The Fund is applied in achieving the following objectives:

- (a) the conservation, protection and enhancement of the native vegetation of the State and, in particular, remnant native vegetation;
- (b) the provision of incentives and assistance to landowners to encourage the commonly held desire of landowners to preserve, enhance and properly manage the native vegetation on their land;
- (c) the limitation of the clearance of native vegetation to circumstances in which the clearance will facilitate the management of other native vegetation or will facilitate the sustainable use of land for primary production;
- (d) the encouragement of research into the preservation, enhancement and management of native vegetation; and
- (e) the encouragement of the re-establishment of native vegetation in those parts of the State where native vegetation has been cleared or degraded.

All activities and functions associated with the fund are performed by DEWNR employees.

**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.

**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.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the Administered Financial Statements**  
**For the Year Ended 30 June 2014**

**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, the Department 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 the Department, 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*. The Department supplies funding to the Board on a quarterly basis; the funding is sourced from appropriations provided by the Department of Treasury and Finance.

**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. The department provides a resource to manage the day-to-day operations of the SMA – relevant costs are fully recovered from the SMA. The department also supplies funding to the SMA on an annual basis; the funding is sourced from appropriations provided by DTF.

**A2 Administered items' financial arrangements**

The financial activities of the administered items are conducted through a number of deposit accounts with the Department of Treasury and Finance 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 Department's deposit account.

The Department 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 the department 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 items' 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 the department, as detailed in Note 2 of the Department's financial statements. Deviations from these policies are as follows:

**Property, plant and equipment**

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

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

Total property, plant & equipment as disclosed in the Statement of Administered Financial Position consists of assets belonging to the Botanic Gardens and State Herbarium \$40.486m (2013: \$41.530m), Crown Lands \$33.855m (2013: \$38.095m), Dog and Cat Management Board \$0.104m (2013: \$0.113m), Coast Protection Board \$5.124m (2013: \$5.124m) and Pastoral Board \$43.460m (2013: \$43.460m).

*Pastoral land revaluation*

Under the *Pastoral Land Management and Conservation Act 1989* the Valuer-General must determine the rents to be paid on all pastoral leases. This requires the Valuer-General to determine the unimproved value of each pastoral lease and the appropriate rate of return for the land as a percentage of the unimproved value, considering the purpose for which it is used.

The land lease assets were revalued at \$43.460m as at 1 November 2010 by Mark William Kay and Andrew Weinmann, Supervising Valuers, State Valuation Office, Land Services Group, Department for Transport, Energy and Infrastructure. Rentals and unimproved values for the period 1 November 2009 to 31 October 2010 were determined with regards to:

- the most recent land type classifications and associated information;
- carrying capacities;
- property sales and price movements within the pastoral industry;
- prevailing market conditions;
- climatic conditions;
- property locations;
- access to markets.

**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 not been identified, the carrying amount of all unallotted Crown Land sold is nil.

**Error correction**

An error correction of \$7.623m 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 property, plant and equipment (\$7.496m); a decrease to payables (\$0.278m); and a net decrease to receivables (\$0.151m).

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the Administered Financial Statements**  
**For the Year Ended 30 June 2014**

<b>A4 Grants and Subsidies</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Botanic Gardens and State Herbarium	786	1,175
Coast Protection Board	448	382
Caring for our Country	17,015	22,067
Crown Lands	7,680	-
Dog and Cat Management Board	10	68
Minister's Other Payments	13,606	13,341
Native Vegetation Fund	2,733	4,096
Natural Heritage Trust	182	-
National Action Plan for Salinity and Water Quality	170	530
Payments to Natural Resource Management Boards	18,386	15,138
<b>Total Grants and Subsidies</b>	<b>61,016</b>	<b>56,797</b>
<b>Grants and subsidies paid/payable to entities within the SA Government</b>		
The following grants and subsidies (included in the grants and subsidies amounts shown above) were provided to entities within the SA Government:		
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Payments to Natural Resource Management Boards	18,386	15,138
<b>Total Grants and subsidies paid/payable to entities within the SA Government</b>	<b>18,386</b>	<b>15,138</b>
<b>A5 Revenues from fees and charges</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Water levies received from licence holders	11,766	11,435
Penalties	2,077	-
Board of the Botanic Gardens and State Herbarium	1,173	1,100
Coast Protection Board	21	25
Crown Lands	(58)	-
Dog and Cat Management Board	1,443	1,343
Native Vegetation Fund	659	2,016
DEWNR Corporate Administered Items	(21)	(507)
<b>Total Revenues from Fees and Charges</b>	<b>17,060</b>	<b>15,412</b>
<b>A6 Grant revenues</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Botanic Gardens and State Herbarium	119	170
Caring for our Country	17,178	18,142
Crown Lands	17	330
Native Vegetation Fund	-	228
<b>Total Grant revenues</b>	<b>17,314</b>	<b>18,870</b>
<b>A7 Revenues from / payments to SA Government</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent Appropriations	35,070	19,791
Payments to Consolidated Account	(17,424)	(2,397)
<b>Total Revenues from / payments to SA Government</b>	<b>17,646</b>	<b>17,394</b>
<b>A8 Administered Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Board of the Botanic Gardens and State Herbarium	2,906	3,534
Caring for our Country	490	303
Coast Protection Board	442	335
Crown Lands	18,027	841
Dog and Cat Management Board	399	713
Natural Heritage Trust	362	545
Natural Resource Management Fund	2,249	2,389
Native Vegetation Fund	5,245	6,789
Pastoral Board	57	43
National Action Plan for Salinity and Water Quality	34	201
Qualco Sunlands	250	250
The Department's Corporate Administrative Items	2,013	2,237
	<b>32,474</b>	<b>18,180</b>
Balance as per Administered Cash Flows	<b>32,474</b>	<b>18,180</b>



**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the Administered Financial Statements**  
**For the Year Ended 30 June 2014**

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

Net cash used in operating activities	(2,197)	(6,254)
Less revenues from SA government	(35,070)	(19,791)
Add payments to SA government	17,424	2,147

**Add/(less) non-cash items**

Depreciation expense of non-current assets	(1,864)	(1,904)
Bad debts expense	693	2
(Loss) on disposal of non-current assets	(40)	(176)
Net gain from disposal of land held for sale	9,413	-
Assets received free of charge	20	727

**Movement in Assets and Liabilities**

(Decrease) in receivables	(613)	(1,520)
(Decrease) in inventories	(19)	(44)
(Increase)/decrease in payables	(9,463)	1,600
Decrease/(increase) in other liabilities	325	(157)
<b>Net cost of providing services</b>	<b>(21,391)</b>	<b>(25,370)</b>

**A9 Receivables**

**2014**      **2013**  
**\$'000**      **\$'000**

Receivables reflected as current assets at 30 June comprised the following:

Water levies	1,956	3,034
Penalties	3,274	2,827
Accrued interest	33	38
Other	194	171
Less Allowance for doubtful debts	(338)	(1,031)
<b>Total Receivables</b>	<b>5,119</b>	<b>5,039</b>

**A10 Interest in Joint Venture**

During the year ended 30 June 2009, the agreements for the management of the assets and resources (the water) within the Murray-Darling Basin Commission (MDBC) were restructured. The transition date to the new arrangements was 14 December 2008, i.e. the date from which the Murray-Darling Basin Authority (MDBA) was established, replacing the MDBC.

Following the restructure, under the revised arrangements, the venturers no longer have a joint interest in net assets, but instead, they have a joint interest specifically in the infrastructure assets and water rights (as opposed to an interest in an entity controlling/holding the assets). The MDBA assets are held in two separate reporting entities: the River Murray Operations (RMO) and the Living Murray Initiative (LMI). The RMO's primary assets include physical infrastructure, the LMI's primary assets include intangibles/water licenses. The share in the individually controlled assets was transferred at transition in the original proportions of the share of the entity held by the individual jurisdictions as follows: New South Wales 26.67%; South Australia 26.67%; Victoria 26.67%; the Commonwealth Government 20%.

For the year ended 30 June 2014 the Department recognised an increase in its joint interest in MDBA assets of \$11.0m, bringing the Department's total recognition in the MDBA assets to \$803.835m.

**A11 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. The Department is not aware of the existence of any other contingent liabilities.