

**ANNUAL  
REPORT  
2001-2002**

ISSN 1447-6843



**The Department of  
Water, Land and  
Biodiversity  
Conservation**

*The Department of Water, Land and Biodiversity Conservation has pleasure in submitting to The Hon. Minister for Environment and Conservation and the Minister for the River Murray Minister its annual report covering the financial year ended 30 June 2002.*

*Rob Freeman*

*Chief Executive*

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# Introduction

*The financial year 2001-2002 brought change to the environment and conservation portfolios as a result of the change of government at the State Election held in February 2002.*

*A new Minister, the Hon John Hill MP, was appointed as Minister for Environment and Conservation and Minister for the River Murray and a new Department was established to fulfil the new government's objectives.*

*The Department of Water, Land and Biodiversity Conservation (DWLBC), formed by proclamation on 8 April 2002, is one of three agencies under the new Environment and Conservation portfolio, a consolidation which offers new opportunities for greater integration of effort toward sustainability of the State's natural resources.*

*DWLBC continues to administer all policy and legislation formerly under the jurisdiction of the Department for Water Resources.*

*Peter O'Neill, Executive Director Corporate Strategy and Business Services, assumed the role of Acting Chief Executive of the Department following the re-assignment of former Chief Executive Officer for the Department for Water Resources, Mr Rob Thomas.*

*The new department has consolidated the staff and responsibilities of the Department for Water Resources together with the Sustainable Resources Group (SRG), formerly administered by Primary Industries and Resources SA (PIRSA).*

*For administrative efficiency and continuity purposes, it was decided that the role of the SRG for the full financial year would be reported under the 2002 Annual Report of PIRSA.*

*DWLBC is responsible for policy and management of South Australia's natural land and water resources. It delivers a range of policies, programs and advice on practices relating to the integrated management of productive land and water resources.*

*The focus of DWLBC will be the development and management of sustainable practices and policies that promote development without adverse impacts on biodiversity. This includes the River Murray.*

# Acting Chief Executive's overview

*The past year has been marked by significant change and achievement, firstly within the Department for Water Resources before the State election, and subsequently within the Department of Water, Land and Biodiversity Conservation which was established by the new Labor Government on 8 April 2002. These changes occurred against a backdrop of South Australia continuing to face challenges that require a stronger, more integrated approach to natural resource management.*

*A key initiative completed in November 2001 was the relocation of all CBD staff into new accommodation, a move that helped create a more unified organisation for the Department for Water Resources (DWR). Through its leadership and collaborative roles, DWR contributed to the maintenance and strengthening of State and national water programs. These efforts were achieved through State and national forums including the Water Resources Council, the Murray-Darling Basin Commission, Ministerial Councils, and other inter-governmental committees like the Great Artesian Basin Consultative Council.*

*Highlights included the development of a State Wetlands Strategy through close cooperation with the Department for Environment and Heritage, receipt of full competition payments in relation to South Australia's water reform commitments, the completion of structural arrangements to assist implementation of the Lake Eyre Basin Agreement, contributions to the development of a new salinity management blueprint for the Murray-Darling Basin and alternative management options for the Lower Murray reclaimed irrigation areas, critical resource assessment in the South East, Mount Lofty Ranges, Great Artesian Basin and on Kangaroo Island, progress with the initiative to enhance water trading, and the launching of the WaterCare campaign to coordinate water education and awareness.*

*The new Labor Government's election platform envisaged three agencies in the broad area of environment to support the Minister for Environment and Conservation and the Minister for the River Murray, specifically:*

- > a new Department of Water, Land and Biodiversity Conservation (DWLBC);*
- > a revamped EPA reporting to its own Board and independent from the Minister; and*
- > the Department for Environment and Heritage (DEH) which would include a new Office of Sustainability that would drive the sustainability agenda across Government.*

*In the few months to 30 June 2002, a significant amount of work has been completed to establish DWLBC and its role of delivering a range of policies, programs and advice on the integrated management of natural resources, with the purpose of remedying the historical fragmentation of natural resource management functions. The new agency and its associated entities will operate essentially around existing water catchments and this will require a remodelling of water catchment, soil conservation, and animal and plant pest control arrangements over the coming months.*

*Importantly, the three agencies in the Environment and Conservation portfolios have interests across a broad range of complex environmental matters facing the State, particularly when relationships to other areas of social and economic policy are considered.*

*For example, issues relating to the availability and quality of water resources and the productive capacity of the land (both for agricultural and environmental purposes) are of interest to all three agencies.*

*Consequently the agencies are collaborating to coordinate their efforts closely within these portfolios and across government. As a reinforcement of the principle of sustainability, the agencies are conducting their business with a holistic approach and integration of effort consistent with sustainability principles.*

*In this context, significant collaboration and benefit was achieved with the formal response to the final report of the Parliamentary Select Committee on the Murray River, the release of the discussion paper for public consultation on a proposed River Murray Act, and the ongoing work on the integrated water resources strategy for the Adelaide region, now known as Water Proofing Adelaide.*

*Next year a DWLBC priority will be to ensure that biodiversity conservation is effectively integrated into natural resource management to ensure that land and water use does not adversely impact on the State's biodiversity.*

*These developments and achievements highlight the agency's purpose of leading the way in promoting and implementing best practice natural resource planning and management for the State's sustainable future. They also indicate that DWLBC can confidently look forward to achieving a strong, consistent and collaborative approach for the benefit of South Australia.*

*I have greatly appreciated the opportunity to contribute to the establishment of the new DWLBC and to work with the Minister, the Hon. John Hill and the staff of the agency. On behalf of the DWR Chief Executive Rob Thomas, I wish to also express appreciation to the Hon. Mark Brindal, Minister for Water Resources, the DWR Executive and staff. I thank them all for their support and commitment and I valued very much the team spirit that we developed together.*

*Peter O'Neill*

**ACTING CHIEF EXECUTIVE**



# 2001-2002 highlights and achievements by Division

## Water Policy Division

- > Reviewed the Water Resources Act 1997 and submitted recommendations to the Minister. Significant amendments to the Act, which will be considered by Government in the context of the broader natural resources management arrangements.
- > Strong focus continued on the protection of water-dependent ecosystems, including wetlands. The agency worked in close cooperation with the Department for Environment and Heritage to develop a draft State Wetlands Strategy to progress wetlands' management across the State. The final strategy is expected to be released early in the next financial year.
- > Completed the South Australian Aquatic Biota (SAAB) Database Project, a collation of the current scientific knowledge on the biological and ecological features and requirements of South Australia's aquatic biota in a single referenced and searchable database on CD.
- > Hydrological and biological surveys on a scale not previously undertaken were conducted in the Lake Eyre Basin as part of the Environmental Flow Requirements for the Australian Arid Zone Rivers (ARIDFLO) project, a three-year multi-disciplinary research project on selected rivers in the Lake Eyre Basin.
- > Continued work on the integrated water resources strategy for the Adelaide region, known as Water Proofing Adelaide, including the development of the Project's Vision and the development and sign-off of a proposed two-year work program to progress the Project.
- > Formed six working groups under the State Floodplains Committee to complete reports for inclusion in the South Australian Flood and Floodplain Management Strategy.
- > Received full competition payments for successfully meeting South Australia's water reform commitments to the Commonwealth for all three tranches of assessments conducted by the National Competition Council (NCC).
- > Continued an investigation and review into the reuse of wastewater from sewerage treatment works in the Upper Spencer Gulf region through the commissioning of a consultant to consider the viability of the reuse schemes.
- > Put in place a number of structural arrangements to assist in implementing the Lake Eyre Basin Agreement including the establishment of the Lake Eyre Basin Ministerial Forum's secretariat, the Ministerial Forum's Community Advisory Committee and the Ministerial Forum's Scientific Advisory Panel.
- > Under direction from the Natural Resource Management Ministerial Council, reviewed the Great Artesian Basin Consultative Council's governance and funding arrangements.
- > Worked collaboratively with other natural resources management agencies, through both formal committee arrangements and informally, to ensure that an integrated approach to management of natural resources is implemented.
- > Assisted the South Australian Water Resources Council in completing a 'Report Card' assessment on the implementation of catchment water management plans by Catchment Water Management Boards.
- > Assisted the South Australian Water Resources Council in preparing a report assessing the extent to which the State Water Plans (Our Water, Our Future (1995) and State Water Plan (2000)) have been implemented, and whether they are achieving the object of the Water Resources Act 1997.
- > Continued to ensure that South Australia's interests in those water resources which this State shares with other States and the Northern Territory are protected, through continued representation on inter-jurisdictional natural resource management bodies.

## Murray Darling Division

- > Assisted in the sign-off by the South Australian and Victorian Premiers of an agreement to establish a River Murray Environmental Flows Fund and established a Taskforce to report to the Premiers on potential SA/Vic collaborative projects.
- > Formally responded to the final report of the Parliamentary Select Committee on the Murray River.
- > Continued a number of projects to improve River Murray outflows, improve the efficiency of the Goolwa barrages and reduce siltation of the Murray Mouth.
- > Continued 'Run of River' salinity surveys along the River Murray and were engaged by the Murray-Darling Basin Commission to undertake similar work for New South Wales and Victoria.
- > Released a Discussion Paper for public consultation on a proposed River Murray Act with the view that a Bill will be introduced into Parliament in the latter part of 2002.

- > Supported the development of a new salinity management blueprint for the Murray Darling Basin which will provide a new direction for the next 15 years to manage both salinity risks from irrigation regions and the emerging risk of increased salinisation in dryland regions.
- > Continued the preparation of the draft Water Allocation Plan for the River Murray Prescribed Watercourse (WAP), which is near completion.
- > Continued to develop the SA River Murray Environmental Flows Strategy, to optimise the use of existing Murray water for environmental outcomes, improve the health of the River, and identify how that water is best used.
- > Released a statement of 'reform directions' resulting from an assessment of the sustainability and viability of dairying, and evaluated a broad range of alternative management options for the Lower Murray Reclaimed irrigation areas.

### Resource Assessment Division

- > Commenced a major upgrade of South Australia's surface water monitoring network.
- > Continued a focus on identifying information gaps and the consolidation of resources for resource sustainability in the key areas of the South East, Mount Lofty Ranges, Great Artesian Basin and Kangaroo Island.
- > Commenced a comprehensive statewide review of farm dam development, in collaboration with the Country Fire Service mapping program.

- > Continued implementation of the Great Artesian Basin Sustainability Initiative to reduce artesian water wastage and recover artesian pressures across the Basin.
- > Launched on the Internet an application allowing users to access groundwater information from the State groundwater monitoring network.

### Resource Management Division

- > Developed an initiative to enhance water trading with the objective of facilitating a vibrant water trading regime that generates new business development within a sustainable natural resources environment. The project consists of three stages over the next few years.
- > WaterCare, a statewide marketing campaign to coordinate water education and awareness launched a television campaign in January 2002 aimed at raising awareness of water issues.
- > Formed a new Investigations Unit in December 2000 to investigate breaches of the Water Resources Act 1997 ensuring compliance with all aspects of the Water Resources Act and to ensure good water management by licensed water users.
- > A contract for the development, implementation and support of the Water Information and License Management Application (WILMA), a new system to support the administration of the Water Resources Act (1997) is scheduled for implementation during 2002-03.
- > While 14 Water Allocation Plans for prescribed water resources across South Australia were adopted in the previous year, their implementation was successfully achieved during 2001/2002.

- > The State Water Plan states that all irrigation water use will be monitored by 2005. Substantial progress was made in this area with the development of a draft State Meter Policy.
- > A number of areas (Great artesian Basin, Marne/Saunders Creeks, Baroota, Kanagroo Flat, Greenock Creek) were identified as requiring water resource management intervention by prescription.
- > The collection of water based levies (on behalf of Catchment Boards) and penalty water charges was significantly improved through the introduction of appropriate procedures and debt recovery processes.
- > The establishment of a planning unit to service the Department.

### Corporate Strategy and Business Services Division

- > Emphasis on workforce profile and the importance of rejuvenating the staff structure in order to develop staff in the middle career levels with the skills to fill positions as the aging workforce retires.
- > Relocated CBD staff into 25 Grenfell Street. The move was achieved in November 2001 as programmed, and the project came in under budget.
- > Provided a range of financial services to the Minister, the Executive and the divisions to help achieve DWLBC's business objectives, including the provision of authoritative financial advice and accurate accounting information to support the activities of the executive and business units.



- > Significant progress made on the consolidation of IT services, with the establishment of a single communications network and common IT platform which provides additional capacity and future expansion capability to cater for increasing volumes of data necessary to support water resource management initiatives.
- > Established the basis for the Occupational Health, Safety and Welfare (OHS&W) management system and practices with which to manage key legislative requirements. This has been achieved with limited resources and support of staff through the OHS & W Committee.
- > Undertook an active presence at Field Days, Royal Show and special events to interface directly with clients and to promote the role and services of the organisation.

# Role, structure and legislation

## Corporate framework

### Mission

To ensure that South Australia's land and water resources are managed in an ecologically sustainable way by working with the community to support the well being of present and future generations.

### Vision

To be an organisation respected for its leadership in land and water resources management, its quality of advice and client services, and its excellence in public sector management.

### Role

The Department of Water, Land and Biodiversity Conservation has a strategic role to build partnerships in government, agriculture and industry that promotes and works towards integrated natural resource management and strengthens sustainable management of our land and water resources.

In this role the portfolio will:

- > lead and coordinate an integrated approach to policy development and service delivery for sustainable land and water resource management across the public sector
- > provide the Minister, the Premier and Cabinet with strategic policy advice on the sustainable management and administration of the State's land and water resources
- > play a lead role nationally in the management of those water resources shared with other States, particularly the Murray-Darling, Lake Eyre and the Great Artesian basins
- > provide specialist services in water allocation planning, licensing, monitoring and assessment services, as well as a range of scientific and technical services to specific client groups

## Clients and Stakeholders

The portfolio has a range of clients and stakeholders where, depending on the issue, a client in one circumstance may become a stakeholder in another. Our key clients and stakeholders are:

- > the Minister for Environment and Conservation and the Minister for the River Murray;
- > the Premier, Cabinet and relevant portfolio agencies;
- > the Water Resources Council;
- > Animal and Plant Control Commission;
- > the Catchment Water Management Boards and water resources planning committees;
- > Soil Conservation Boards;
- > the South Eastern Water Conservation and Drainage Board and local government;
- > Dog Fence Board;
- > the industrial, agricultural and pastoral sectors;
- > Native Vegetation Council;
- > water users in urban, rural and remote communities;
- > Pastoralists and primary producers;
- > the Murray-Darling Basin Commission;
- > national and interstate natural resource management agencies and institutions;
- > Pastoral Board;
- > environmental research and community organisations; and
- > Water Well Drilling Committee.

## Corporate Values

To create a responsive, well focussed and successful organisation, the Department is committed to:

### Integrity

Requiring ethical behavior and balanced, impartial and transparent decision-making.

### Respect

Respecting individual differences and the views of others.

### Clients

Seeking and responding to the needs of our clients within our capacities.

### Inclusiveness

Communicating with and involving people whom our decisions and actions will affect.

### Professionalism

Performing our business with high standards of preparation, skill and expertise.

### Initiative

Leading with responsible decisions and actions to ensure desired results and outcomes.

## Service Delivery Commitments

DWLBC is committed to delivering quality services by:

- > developing partnerships to achieve best practice outcomes;
- > being flexible in approach and willing to adapt;
- > providing value-added services;
- > providing clients with options and innovative solutions;
- > being a valuable resource for the Government and agencies;
- > adopting a practical, outcome focus towards the needs of our clients;

- > facilitating the achievement of best practice human resource management; and
- > ensuring confidentiality when required.

DWLBC will strive to build and maintain effective working relationships with our clients by:

- > listening to our clients and responding to their expressed needs;
- > providing responsive and high quality services;
- > involving our clients in the measurement and evaluation of our services;
- > clearly identifying the services available to our clients;
- > providing timely and balanced advice and assistance; and
- > committing to continuous improvement and ongoing change.

## Customer Service Strategy

The portfolio is committed to building and maintaining effective working relationships with our clients through:

- > listening to our clients and responding to their expressed needs;
- > providing responsive and high quality services;
- > involving our clients in the measurement and evaluation of our services;
- > clearly identifying the services available to our clients and our key service delivery strategies;
- > providing timely and balanced advice and assistance; and
- > committing to continuous improvement and ongoing change.

## Legislation administered

Acts under the administration of the Department of Water, Land and Biodiversity Conservation and committed to the Minister for Environment and Conservation and Minister for the River Murray are:

| Acts committed to the Minister for Environment and Conservation:               | Date last committed: |
|--|----------------------|
| Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986 | 8 April 2002         |
| Dog Fence Act 1946   | 8 April 2002         |
| Groundwater (Border Agreement) Act 1985  | 8 April 2002         |
| Groundwater (Qualco-Sunlands) Control Act 2000                                 | 5 March 2002         |
| Irrigation Act 1994  | 5 March 2002         |
| Lake Eyre Basin (Intergovernmental Agreement) Act 2001                         | 27 June 2002         |
| Native Vegetation Act 1991   | 5 March 2002         |
| Pastoral Land Management and Conservation Act 1989                             | 8 April 2002         |
| River Torrens Acquisition Act 1970   | 5 March 2002         |
| Soil Conservation and Land Care Act 1989                                       | 8 April 2002         |
| South Eastern Water Conservation and Drainage Act 1992                         | 5 March 2002         |
| Water Conservation Act 1936  | 5 March 2002         |
| Water Resources Act 1997   | 5 March 2002         |

| Acts committed to the Minister for the River Murray:          | Date last committed: |
|---|----------------------|
| Murray–Darling Basin Act 1993                                 | 5 March 2002         |
| Renmark Irrigation Trust Act 1936                             | 5 March 2002         |
| River Murray Waters Agreement Supplemental Agreement Act 1963 | 5 March 2002         |

# Strategic planning

During 2001-2002, the Department made significant progress on achieving results while restructuring its activities within the broader conservation and water portfolio of the new government

Key developments shaping the future

The key influences on the portfolio over the foreseeable future are:

- > continued Government focus on the vital importance of water to the State's sustainable future, particularly critical resources like the River Murray;
- > the increasing demands on the State's water resources in terms of access to finite resources and an ongoing decline in quality of key water resources across the State;
- > the Government's focus on conservation and biodiversity balanced against the need for sustainable economic development;
- > an emphasis on market driven solutions where possible and appropriate (eg, water allocations);
- > opportunities provided by technology and research and development;
- > implementation of National Competition Policy and other microeconomic reforms;
- > public sector reforms requiring increased accountability, responsiveness and transparency;
- > increasing community awareness of environmental and natural resource management issues of a local, national and global nature;
- > increasing recognition and commitment by government of the need to manage environmental risks and to manage natural resources in an integrated way;
- > greater emphasis on strategic planning and management at all levels of government and collaboratively between the three tiers of government; and
- > continuing fiscal constraints on government activities.

# Divisional roles and functions

## Water Policy Division

### Role

The Water Policy division develops State policy advice which acknowledges both resource sustainability and community needs, identifies any real or potential threats and determines solutions and represents the State's interests in water resources at the national, State and local levels.

### Functions

- > Research, formulation and provision of strategic and technical policy advice for and on behalf of the Minister for Environment and Conservation on the sustainable management and development of the water resources for the State (excluding the River Murray and the Murraylands region).
- > Development of management policies to assist in the implementation of policy.
- > Development and review of water resources management legislation.
- > Representation of the State's water resource interests at the Commonwealth and regional levels through membership on inter-governmental committees and the provision of key policy or resource management advice to high level inquiries, resource managers and other stakeholders.
- > Preparation of plans and strategies for improved water resources management, environmental flows, water allocation and salinity management to meet the Government's economic, environmental and social objectives.

Line management of the South East region with regional management through

the Mount Gambier and Naracoorte offices.

## Murray-Darling Division

### Role

The Murray-Darling division combines the complementary roles of policy advice to government on River Murray (the South Australian section) and Murray-Darling Basin issues, and the on-ground delivery of water resources services in the Murraylands region (for example, water licensing and salt interception projects).

### Functions

- > Research, formulation and provision of strategic and technical policy advice for and on behalf of the Minister for the River Murray on the sustainable management and development of the water resources of the River Murray and the Murraylands region.
- > Development and review of water resources management legislation related to the Murray-Darling Basin.
- > Liaison with and provision of strategic policy advice and support to Murray-Darling Basin Commission (MDBC), Murray-Darling Basin Ministerial Council, River Murray Select Committee and the River Murray Catchment Water Management Board.
- > Preparation of plans and strategies for improved water resources management, environmental flows, water allocation and salinity management to meet the Government's economic, environmental and social objectives.
- > Development of project proposals of the River Murray and management and project oversight of River Murray section remediation projects in the South Australian section.

- > Monitoring and auditing of SA compliance with the MDBC cap on diversions and the enforcement of salinity obligations under the MDBC Salinity and Drainage Strategy.
- > Line management of the Murraylands region with regional management through the Riverland office.

## Resource Assessment Division

### Role

The Resource Assessment division maintains an effective knowledge base on the State's water resources, including environmental and other factors likely to influence their sustainable use and development, and provides timely and relevant advice for their management.

### Functions

- > Strategic oversight of key water resources, in terms of quantity, quality and environmental aspects, resource use and management strategies.
- > Monitoring and assessing water resources and undertaking applied research into priority issues.
- > Assessing sustainable levels of use and development, providing professional advice on technical strategies, and reviewing the performance of existing policies in the light of improved information.
- > Maintaining databases on the State's water resources, and ensuring that this information is available for government, water users, investors and the public.
- > Providing professional advice, and technical strategies, on sustainable water resource management at the regional or resource unit level, and on specific water applications.

- > Providing technical advice on water resource development issues for Government, water users, investors and the public.
- > Oversight of the performance of infrastructure assets for water monitoring.
- > Administration of the Catchment Management Subsidy Scheme.

## Resource Management Division

### Role

The Resource Management Division administers the Water Resources Act 1997, and contributes to the development of community awareness and compliance with water resource management legislation. The Division advises and supports catchment water management boards, water resources planning committees and local councils on water resource management issues including the preparation and implementation of water plans.

### Functions

The Resource Management Division undertakes a range of key functions in water resource management within the Government's Environment and Conservation Portfolio. The Division provides the following services as part of the Water Resources Management output class:

- > administering the Water Resources Act 1997, including issuing licences, permits and authorisations, ensuring compliance with the Act, coordinating appeals to the ERD Court, undertaking field surveys for restrictions and prescriptions, and ensuring the establishment and collection of levies and penalty charges

- > coordinating the portfolio's responses to referrals of development applications and other development planning matters under the Development Act 1993
- > promoting best practice water resources management through water plans, an effective system of licensing and reinforcement of the need for compliance with licence and permit conditions
- > developing and introducing a water trading system in SA
- > converting all licensed water allocations in the State to volumetric
- > implementing metering across the State and maintain an effective system of monitoring and compliance.
- > fostering a high level of collaboration with catchment water management boards, water resources planning committees, local councils, the community; and
- > implementing management requirements such as restriction and prescriptions.

## Corporate Strategy and Business Services Division

### Role

The Corporate Strategy and Business Services division provides strategic corporate advice, executive support and business services to the Chief Executive, the Departmental Executive Group and the divisions to meet organisational and client requirements and the ongoing development of its human resources, work processes and systems.

### Functions

- > Provision of strategic corporate advice, executive support and business services to the Chief Executive, Departmental Executive Group and the divisions in the areas of finance, human resources, occupational health and safety, marketing and communications, information technology, risk management and administration to assist the portfolio to achieve its corporate objectives.
- > Leadership and coordination of an integrated cycle of portfolio strategic and business planning, management and reporting.
- > Strategic purchase and management of corporate services including those services outsourced.
- > Review and development of strategic and corporate management plans supporting divisions to achieve Corporate Plan and divisional business plan outcomes.
- > Establishment and development of corporate performance monitoring and management systems.
- > Leadership and support of the roles of the portfolio's Accredited Purchasing Unit and the Risk Management Committee.



# Activities by Division

## Water Policy Division

### **Review of the operation of the Water Resources Act 1997**

#### **Performance review of the period**

A report on the results of the review of the operation of the Water Resources Act 1997 has been submitted to the Minister in accordance with the requirements of the Act.

To a large extent the matters investigated in the review have been overtaken by the development of new arrangements for natural resources management. However, the findings of this review will be valuable in informing the details of these new arrangements.

The report into the review recommends some significant amendments to the Water Resources Act 1997, which will be considered by Government in the context of the broader natural resources management arrangements. Additionally, a number of minor clarifying amendments are proposed to improve the operation of the Act.

#### **Concise look at the year ahead.**

Amend the Water Resources Act 1997 as appropriate as a consequence of the review.

### **Draft Wetlands Strategy for South Australia**

The Water Resources Act 1997 has a strong focus on protection of water-dependent ecosystems, including wetlands. South Australia's current policy approach to wetlands management was established through the statutory State Water Plan 2000,

which articulated policy principles for wetlands management. The policy approach has been described as being at the cutting edge internationally due to its integrated approach to the management of all water-dependent ecosystems and water resources. The plan also identified the need to develop a state Wetlands Strategy that would progress wetlands management across the state, largely through the work of catchment water management boards.

During the year the agency worked in close cooperation with the Department for Environment and Heritage to develop such a document.

The former Ministers for Water Resources and Environment and Heritage released a Draft Wetlands Strategy for South Australia for public consultation on World Wetlands Day (2 February 2002).

The draft document sets out 55 actions under seven objectives and will help guide wetlands management into the future in South Australia.

The creation of the Environment and Conservation portfolio has brought water and environmental issues into one portfolio, which offers new opportunities for even greater integration of effort on wetlands management.

### **South Australian Aquatic Biota (SAAB) Database Project**

One key part of water resources management today is a focus on the protection and management of water-dependent ecosystems including their biodiversity. The Department and catchment water management boards have critical roles in these issues. One of the barriers to improving the management of the ecological side of water resources is that the information often required is widely dispersed across many sources.

This project has collated the current scientific knowledge on the biological and ecological features and requirements (including habitat and environmental water requirements) of South Australia's aquatic biota in a single referenced and searchable database on CD.

The previous Minister for Water Resources launched the first version of the CD in November 2001. The project has been a partnership between catchment water management boards and the Department.

### **Environmental Flow Requirements for Australian Arid Zone Rivers (ARIDFLO) project**

The Environmental Flow Requirements for Australian Arid Zone Rivers Project (ARIDFLO) is a three-year multi-disciplinary research project on selected rivers in the Lake Eyre Basin. The project is managed by the Department in collaboration with the Queensland Department of Natural Resources and Mines and Queensland EPA/Parks and Wildlife Service. The Adelaide University has the lead role in providing the scientific services efforts of several research institutions, including the University of Melbourne and CSIRO. The project is funded by the Natural Heritage Trust.

The project, which commenced in January 2000, aims to improve knowledge of Australia's arid rivers by combining scientific research and local knowledge to produce information and models that could be used by communities and governments in guiding the management of these rivers.

The key outputs will be a suite of hydrological models and also qualitative and quantitative models (ARIDFLO) of the hydrology - ecology relationship in these rivers.

The project has conducted hydrological and biological surveys at sites spread across the Lake Eyre Basin in South Australia and Queensland, on a scale not previously undertaken. These surveys, commencing in March 2000 and finishing in May 2002 have been fortunate in coinciding with a wide range of flow conditions.

The project will be completed during 2002-03. Already there has been keen interest on both sides of the Qld-SA border in the project outputs.

The Queensland Department of Natural Resources and Mines has already been using some of the hydrological models in developing a water management plan for the Georgina-Diamantina River.

## Water Proofing Adelaide

### Performance review of the period

A high level steering group, chaired by DWLBC, has been established to oversee the development of an integrated water resources strategy for the Adelaide region, known as Water Proofing Adelaide. The Steering Committee comprises representatives of the key State Government water resources agencies, the water industry, local government and research organisations. This is probably the first time in any State in Australia that all the major water managers have agreed to jointly develop an integrated water resources strategy. Progress on the strategy during the 2001-02 year includes:

- > the development of the project's vision, which is "to provide water to Adelaide and its environs over the next several decades within community expectations for environmentally responsible water resource management, including source and receiving environments, at an affordable price"

- > development and sign-off by the Steering Committee of a proposed two-year work program

- > initiation of the scoping study involving:

definition of the technical scope for the project through development of a 'Table of Contents'

collection of preliminary data for the study proposal for funding assistance through the NAP for Salinity and Water Quality

### Concise look at the year ahead

The main focus of activities for 2002-03 is the development of tools that will assist the development and selection of water resources options. This will involve:

- > a survey of community and stakeholder expectations
- > development of future demand/ supply scenarios for Adelaide
- > development of an analytical framework to evaluate potential water resource scenarios
- > initiation of water resource scenario planning options (the majority of this work is expected to occur in 2003-04)

The scope of these activities and their timing will be subject to funding through the NAP and other potential funding sources.

## Floodplains Policy

The State Floodplains Committee, with representatives from catchment water management boards, local government, and State Government agencies continued the development of the South Australian Flood and Floodplain Management Strategy. An important purpose for the Strategy is to confirm the responsibilities of each of the stakeholders involved with floodplain management.

Six working groups were formed by the State Floodplains Committee. Each of these working groups completed reports for inclusion in the Strategy. The reports containing key recommendations including:

- > guidelines for the preparation of floodplain maps and prioritising mapping for flood prone areas;
- > planning and development controls to minimise the flood risk to new and existing development
- > a work program to establish a decision support system to evaluate ecosystem services of floodplain zones to ensure that the health of floodplain ecosystems is maintained and enhanced.
- > the management of the impacts of floods on human health.
- > guidelines for flood emergency response plans and for community education and awareness programs; and
- > legislative amendments to clarify roles and responsibilities of agencies for floodplain management;

Over the coming year, the State Floodplains Committee will finalise the Strategy and accompanying recommendations for legislative amendment for consideration by the State Government.

## COAG water reform

South Australia has successfully met its water reform commitments to the Commonwealth for all three tranches of the assessments conducted by the National Competition Council (NCC). Accordingly, it has received full competition payments. The Council will continue to monitor progress in implementing the national reform agenda.

## Spencer Re-use Study

In 2000, the former Government agreed to consider reuse of wastewater from sewerage treatment works in the Upper Spencer Gulf region. The Water Policy Committee agreed to conduct this investigation and review the studies previously undertaken by SA Water. The Department is overseeing the project with a steering committee comprising of officers from the Department of Water, Land and Biodiversity Conservation, SA Water, Department of Industry and Trade, Office of Local Government and the Environment Protection Agency.

Connell Wagner has been appointed as consultant to consider the viability of reuse schemes. It is expected that the report will be finalised in July 2002. Recommendations of the report could lead to some innovative alternative water supply solutions in the region.

## Lake Eyre Basin

### Performance review of the period

A number of structural arrangements were established to assist in implementation of the Lake Eyre Basin Agreement, these include:

- > The Lake Eyre Basin Ministerial Forum's secretariat;
- > The Ministerial Forum's Community Advisory Committee; and
- > The Ministerial Forum's Scientific Advisory Panel.

Together with the Scientific Advisory Panel, significant progress was made towards developing a methodology for the Lake Eyre Basin Rivers Assessment and towards developing a conceptual model for the functioning of the Lake Eyre Basin rivers and catchments.

In collaboration with both the Scientific Advisory Panel and the Community Advisory Committee, significant progress was made towards developing policies for water and related natural resources, water quality, river flows, and integrated catchment management.

Vital engagement has been established with the Queensland government, including representation as the 'downstream state' on a reference panel established by the Queensland government, for the proposed water resource plan for the Queensland portion of the Georgina/Diamantina river system.

Concise look at the year ahead.

- > Adoption of policies for water and related natural resources, water quality, river flows, and integrated catchment management
- > Development of strategies for protecting water and related natural resources in the Basin
- > The first Lake Eyre Basin Conference convened under the requirements of the Lake Eyre Basin Agreement
- > Adoption of an agreed methodology for the Lake Eyre Basin Rivers Assessment
- > Submission to the Queensland government on the draft water resource plan for the Georgina/Diamantina river system in Queensland to protect South Australia's interests as the 'downstream state'

## Great Artesian Basin

The Department has been represented on the Great Artesian Basin Consultative Council since its inception. The Council's governance and funding arrangements were reviewed under direction from the Natural Resource Management Ministerial Council.

While the outcomes and future status of the Council are still to be determined, the Department will continue to represent the South Australian government's interests in any future national Great Artesian Basin body, which might be constituted as a result of the review.

## Water resources management

During the year catchment water management boards either completed or continued the development of water plans that had regard for broader natural resources management issues in their catchments whilst focussing on improved management of water resources.

The Department for Water Resources, and subsequently the Department of Water, Land and Biodiversity Conservation, worked collaboratively with other natural resources management agencies, through both formal committee arrangements and informally, to ensure that an integrated approach to management of natural resources was implemented. Prior to the February 2002 election and subsequent change of government, an Integrated Natural Resources Management Bill was prepared and tabled in Parliament. This lapsed following the election, with the incoming government pursuing its integrated natural resources management platform announced prior to the election. The environment and conservation portfolio, of which the new Department of Water, Land and Biodiversity Conservation is a key agency, bringing together water, land and biodiversity management aspects of government, was established. A cross portfolio task team has been convened to deliver the required institutional and administrative arrangements, including appropriate legislation.

The task team will be working with the new Natural Resources Management Council to finalise the details by the end of 2002.

## Water Resources Council - Report Card

### Performance review of the period

The Department assisted the South Australian Water Resources Council in completing a 'Report Card' assessment process for Catchment Water Management Boards to report on the implementation of Catchment Water Management Plans. The process was based on five key outcomes of the Water Resources Act 1997, which are:

- > Providing water for the environment
- > Implementing sustainable water use and management
- > Maintaining and/or enhancing water quality
- > Achieving partnerships and integration between stakeholders; and
- > An aware, well informed and involved community.

A Report Card Toolkit was sent to Catchment Water Management Boards in March 2002 and an analysis of the responses provided the basis for the report, which was forwarded in early July to the Minister for Environment and Conservation.

The assessment revealed that the systems established under the Water Resources Act 1997 are producing good outcomes for catchment health and community expectations.

The process also has provided the opportunity for Catchment Water Management Boards to look closely at their own performance in catchment management.

### Concise look at the year ahead

The Council's recommendations will be considered by the Minister and the Department will undertake appropriate action on the recommendations as directed.

### Report on implementation of State Water Plan

#### Performance review of the period

The Department assisted the South Australian Water Resources Council to prepare a report assessing the extent to which the State Water Plans (Our Water, Our Future (1995) and State Water Plan (2000)) have been implemented, and whether they achieve the object of the Water Resources Act 1997.

The report is to be provided in early July 2002 to the Minister for Environment and Conservation to table in Parliament.

The Council found that measurable changes have resulted from the implementation of the plans, and that both State Water Plans have contributed to achieving the object of the Water Resources Act 1997.

### Concise look at the year ahead

The Council's recommendations will be considered by the Minister and the Department will undertake appropriate action on the recommendations as directed.

### Representation on national bodies

The Department will continue to ensure that South Australia's interests in those water resources, which this State shares with other States and the Northern Territory, are protected, through continued representation on inter-jurisdictional natural resource management bodies. These include the Lake Eyre Basin Agreement Contact Officers Working Group, the Great Artesian Basin Consultative Council, the Murray Darling Basin Commission and the Border Groundwater Agreement Review Committee.



## Murray Darling Division

### River Murray Environmental Flows Fund

On 15 April 2002 the Victorian and South Australian Premiers signed an agreement to establish a River Murray Environmental Flows Fund. The primary objective for this fund is to improve the environmental health of the River Murray through the provision of increased flows. The Governments will collectively contribute \$25m over the next 3 years to the fund.

A Taskforce has been established to report to the Premiers within six months on potential projects on which Victoria and South Australia could work together. Work has started on identifying potential projects within South Australia where new water savings could be made.

### Select Committee into the Murray River

On 18 November 1999, the South Australian Parliament established a Select Committee on the Murray River with the following terms of reference:

*'To consider and report on the following matters of importance in relation to the Murray River with particular reference to –*

- (a) *the state of the environment of the Murray River particularly as it affects South Australia and including –*
  - i *environmental and economic flow management, and*
  - ii *riparian and flood plain management;*
- (b) *economic values and sustainability;*
- (c) *river regulation and State and Federal controls; and any other relevant matters'.*

The Select Committee tabled its final report on 25 July 2001, and the Government formally responded to the Report, and each of the Committee's 97 recommendations, on 31 October 2001.

Many of the Committee's recommendations are consistent with current practice and policy and were supported by the Government. Other recommendations are being progressively implemented.

The Committee recommended some significant changes to existing institutional arrangements within South Australia. The response to those recommendations is being considered in the context of the new Government's proposals for integrated natural resource management.

### Improved management of the Lower Lakes, Coorong and Murray Mouth

The Lower Lakes, Coorong and Murray Mouth are significant regions for commercial, tourism and recreational activities. They are listed as a Ramsar wetland that support a fascinating array of terrestrial and aquatic biodiversity.

However current research indicates that reduced river flows, the construction of the barrages, siltation of the Murray Mouth and the constant elevated lake levels are contributing to a decline in the ecological health of the region.

A number of projects are underway to address these issues including the development of a morphological model of the Murray Mouth to assist in improved management of the Mouth by providing flow scenarios to flush out sand and sediment, thus maintaining an open exit of the river to the sea. Additionally, the automation of some barrage gates is well underway to improve the management of water releases into the Murray estuary. Various

options have been developed for consideration for the future automation of a large proportion of barrage gates.

In recognition of the importance of the region as a commercial fishery and eco-tourist site, a project to enable fish passages between the Coorong and Lakes has been developed with research into the species of fish present in the system underway. This project is a part of a basin wide strategy to enable fish to move freely along the river, regardless of the presence of barrages, weirs and dams.

A communications program has been developed to highlight the economic, social and ecological importance of the region. This includes a compilation of expert reports on the possible impacts to the local environment if the Mouth closed, the distribution of a regular newsletter and the engagement of the communities surrounding the lakes at public information sessions.

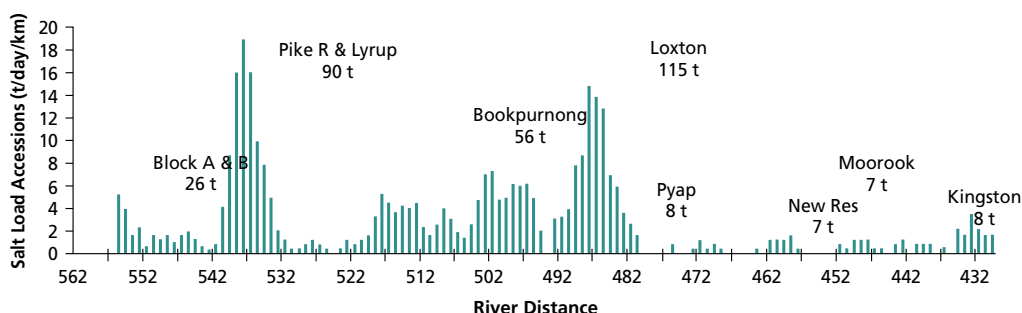
### Run of River Salinity

Run of River salinity surveys have been conducted along the River Murray in South Australia since 1985. The surveys provide a snapshot of the amount of salt entering the river, with the output expressed as tonnes of salt per day per kilometre. These results have provided and continue to provide essential information on the design and performance of salt interception schemes and to identify "hot spot" accessions along the river for further investigation.

The surveys are carried out by the Monitoring and Evaluation Team of the Murray-Darling Division, based in Berri. The survey tracks a parcel of water from the Border to Wellington, recording the change in salinity as it travels down river. To ensure the best resolution of results, the surveys are carried out during periods of low flows, typically in late spring, early winter.

A graph of the survey results from Lock 5 to Lock 3 is attached. This shows 90 tonnes of salt per day entering the River Murray from the Pike River, 56 tonnes per day from Bookpurnong and 115 tonnes per day from Loxton.

Lock 5 to 3, June 2001



Similar surveys downstream have showed a reduction of salt in excess of 300 tonnes per day from the Woolpunda and Waikerie Salt Interception Schemes.

The unit has been engaged by the Murray-Darling Basin Commission to undertake similar work for New South Wales and Victoria.

### River Murray Act

Public consultation on a proposed River Murray Act commenced with the launch of a Discussion Paper on 14 June 02. The object of the proposed legislation will be to achieve a healthy working river Murray system, sustaining communities and preserving unique values. Specifically, the River Murray Act will aim to ensure that existing and new activities that may affect the health of the River are undertaken in a way that protects, maintains and improves River health.

A large part of the legislation will create better integration between existing legislation in the region. This will have a positive economic, environmental and social impact in the region. It will also improve State and Local government relations, and State relations with statutory and non-statutory groups operating in natural resources management in the Basin.

The legislation will require certain activities to be referred to the Minister for the River Murray for consideration. This referral system will be well integrated with existing referral systems under the Development Act, and will be integrated with existing activities approval systems under other legislation.

It is expected that a Bill will be introduced into Parliament in the latter part of 2002.

### Basin Salinity Management Strategy

South Australia, with the other Murray Darling Basin States and the Commonwealth, supported the development of a new salinity management blueprint for the Murray Darling Basin. The Basin Salinity Management Strategy provides a new direction for the next 15 years to manage both salinity risks from irrigation regions and the emerging risk of increased salinisation in dryland regions. Importantly the Strategy commits the partner governments to investing in new salt interception schemes to keep salt out of the River Murray, as well as catchment management to reduce mobilisation of underground saline deposits.

At the State level, the Strategy has been backed by a new River Murray Salinity Strategy which puts new obligations on water users and land managers for a higher level of accountability for any impacts their use of natural resources may have on the River Murray, and its associated wetlands and floodplain.

Both initiatives are further supported through South Australia's commitment to the National Action Plan for Salinity and Water Quality, to which this state has committed new funding of \$100 m over seven years to statewide salinity management and with a particular focus on the River Murray. Early investment from this program has been towards final evaluation and planning of salt interception infrastructure at Bookpurnong, Lock 4, Loxton and Chowilla, to a new Riverland salt disposal strategy, and to support to district groups to develop salinity management plans.

### Draft Water Allocation Plan for the River Murray

The preparation of the draft Water Allocation Plan for the River Murray Prescribed Watercourse (WAP) is near completion. The River Murray Catchment Water Management Board referred the draft plan to the Minister for adoption in early 2002. Adoption is scheduled to occur on 1 July 2002.



The draft water allocation plan for the River Murray Prescribed Watercourse, when adopted, will be a legal document under the Water Resources Act, 1997. It provides the legal policy framework for the allocation, use and transfer of River Murray water. In developing this framework the requirements of provisions under the Murray-Darling Basin Agreement and Schedules (eg Schedule C – Salinity and Drainage Strategy and Schedule F – Cap on Diversions) have been taken into consideration.

The overall objective of the draft water allocation plan is to ensure that the water resources are allocated and managed in a sustainable manner. To achieve this objective the plan:

- > identifies the maximum volume of water that can be allocated per year for various uses and provides for adjustment of maximum volumes as a consequence of intra and interstate water trade;
- > strives to give operational effect to key salinity management policies in the South Australian River Murray Salinity Strategy;
- > encourages and promotes the efficient use of water for irrigation purposes through the identification of efficiency targets; and
- > provides for the water needs of water-dependant ecosystems (eg wetlands).

The interstate trade and salinity management policies in the WAP have added to the plan's complexity. They make it significantly different from the other water allocation plans that have been prepared under the Water Resources Act to date. Implementation of the plan will require a significant investment of resources by the Department during 2002-03.

## Environmental Flows

The provision of environmental flows for the River Murray system is an emerging issue for governments, at both the State and Basin-wide level. In particular, the community is demanding improved health for the River Murray. Returning the River Murray system to a healthy working condition will require major improvements to River management - more environmental water, improved habitat condition, improved catchment and floodplain management, and better water quality. Recognition of the environment as a legitimate user of water has significant implications for current consumptive users, who will given the opportunity to engage in discussion about the critical issues related to environmental flows.

The Murray-Darling Basin Ministerial Council has approved an 18 month community engagement process to address issues such as water access rights, water trade, legislative and institutional change, and socio-economic implications to inform a decision about an appropriate environmental allocation for the River Murray system.

At the State level, a SA River Murray Environmental Flows Strategy is being developed to provide a policy framework to optimise the use of existing water for environmental outcomes, while also defining the needs of the River in SA to identify what additional water is needed to improve the health of the River, and identifying how that water would be best used.

The Department for Water, Land and Biodiversity Conservation is developing the skills, data and knowledge to respond to community concerns. The Government's response to the Parliamentary Select Committee into the River Murray clearly places environmental flows as a first priority within the Murray-Darling Basin.

## Lower Murray Restructuring

The Lower Murray Reclaimed irrigation areas cover 5,200ha between Mannum and the Lakes. They are flood-irrigated to grow dairy pasture. This region provides 15-25% of the State's milk, and dairying is the largest contributor to the regional economy, generating about 200 jobs. Current irrigation practices result in large amounts of water being used, and a significant pollution load on the River from discharge of irrigation wastewater.

The Government has nominated reform of these areas as one of its top priorities for funding under the National Action Plan for Salinity and Water Quality.

Government and irrigators have been working together to address these issues for a number of years. In August 2001 the Government released a statement of 'reform directions', based on the results of a major 'Options Study' that assessed the sustainability and viability of dairying, and evaluated a broad range of alternative management options for the reclaimed areas. The Government agreed with the study recommendation that the best option would be to rehabilitate the most viable parts of these areas for continued flood-irrigation, but only after a period of water trade and restructuring. Other options were found to deliver lower net social and economic benefits, and the Study identified the prospect of significant water trade out of the region when new allocations became available.

Water trade is expected to lead to restructuring of farms within these areas, which would affect the engineering designs and costs, and so needs to happen before rehabilitation can commence.

At the same time, the Government also approved a 4-stage reform strategy based on:

1. providing information to irrigators that they need to be able to decide their futures, notably whether to trade their water and retire, or stay and invest in rehabilitation;
2. facilitating a period of water trade and restructuring;
3. finalising designs and agreements on funding and self-management; and then
4. undertaking the rehabilitation works.

The first stage of the strategy is close to completion. The key information that irrigators need from the Government concerns the terms and conditions of water licences, drainage licences, asset transfers and public funding offers.

These should be resolved in early 2002-03.

The amount and method of public funding has been the subject of a major 'Funding Study' that forms the basis of recommendations to the Government. The Funding Study develops principles and criteria for determining public funding contributions, proposes specific funding packages that could form offers to irrigators, and identifies the consequences and impacts of their adoption.

In parallel with this work, funding was granted under the initial round of National Action Plan for Salinity and Water Quality for a number of preparatory projects, including a demonstration of a proposed waste-water reuse system, restructure planning for a number of areas, and upgrading selected inlet structures for meter trials. Those projects have all commenced.

## Resource Assessment Division

### Water Resources Monitoring

A major upgrade of South Australia's surface water monitoring network has commenced in line with early outcomes from DWLBC's review of water monitoring requirements.

Gauging stations measuring streamflow and salinity have been constructed on the Onkaparinga and Marne Rivers in the Mount Lofty Ranges and Cygnet River on Kangaroo Island. A number of sites have been refitted and new instrumentation added.

Innovations include low cost instruments to provide information on water requirements of ecosystems and inclusion of fishways in gauging weirs. Further gauging stations and environmental water requirement sites are being designed for the Torrens River, catchments flowing eastward to the River Murray, the southern Fleurieu Peninsula and the mid-North.

Several of these monitoring upgrades have relied on collaborations with Catchment Water Management Boards and Integrated Natural Resources Committees.

Monitoring reports on groundwater level trends across the State are currently being prepared to provide information to the Catchment Water Management Boards and other authorities on water quality and water level trends based on interpretation of data received from the State groundwater monitoring networks.

These reports identify the status and condition of each groundwater resource, including the capacity of

the resource to satisfy region-specific desired outcomes, that is; monitoring impacts of irrigation and the time series trends in response to prevailing natural conditions. The assessments are undertaken using monitoring information on groundwater levels, quality and metered use (where available) collected during the last 'water use year' (July 1 through to June 30).

This information is reviewed against the management framework established in the individual water allocation plans developed for the prescribed groundwater resource of the region and will be made available to the public through the respective Catchment Water Management Boards.

### Water Resource Assessment

The first year of programs to improve the depth of understanding of resource sustainability in the key areas of the South East, Mount Lofty Ranges Great Artesian Basin and Kangaroo Island has focussed on identifying information gaps and consolidation of resources to address the priority issues.

In the South East work has focussed on impacts of forestry on the groundwater resources and also a reassessment of the groundwater capture zone feeding the Blue Lake.

Investigations of groundwater flow paths from the western margins of the Great Artesian Basin using the environmental isotope Chlorine 36 were completed during 2001-02.

### Surface Water Assessment in Mount Lofty Ranges

A comprehensive Statewide review of farm dam development commenced this year, in collaboration with the Country Fire Service mapping program.

Data has been analysed as part of the Mount Lofty Ranges Assessment Program and maps of farm dam development intensity have been developed for the region.

A broad review of farm dam development in comparison with development limits has been completed for the Torrens and Onkaparinga catchments. This information will be developed for other regions in the coming year.

A hydrological model of the Onkaparinga River has been developed in partnership with SA Water and the Onkaparinga Catchment Water Management Board and a similar project for the Torrens River is planned for 2002-03. The models assess the impacts of water supply infrastructure and its operations and farm dam development on surface water availability and ecosystem water requirements.

These models will provide detailed information on the impact of farm dams and water supply infrastructure on the security of water supplies and on water dependant ecosystems and enable management options to be evaluated.

### Great Artesian Basin Sustainability Initiative

The Department continued implementation of the Great Artesian Basin Sustainability Initiative which is a partnership between the Commonwealth and State Governments, pastoralists and industry to reduce artesian water wastage and recover artesian pressures across the basin.

The current initiative commenced in 1999-2000 and is to be completed in 2003-04.

Under the initiative, leaking or free flowing artesian wells are being rehabilitated or replaced and open bore drains replaced by piped watering systems for efficient pastoral water use.

A program of works has been developed to complete the rehabilitation of remaining 30 odd wells (some of which require only minor works) within the next three years.

The Initiative will further existing water savings of 105 ML/d achieved through well rehabilitation since 1977 by aiming to achieve a further saving of 90 ML/d during the initiative.

Two replacement bores were drilled in 2001-02 with piping provided for 34 water distribution systems.

### **Border Groundwater Agreement Review**

The SA/Victoria Border Groundwater Agreement Review Committee completed its statutory Five-Year Management Review for the period 1996-2000 and released its report in October 2001.

The agreement was established to manage the common groundwater resources within a Designated Area, 20km wide, either side of the border.

The review established a management approach and sustainable volumes for extraction for the deeper Tertiary Confined Sand Aquifer within South Australia and Victoria. To allow for this under the agreement, the committee established separate allowable annual volumes for allocation and extraction for the Tertiary Confined Sand Aquifer and the overlying Tertiary Limestone Aquifer. These comprise the Permissible Annual Volume of extraction for each management Zone. The new management approach for the Tertiary Confined Sand Aquifer has been adopted in the South East and Mallee water allocation plans in South Australia.

The Tertiary Limestone Aquifer within the Mallee is a confined aquifer near the border and in Victoria resulting in large pressure reductions in groundwater levels due to irrigation.

The committee recommended to both Ministers of the respective governments, the adoption of a larger, permissible average annual rate of decline of groundwater levels in this area to allow for the effects of the confined conditions and maintain existing levels of allocation. The Ministers adopted the committee's recommendation.

The committee identified a number of emerging issues for further investigation. Key issues were the impact of climate change on declining groundwater levels and groundwater salinity increases in the South East.

The committee has developed a number of procedural amendments to the agreement to improve its flexibility to properly manage the groundwater resources in light of current knowledge. The proposed amendments will be recommended to the two governments in 2002-03.

### **Blue Lake Management Plan**

The Blue Lake Management Plan which was released in 2001 by the South East Catchment Water Management Board following its preparation by the Blue Lake Management Committee, defines specific actions and the responsibilities of various stakeholders for its implementation.

The Department has commenced a detailed investigation to more precisely define the level of sustainable groundwater use, both in terms of quality and quantity, for the catchment area of the Blue Lake. This involves a review and definition of the various sub-aquifers, their characteristics and influence on groundwater inflow to the Lake. This assessment will be used in developing the most appropriate water resource management policies for the Blue Lake and its groundwater capture zone.

A survey of existing groundwater use in part of the catchment area was commenced to determine the relative importance of domestic and stock water use, and the extent of possible groundwater contamination.

### **Public access to water information**

The groundwater information from the State groundwater monitoring network was launched on the Internet during water week 2001.

An initiative of the State Water Information Management System (SWIMS) Project, this application allows any interested party to display monitoring wells, download time-series data about groundwater levels and quality, and search for textual information with simple display graphs.

Further enhancements to the system during 2002-03 will allow all information about existing water wells to be accessed via the departmental website.

Preparation work for web access to information on surfacewater resources and their development and use is continuing in parallel to groundwater activities.

Data validation, methodologies and guidelines are being reviewed and upgraded as part of the SWIMS initiative to ensure that the quality of material disseminated on the Internet meets appropriate standards.

An expanding range of water resources publications are available through the departmental website, (<http://www.dwr.sa.gov.au/>). Enhancements for 2002-03 include digital map products, water quality data, and information about water quantity.

## Resource Management Division

### Enhancing Water Licensing Service Delivery

As the availability of water has decreased over the last 5-10 years and its subsequent value has increased, so the systems and procedures to administer water licensing needed to be improved.

During the year the following major advances were made on 3 related fronts:

- > restructuring of the Water Licensing Area was completed successfully
- > Licensing Administration Procedure Manuals were completed and staff trained in their use and the need to adopt sound management practices in decision making associated with the issuing of water licences.

### Implementation of Water Allocation Plans

Water Allocation Plans for the majority of the prescribed water resources in South Australia were adopted in the previous year but largely implemented during 2001/2002.

The areas where Water Allocation plans were implemented included the Eyre Peninsula, the South East, Mallee, McLaren Vales, Barossa and Northern Adelaide Plains.

Implementation has generally involved the issue of water licences with appropriate conditions.

### Movement Toward Prescription in a Number of Areas

The prescription process detailed in the Water Resources Act is necessarily long and involves significant consultation. Major steps include the assessment of the resource and of existing users reasonable demands for water, the development of a water allocation plan for the area and the eventual issuing of licences. It is fundamental to actively involve the affected community in every step.

The process can take in excess 2 years. Significant steps were taken toward the prescription of the Great Artesian Basin (Far North Prescribed Wells Area), Marne and Saunders Creeks in the Eastern Mount Lofty Ranges, Kangaroo Flat, Baroota and Greenock Creek.

### Planning Unit Establishment

A Planning Unit to primarily deal with responses to Development Applications, council Development Plans and the administration of permits for water affecting activities across SA was established during the year.

This unit will also service Catchment Boards, providing a central coordinated area for the assessment of permits for water affecting activities within their individual Board areas.

- a contract was let to develop a water licensing system (WILMA) that will serve as the central and public registers for water access rights in South Australia.

### Enhancing Water Trading

South Australia was the first State to introduce water trading on the River Murray as far back as 1983.

This facilitated significant irrigation development, which has been achieved without allocating more water from the River Murray. Water trading on the River Murray was further enhanced in 1998 with the introduction of water trading across state borders. South Australia has received the bulk of the interstate trade in water allocations, which have initiated new efficient irrigation developments in most areas along the River Murray as well as the Barossa Valley.

However, despite these significant success stories, the water trading market is still unsophisticated and under-developed. There is no open and transparent way for buyers and sellers to meet and there is little, if any, market information freely available. Even when buyers and sellers do meet and agree on a transaction, approvals can be time consuming.

Therefore an initiative has been developed to enhance water trading with the objective of facilitating a vibrant water trading regime that generates new business development within a sustainable natural resources environment. The project consists of three stages over the next few years:

#### Stage 1

Market information such as trading activity (including the number of trades, volumes and trading prices) will be posted on the DWLBC web site. An electronic "notice board" is being developed on the web site as a potential meeting place for buyers and sellers. It is planned for the site to be available from August 2002. Administration of Holding and pre-approved Taking licences will also be improved.



## Stage 2

Depending on the success of Stage 1 the establishment of an innovative Internet based trading site for all South Australian prescribed areas will be examined. This site will effectively match buyers and sellers on a regular basis to ensure a 'well connected' water trading market. Outcomes from these transactions will be widely publicised.

## Stage 3

Once WILMA is implemented, some forms of water trading transactions will be able to be completed 'on-line' by the trading parties and will require no DWLBC input or assessment. This will effectively achieve 'on the spot' trading reducing time and costs for the trading parties. WILMA will be able to be developed further to offer added advantages as the market demand increases.

When these stages are complete, South Australia will be leading the nation in terms of a combined licensing system and water trading mechanism.

## WaterCare ... it's in your hands

WaterCare is a statewide marketing campaign to coordinate water education and awareness. A television campaign aiming to raise awareness of water issues was launched in January 2002.

Professor Mike Tyler, world frog expert presents the commercials and he is supported by an animated frog character, Frankie, in delivery of a range of water hints for the public. Adelaide advertising agency O'Brien McGrath developed the campaign for WaterCare.

WaterCare aims to encourage community, catchment and government organisations to cooperate, pool funds, and issue coordinated messages in a more cost-effective way. WaterCare is the result of recognition by the industry that many organisations participate in water education, developing programs and often competing for funds and overlapping information. Gaps and overlaps in programs are being addressed through cooperation amongst WaterCare stakeholders.

The Water Care television campaign on metropolitan and regional stations over four months set the foundation for WaterCare to expand to supersite billboards, road signs, brochures, displays, regional radio and television, cinema ads and more, through additional funding by Catchment Water Management Boards for localised messages.

Initial messages such as "we all live in a catchment", an explanation of the difference between stormwater and sewage, and reinforcement that every little bit each one of us does can make a difference, will be expanded to offer a wide range of water conservation and catchment care hints for the public.

WaterCare is funded by the Catchment Water Management Boards and the Mt Lofty Watershed Protection Office (EPA) with project management provided by the Department for Water Resources (now the Department for Water, Land and Biodiversity Conservation. SA Water will fund specific major promotional activities in the next three years.

## Investigations Unit

In December 2000 a new Investigations Unit was formed within the Resource Management Division, Department for Water Resources, as a result of a perceived lack of expertise in investigating breaches of the Water Resources Act 1997. The Unit was

formed to ensure compliance with all aspects of the Water Resources Act and to ensure good water management by licensed water users.

The Unit plays an important investigative, training and support role within the Department and aims to:

- > Provide an efficient, effective and timely investigational service by which offences detected or reported under the Water Resources Act 1997, can be identified, evaluated, analysed and investigated so as to bring about the successful prosecution of persons, corporations or entities found committing offences against the act.
- > Positively promote the role and functions of the Department for Water Resources Investigations Unit and train, lecture and promulgate to other departments and the public, relevant water and investigational issues.
- > In providing an investigational service, ensure that by adherence to departmental guidelines (Enforcement and Compliance Guidelines; Incident Reporting forms) compliance of the Act is achieved by either voluntary compliance, civil enforcement or as a last resort, prosecution. In undertaking investigations, be actively involved in the ongoing process of negotiating positive outcomes through direct liaison with licencing, field and other staff and their managers.
- > Induct and train all DWLBC and CWMB staff who are 'authorised officers' under the Water Resources Act 1997, in their role/function and responsibilities as an authorised officer. Give them the necessary skills/training and knowledge to allow them to undertake basic compliance management to ensure compliance with the Act, and to



assist investigators in the reporting of offences and in undertaking investigations.

- > Liaise with and assist Water Catchment Management Boards and their staff regarding investigations into 'Water Affecting Activities' – Sections 9, 14 & 17 of the Act, which pertain to the management and protection of watercourses and lakes within prescribed water resource areas and catchment water management board boundaries across the state of South Australia

Co-Operative measures are the Department's preferred means of achieving the object of the Act, but there will be occasions where cooperation and negotiation will be insufficient to achieve compliance. As such, the government recognises that enforcement action will be required in the interests of all water users.

The Unit was the first dedicated water resource investigations unit of its type in Australia.

To date, the Unit has logged 116 incident reports with a summary of these incident reports showing:

- > 64 incident reports received to date for the 2000 – 2001 financial year
- > 52 incident reports received to date for the 2001 – 2002 financial year
- > 50 incidents filed
- > 63 incidents currently active
- > 20 incidents awaiting investigation
- > 20 incidents on hold

Of note, there has been a successful prosecution of an irrigator in the Northern Adelaide Plains for the illegal taking of water.

## Corporate Strategy and Business Services Division

The Corporate Strategy and Business Services Division provides strategic corporate advice and business services in the areas of finance, human resources, strategic planning, project management and business development, occupational health and safety, marketing and communications, information technology, asset management, risk management and administration.

The Division comprises a small number of staff and a feature of its activities is a Service Level Agreement with the Department for Administrative and Information Services for the provision of support systems that attend to routine matters associated with accounting, personnel administration (including payroll) and information technology services.

The Division's key objectives were to meet the portfolio's organisational, client and reporting requirements and to ensure the ongoing development of the portfolio's human resources, work processes, information technology systems and financial management. The overall objective has been to ensure these services are provided in an efficient manner that is responsive to the needs of the operational and technical Divisions so that these Divisions can concentrate on their core business.

### Strategic and business planning

DWLBC's strategic focus and business priorities were developed with the necessary corporate planning and performance reporting for the 2002-03 Portfolio Statement as part of the Budget Papers, together with the further development of strategic and business plans for the business units.

These outcomes were achieved through the implementation of a corporate planning and management cycle, with the addition this year of monthly Executive management reports. A key outcome this year was the rationalisation and integration of the output classes/outputs and related performance measures of the former DWR and the Sustainable Resources Group from PIRSA, ensuring ongoing evaluation and reporting as a key part of effective performance management.

Corporate Strategy contributed policy and strategic planning and management advice to key areas of the organisational development of the former Water Resources portfolio and the new portfolio's transitional arrangements. Significant examples included the paper Strengthening the Management of Water Resources in South Australia concerning DWR's strategic role and responsibilities and the directions for water resources management, a position paper on DWLBC's role and functions, and the mapping and analysis of corporate services for the modelling of a shared portfolio services.

Corporate Strategy also led the implementation of the corporate framework for risk management. In addition, the branch advised on and facilitated strategic projects, for example a report on the future directions of the Drilling Services Branch.

Contributions were also made to whole-of-government reference groups and working parties dealing with strategic planning issues, in particular the Government's Contract Disclosure Policy, Aboriginal Reconciliation and Portfolio Disability Action Plans.

## Strategic Procurement

DWLBC's spending profile for the year comprised goods to the total value of \$2.56 million, consultancy services \$671 329, and other services \$12.83 million. Some of the key projects endorsed by the Accredited Purchasing Unit (APU) included:

- > Development of the Water Information Licensing Management Application (WILMA) system (\$2.14 million total, including \$768 000 for 2001-02).
- > Supply of tank, trough, pipes and fittings to encourage property owner to close open drain watering as part of the Great Artesian Basin Sustainability Initiative (\$3 million total, including \$448 000 for 2001-02).
- > South East Confined Aquifer Well Rehabilitation Panel of Drilling Contractors (\$1.65 million).
- > WaterCare media campaign (\$490 000).
- > Construction of stream gauging stations on Kangaroo Island (\$160 000).
- > Development of modelling for environmental flows within the arid areas of the State (\$478 700).

As part of continuously improving the management of the agency's procurement, Corporate Strategy initiated a register of both consultants and contractors and completed a package of policies, processes and procedures on behalf of the Accredited Purchasing Unit (APU). The package included standardised proformas for project briefs, business cases, acquisition plans, and purchase recommendations. Short and long form consultancy contracts and a minor works contract were also developed with the Crown Solicitor's Office. The complete package was placed on the intranet for access by all staff.

Corporate Strategy developed and implemented an in-house training and development program on procurement principles, policies and practices for fifty financial delegates and project managers in November and December 2001. A further round of training commenced in June and will be completed in July 2002.

### Next year

The Government has indicated that a review of State Budget portfolio statements and output presentations will be conducted during the year, and this can be expected to have a significant effect on agency and portfolio planning.

Corporate Strategy will collaborate with the DEH and EPA planners to facilitate the development of a new portfolio planning framework. The branch will also complete the corporate planning requirements for DWLBC restructuring and business planning and performance reporting and roll out a corporate risk management strategy and training program.

Four step by step presentations on the key parts of the procurement system are planned to be provided by December 2002. The first of these will focus on Contract Development and Management and will be presented in August 2002.

### Human Resources

The main emphasis this year has been on the workforce profile and the importance of rejuvenating the staff structure in order to develop staff in the middle career levels with the skills to fill positions as the aging workforce retires. The present age profile of the agency illustrates the importance of this by the fact that a 42.5% of our long serving and highly competent technical staff in the 45 – 65 age group and may retire within the next 5 to 10 years.

An active recruitment of graduates has been undertaken with 17 graduates being recruited through the OCPE Graduate Recruitment Scheme. Thirteen of these graduates have been employed in ongoing positions and 4 on 1-5 year contract.

The graduates come from a range of technical disciplines such as natural resource management, ecology, public policy, geography, science, engineering and accounting. The mix of disciplines recruited is aimed at upskilling across all divisions of the agency.

Graduates are currently participating in a whole of government development program known as the Graduate Practising Certificate. The program is based on the framework from the Certificate IV in Government for providing government specific skills and knowledge. This certificate is competency based, and is designed to ensure all graduates have access to a structured development program. It consists of 10 1-day workshops over 12 months.

As highlighted in last year's report, Julie Sloane from Julie Sloane Consulting assisted the Human Resources Reference Group with the development of a Workforce Profiling Survey, which was completed in September 2001. This survey was a pilot program and the information collected via the Internet which ensured complete privacy of data. 66% of the workforce responded to the survey which was a very pleasing result.

Valuable quantitative and qualitative data was collected and from this five priority projects were identified. These projects have formed the basis of the work for the HR Reference Group to work on as these were regarded as significant issues for the agency.

These projects are:

- > Performance Development Program
- > Flexible Work Practices
- > Customer Service
- > Engagement and Recognition
- > Training and Development

These projects are aimed at providing our staff with a work environment that assists each employee to achieve their best, by implementing strategies that assist them develop their skills and abilities, balance home and work life and maintain physical and mental well being. The Department contributed towards the physical well being by funding free flu vaccinations to all staff.

A total of 38 employees based in the CBD took up this offer, and nine metro and country staff sourced an injection through their local GP and where reimbursed by the department.

### Business Services

The main focus of the Business Services Group was the relocation of all CBD staff into 25 Grenfell Street. The move was achieved in November 2001 as programmed, and the project was brought in under budget. On account of the increased number of staff recruited through the year the Corporate Strategy and Business Services Division were relocated to 50 Pirie Street and this move was completed by February 2002.

Following these moves, a review of corporate support to divisions was undertaken and whole of government contracts such as travel, fleet management, telecommunications, and mobile phones were centralised to assist divisional workloads. Energy savings targets set across government has also necessitated that replacement vehicles are reviewed along with their utilisation to ensure that the most energy saving options are considered across the Department.

The additional division of Sustainable Resources from PIRSA has involved immediate support to that division in the way of mail, ministerial and correspondence and RECFIND support. Training has been provided to staff based at Waite to ensure that efficient record tracking is implemented across the new agency.

E Courier, the ministerial correspondence system is being rolled out across the agency with the assistance of the Department of Environment and Heritage IT staff under the Portfolio cooperative arrangement. This electronic based system will speed up the handling process for ministerial correspondence to assist policy officers meet new reporting deadlines requested by the Government.

## Financial Services

The financial services branch provided a range of services to the Minister for Environment and Conservation and Minister for the River Murray, the Executive and the divisions to help achieve the DWLBC's business objectives. These services included the provision of authoritative financial advice and accurate accounting information to support the activities of the executive and business units.

The branch provided expertise in financial planning and budgeting to enable DWLBC to develop and implement its strategic plans. In addition, the branch provided advice on financial analysis and project evaluation to assist with the implementation of major projects and programs.

A major change to this annual report is as a consequence of the extraordinary gazettal notice dated the 5 March 2002 whereby;

- > The Department for Water Resources was abolished effective 8 April 2002.

- > A new Department of Water, Land and Biodiversity Conservation was created on the 9 April 2002.
- > The Sustainable Resources Group (SRG) of Primary Industries and Resources SA (PIRSA) was transferred to DWLBC effective 1 May 2002.

The branch satisfied the requirements of the Department of Treasury and Finance (DTF) in relation to budgets and monitoring of financial performance. The branch prepared the annual financial statements, which are subject to review by the Auditor General.

During 2001-02 the accounting and financial management information and processing arrangements, which were previously split between the Department of Environment and Heritage (DEH) and PIRSA, were consolidated into one set of accounts under DWLBC. In addition a Service Level Agreement (SLA) was entered into with the Department of Administrative and Information Services (DAIS).

The SLA is for a range of corporate services including the processing of accounts, receipting of revenue, production of monthly management reports and the provision of the draft annual financial statements.

The SLA commenced on the 1 July 2001 for a one (1) year period with an option to extend for a further year which has now been agreed. During the second term of this agreement, which will end on the 30 June 2003, a review for future arrangements is currently under way by the shared services portfolio task group.

DWLBC's financial requirements were determined through the budgeting process. This involved the preparation of the relevant financial and non-financial information for the bilateral budget discussions, the preparation the State's budget papers and an appearance before Parliament's Estimates Committee.

Policies and procedures were developed in conjunction with DAIS on a range of financial matters. In particular, this included policies on fixed assets, banking arrangements, mobile phone usage and delegations. With the formation of the new department, work will commence in reviewing all aspects of financial services associated with the Financial Management Framework (FMF), with high priority to be given to risk management, project management and corporate governance areas.

A key unresolved issue for DWLBC was asset management where a task group was set up to review asset ownership issues between SA Water and DWLBC. With the election earlier this year this task group under the direction of the Department of Premier and Cabinet (DPC) was abolished. Decisions on the management and ownership of these assets are expected to be made during 2002-03.

As a consequence of the change in structure as previously described, this annual report has two sets of financial statements;

- > The first is the report on the previous DWR covering the period 1 July 2001 to 8 April 2002.
- > The second is for DWLBC for the period 9 April 2002 to the 30 June 2002, which incorporates SRG for the period 1 May 2002 to the 30 June 2002.

The SRG figures have been supplied by PIRSA and as they have performed all accounting and financial functions for this group for the full twelve (12) months 2001-02 are not auditable by DWLBC but will be included in PIRSA's audit.

A key priority for 2002-03 for DWLBC is the integration of the previous DWR and SRG into one (1) set of financial statements. In addition it will also include the integration of the Biodiversity group transferred from DEH to DWLBC effective from the 1 July 2002.

With the coming together of various groups with the new department, particular emphasis will be placed on accountability and systems put in place to ensure that all levels of management and executives are provided with relevant and timely financial and non financial data.

## Information Technology

During the 2001-02 year, significant progress was made on the consolidation of IT services, with the establishment of a single communications network and common IT platform. The IT platform provides additional capacity and future expansion capability to cater for increasing volumes of data necessary to support water resource management initiatives. All CBD sites within the former DWR were integrated into this network in October. Two of three metropolitan sites joined the network in May and June and a timetable was developed for the remaining metropolitan and country sites to join the network in the first half of 2002-03.

A contract for the development, implementation and support of the Water Information and Licence Management Application, (a new system to support the administration of the Water Resources Act (1997) was awarded in December 2001. The system is scheduled for implementation during 2002-03.

A project to upgrade desktop IT equipment and software to a Standard Operating Environment was initiated in April 2002. Once fully implemented, this project will lead to improved efficiency in staff utilisation of IT facilities, and in the provision of IT support services.

## Strategic Communication & Marketing

The Strategic Communication and Marketing unit undertook an intensive program throughout the year raising the profile of the organisation through direct contact with clients, stakeholders and the community at numerous locations throughout the state. These were chosen to demonstrate the role and services offered, provide detailed technical information and especially to provide an educational forum for students and the younger generation.

Events included:

- > **Royal Show** (31 Aug – 8 Sept)  
Our educational display focussed a working model which demonstrated how water (including polluted water) travels into streams and aquifers. This was supported by a salinity taste testing station levels and a Watercare promotion.
- > **Paskeville Field Days** (25 – 27 Sept.)
- > **Adelaide Convention Centre re-opening – World Stage Event** (28-30 Sept.)
- > **Landcare Conference Pt Lincoln** (8-10 Oct.)
- > **National Water Week** (14 – 20 Oct.)  
This year a major effort was made to raise the profile of National Water Week and a number of components were put in place including:
  1. two week's advertising on Farmers Union skimmer milk cartons (280,000)
  2. prepared a Water Week poster, sponsored by United Water

3. Hungry Jack's Trayliner educational competition ran for weeks. (HJ's provide the prizes); and
4. an interactive website with activities and projects for schools

### > **Milk Carton Regatta** (17 February) Patawalonga, Glenelg

DWR participated in the inaugural re-launched Milk Carton Regatta with two craft primarily designed to promote the government's efforts to ensure that the "Pat is back".

### > **"Getting it Right" Symposium** (11 – 12 March)

Adelaide Convention Centre.

The department along with DEH and PIRSA were underwriters of a two day symposium of presentations to reaffirm workable principles in natural resource management for the 21st century.

### > **"GAB FEST 2002 : A Resource under Pressure"** (11 – 13 March) Qld

### > **Lucindale Field days** (15 – 16 March)

DWR had a strong presence at Lucindale to promote the department's initiatives on conversion to volumetric assessment. Participating in the "Blue Yakka Trail" enabled the department to distribute 500 packs of information to children and their parents.

### > **National Water Week 2002 – Style Guide development**

A national workshop was held in Adelaide late in 2001 to discuss better coordination, greater impact and improved cost sharing for national Water Week in 2002. The Department prepared a national style guide.



### > New Brand for DWLBC

A new corporate identity has been developed for the department along with a new branding logo which will be developed over the coming year in publications, website and at venues attended by the department.

### > Technical publications and fact sheets

The Marketing unit prepared numerous technical publications and fact sheets throughout the year and manages the department's multimedia requirements including intranet and internet. All reports and fact sheets are now available on the internet for public access.

## Occupational Health and Safety

During the reporting period, the Department has established the basis for the OHS and Welfare management system and practices with which to manage key legislative requirements. This has been achieved with limited resources and support of staff through the OHS & W Committee. The level of resource allocation has been reviewed and remedied with the appointment of a full time OHS & W Coordinator in May 2002.

The Department provided support to the eight Catchment Water Management Boards who will embrace the Departmental system and attend OHS & W Committee meetings in order to ensure legislative requirements are being met across all sections of the Water Resources Portfolio. A Service Level Agreement has been signed between the Department and Boards to provide a clear accountability structure.

During the reporting period, we have experienced two loss time injuries, and the expenditure on all claims was \$84,636 in comparison to two loss time injuries and an expenditure in all claims in 2000-1 of \$147,158.

In the review and development of a new system to reflect the changing agency structure, the OHS and W system currently in progress, systematic plans and resource allocation will be targeted at achieving the Department's policy drive objectives and performance targets. The Department's system will be audited by Workcover in September 2002.

## Project Management and Business Development

The Project Management and Business Development Branch was established during 2001-02 to manage major water projects in a strategic and cohesive way. A key issue for many proposals for improved resource management is that of financing.

The branch provides the commercial and financial expertise necessary to resolve funding questions so that costs are shared equitably by stakeholders. This involves negotiations with various stakeholders including users of water for commercial purposes, irrigators, and various community groups with a specific interest in preserving the natural environment.

Financial solutions need to have regard to the effective protection of the resource while ensuring the resource is used in a manner consistent with agreed community objectives, including enhancement of the State's economic base.

An important function of the branch is the management of the State's water assets, in particular, infrastructure such as the Torrens Linear Park, metropolitan stormwater and drainage as well as certain assets on the River Murray. The Barcoo Outlet was commissioned during October 2001 and the branch is responsible for managing the Government's interest in the infrastructure.

The branch is involved in the reform and rehabilitation of irrigation systems and practices. This involves the reform of management structures to devolve the responsibility for the operation and maintenance of irrigation infrastructure to entities that are owned and/or controlled by the irrigators. A key consideration in this area is the rehabilitation of irrigation infrastructure to a standard that reduces the consumption of water while meeting stringent environmental standards. Negotiating financial arrangements acceptable to the Government and irrigators is central to achieving reform.

Other issues being undertaken include:

- > During 2001-02 the branch chaired the review of the Catchment Management Subsidy Scheme;
- > Representing the Department in the review of the Septic Tank Effluent Disposal Scheme;
- > Negotiating and implementing interim self-management arrangements for the Government Reclaimed Irrigation Areas in the Lower Murray;
- > Determining policies for future ownership and maintenance of infrastructure assets in the Lower Murray Reclaimed Irrigation Areas;
- > Providing representation for the Department on the Loxton Rehabilitation Steering Committee; and
- > Administering various aspects of legislation relating to Irrigation Trusts



# Appendices

## 1) Human Resource Management

### (a) PSM Act Employees by Stream, Appt, Gender (as at the Last Pay Day in June 2002)

| STREAM (2)                           | Ongoing   |           |            | Contract Short Term |           |           | Contract Long Term |           |           | Casual   |          |          | Total     |            |            |
|--------------------------------------|-----------|-----------|------------|---------------------|-----------|-----------|--------------------|-----------|-----------|----------|----------|----------|-----------|------------|------------|
|                                      | M         | F         | Total      | M                   | F         | Total     | M                  | F         | Total     | M        | F        | Total    | M         | F          | Total      |
| <b>ADMINISTRATIVE SERVICES</b>       |           |           |            |                     |           |           |                    |           |           |          |          |          |           |            |            |
| Administrative Services Officers     |           |           |            |                     |           |           |                    |           |           |          |          |          |           |            |            |
| Trainees                             |           |           | 0          | 4                   | 2         | 6         |                    |           | 0         |          |          | 0        | 4         | 2          | 6          |
| ASO1                                 | 2         | 10        | 12         | 1                   | 3         | 4         |                    | 1         | 1         |          |          | 0        | 3         | 14         | 17         |
| ASO2                                 | 7         | 25        | 32         | 0                   | 7         | 7         | 2                  | 3         | 5         |          |          | 0        | 9         | 35         | 44         |
| ASO3                                 | 2         | 16        | 18         | 1                   | 1         | 2         | 0                  | 1         | 1         |          |          | 0        | 3         | 18         | 21         |
| ASO4                                 | 6         | 11        | 17         | 1                   | 0         | 1         | 1                  | 3         | 4         |          |          | 0        | 8         | 14         | 22         |
| ASO5                                 | 9         | 2         | 11         | 0                   | 0         | 0         | 2                  | 1         | 3         | 1        |          | 1        | 12        | 3          | 15         |
| ASO6                                 | 12        | 8         | 20         | 3                   | 1         | 4         | 5                  | 3         | 8         |          |          | 0        | 20        | 12         | 32         |
| ASO7                                 | 2         | 3         | 5          | 0                   | 1         | 1         | 4                  | 1         | 5         |          |          | 0        | 6         | 5          | 11         |
| ASO8                                 | 7         | 1         | 8          | 2                   | 0         | 2         | 0                  | 1         | 1         |          |          | 0        | 9         | 2          | 11         |
| Managers Administrative Services     |           |           |            |                     |           |           |                    |           |           |          |          |          |           |            |            |
| MAS1                                 |           |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0         | 0          | 0          |
| MAS2                                 | 1         |           | 1          |                     |           | 0         |                    |           | 0         |          |          | 0        | 1         | 0          | 1          |
| MAS3                                 | 1         | 3         | 4          |                     |           | 0         |                    |           | 0         |          |          | 0        | 1         | 3          | 4          |
| <b>Total Administrative Services</b> | <b>49</b> | <b>79</b> | <b>128</b> | <b>12</b>           | <b>15</b> | <b>27</b> | <b>14</b>          | <b>14</b> | <b>28</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>76</b> | <b>108</b> | <b>184</b> |
| <b>OPERATIONAL SERVICES</b>          |           |           |            |                     |           |           |                    |           |           |          |          |          |           |            |            |
| Trainees                             |           |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0         | 0          | 0          |
| OPS1                                 | 1         |           | 1          |                     |           | 0         |                    |           | 0         |          |          | 0        | 1         | 0          | 1          |
| OPS2                                 | 3         |           | 3          | 1                   |           | 1         | 2                  |           | 2         |          |          | 0        | 6         | 0          | 6          |
| OPS3                                 | 10        |           | 10         |                     |           | 0         | 1                  |           | 1         |          |          | 0        | 11        | 0          | 11         |
| OPS4                                 | 3         | 1         | 4          |                     |           | 0         |                    |           | 0         |          |          | 0        | 3         | 1          | 4          |
| OPS5                                 |           |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0         | 0          | 0          |
| OPS6                                 |           |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0         | 0          | 0          |
| OPS7                                 |           |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0         | 0          | 0          |
| <b>Total Operational Services</b>    | <b>17</b> | <b>1</b>  | <b>18</b>  | <b>1</b>            | <b>0</b>  | <b>1</b>  | <b>3</b>           | <b>0</b>  | <b>3</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>21</b> | <b>1</b>   | <b>22</b>  |
| <b>PROFESSIONAL SERVICES</b>         |           |           |            |                     |           |           |                    |           |           |          |          |          |           |            |            |
| Professional Services Officers       |           |           |            |                     |           |           |                    |           |           |          |          |          |           |            |            |
| PSO1                                 | 11        | 7         | 18         |                     |           | 0         | 2                  | 2         | 4         | 1        |          | 1        | 14        | 9          | 23         |
| PSO2                                 | 12        | 6         | 18         |                     |           | 0         | 8                  | 3         | 11        |          |          | 0        | 20        | 9          | 29         |
| PSO3                                 | 24        | 1         | 25         | 1                   |           | 1         | 5                  | 2         | 7         | 0        |          | 0        | 30        | 3          | 33         |
| PSO4                                 | 11        |           | 11         |                     |           | 0         | 2                  | 1         | 3         |          |          | 0        | 13        | 1          | 14         |
| PSO5                                 | 2         |           | 2          |                     |           | 0         | 1                  |           | 1         |          |          | 0        | 3         | 0          | 3          |
| Managers Professional Services       |           |           |            |                     |           |           |                    |           |           |          |          |          |           |            |            |
| MPS1                                 |           |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0         | 0          | 0          |
| MPS2                                 | 3         |           | 3          |                     |           | 0         |                    |           | 0         |          |          | 0        | 3         | 0          | 3          |
| MPS3                                 | 2         |           | 2          |                     |           | 0         |                    |           | 0         |          |          | 0        | 2         | 0          | 2          |
| <b>Total Professional Services</b>   | <b>65</b> | <b>14</b> | <b>79</b>  | <b>1</b>            | <b>0</b>  | <b>1</b>  | <b>18</b>          | <b>8</b>  | <b>26</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>85</b> | <b>22</b>  | <b>107</b> |

| STREAM (2)                      | Ongoing    |           |            | Contract Short Term |           |           | Contract Long Term |           |           | Casual   |          |          | Total      |            |            |
|---------------------------------|------------|-----------|------------|---------------------|-----------|-----------|--------------------|-----------|-----------|----------|----------|----------|------------|------------|------------|
|                                 | M          | F         | Total      | M                   | F         | Total     | M                  | F         | Total     | M        | F        | Total    | M          | F          | Total      |
| <b>TECHNICAL SERVICES</b>       |            |           |            |                     |           |           |                    |           |           |          |          |          |            |            |            |
| TGO0                            | 4          | 1         | 5          |                     |           | 0         |                    |           | 0         |          |          | 0        | 4          | 1          | 5          |
| TGO1                            | 5          |           | 5          | 1                   |           | 1         |                    |           | 0         |          |          | 0        | 6          | 0          | 6          |
| TGO2                            | 20         |           | 20         |                     |           | 0         | 1                  |           | 1         |          |          | 0        | 21         | 0          | 21         |
| TGO3                            | 4          |           | 4          |                     |           | 0         |                    |           | 0         |          |          | 0        | 4          | 0          | 4          |
| TGO4                            | 4          |           | 4          |                     |           | 0         |                    |           | 0         |          |          | 0        | 4          | 0          | 4          |
| TGO5                            |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| <b>Total Technical Services</b> | <b>37</b>  | <b>1</b>  | <b>38</b>  | <b>1</b>            | <b>0</b>  | <b>1</b>  | <b>1</b>           | <b>0</b>  | <b>1</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>39</b>  | <b>1</b>   | <b>40</b>  |
| <b>EXECUTIVES</b>               |            |           |            |                     |           |           |                    |           |           |          |          |          |            |            |            |
| Executive Officers              |            |           |            |                     |           |           |                    |           |           |          |          |          |            |            |            |
| EL1                             |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| EL2                             |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| EL3                             |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| Level A                         |            |           | 0          |                     |           | 0         | 5                  |           | 5         |          |          | 0        | 5          | 0          | 5          |
| Level B                         |            |           | 0          |                     |           | 0         | 4                  |           | 4         |          |          | 0        | 4          | 0          | 4          |
| Level C                         |            |           | 0          |                     |           | 0         | 3                  |           | 3         |          |          | 0        | 3          | 0          | 3          |
| Level D                         |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| Level E                         |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| Level F                         |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| <b>Total Executive Services</b> | <b>0</b>   | <b>0</b>  | <b>0</b>   | <b>0</b>            | <b>0</b>  | <b>0</b>  | <b>12</b>          | <b>0</b>  | <b>12</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>12</b>  | <b>0</b>   | <b>12</b>  |
| <b>Other Executives</b>         |            |           |            |                     |           |           |                    |           |           |          |          |          |            |            |            |
| MLS1P                           |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| MLS2P                           |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| MLS1                            |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| MLS2                            |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| MLS3                            |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| MLS4                            |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| Other Senior Officers           |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| <b>Total Executives</b>         | <b>0</b>   | <b>0</b>  | <b>0</b>   | <b>0</b>            | <b>0</b>  | <b>0</b>  | <b>12</b>          | <b>0</b>  | <b>12</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>12</b>  | <b>0</b>   | <b>12</b>  |
| <b>Other Legal Officers</b>     |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| LEC5                            |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| <b>OTHER (3)</b>                |            |           | 0          |                     |           | 0         |                    |           | 0         |          |          | 0        | 0          | 0          | 0          |
| <b>TOTAL ALL STREAMS</b>        | <b>168</b> | <b>95</b> | <b>263</b> | <b>15</b>           | <b>15</b> | <b>30</b> | <b>48</b>          | <b>22</b> | <b>70</b> | <b>2</b> | <b>0</b> | <b>2</b> | <b>233</b> | <b>132</b> | <b>365</b> |

(1) Includes employees employed through the SA Public Sector Graduate Recruitment Program 2001-2002.

(2) Employees to be recorded at the remuneration level they have been appointed/assigned to.

(3) This is the remaining "Other" employees.

**Please Note:** The total number of employees on this Form should be the same as the total number of employees in the PSM Act columns on Form 1b and Form 5. Similarly, the total number of employees for each appointment type, being Ongoing, Contract (Short Term) and Contract (Long Term) should be the same as the corresponding appointment types in the PSM Act columns of Form 1b and Form 5.

The total number of Casual Appointments in this table should be the same as the total number of Other employees in the PSM Act column on Form 1b and Form 5

**Do NOT** include employees on leave without pay for the last pay period in June 2002.

**(b) Employees in Public Sector Organisations** (as at the Last Pay Day in June 2002)

| Employee Type                       | Appointment Type |           |            |               |           |           |               |           |           |          |          |           | FTE (1)                   |
|-------------------------------------|------------------|-----------|------------|---------------|-----------|-----------|---------------|-----------|-----------|----------|----------|-----------|---------------------------|
|                                     | Ongoing          |           |            | Contract - ST |           |           | Contract - LT |           |           | Other    |          |           | Total                     |
|                                     | M                | F         | Total      | M             | F         | Total     | M             | F         | Total     | M        | F        | Total     |                           |
| <b>PSM ACT</b>                      |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           | 167              | 76        | 243        | 15            | 14        | 29        | 36            | 20        | 56        | 1        |          | 1         | 219 110 329               |
| Part time                           | 1                | 19        | 20         |               | 1         | 1         |               | 2         | 2         | 1        |          | 1         | 2 22 24                   |
| <b>TOTAL</b>                        | <b>168</b>       | <b>95</b> | <b>263</b> | <b>15</b>     | <b>15</b> | <b>30</b> | <b>36</b>     | <b>22</b> | <b>58</b> | <b>2</b> | <b>0</b> | <b>2</b>  | <b>221 132 353 344.87</b> |
| <b>EXECUTIVES</b>                   |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         | 12            |           | 12        |          |          | 0         | 12 0 12                   |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>12</b>     | <b>0</b>  | <b>12</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>12 0 12 12.00</b>      |
| <b>WEEKLY PAID</b>                  |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           | 8                | 5         | 13         | 7             | 1         | 8         |               |           | 0         | 3        |          | 3         | 18 6 24                   |
| Part time                           |                  | 4         | 4          |               | 1         | 1         |               |           | 0         | 6        | 4        | 10        | 6 9 15                    |
| <b>TOTAL</b>                        | <b>8</b>         | <b>9</b>  | <b>17</b>  | <b>7</b>      | <b>2</b>  | <b>9</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>9</b> | <b>4</b> | <b>13</b> | <b>24 15 39 32.69</b>     |
| <b>CHILDREN'S SERVICES ACT</b>      |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0 0 0</b>              |
| <b>DISABILITY SERVICES OFFICERS</b> |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0 0 0</b>              |
| <b>EDUCATION ACT</b>                |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0 0 0</b>              |
| <b>EMERGENCY SERVICES</b>           |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0 0 0</b>              |
| <b>MEDICAL OFFICERS</b>             |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0 0 0</b>              |
| <b>NURSES</b>                       |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0 0 0</b>              |
| <b>POLICE ACT</b>                   |                  |           |            |               |           |           |               |           |           |          |          |           |                           |
| Full time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| Part time                           |                  |           | 0          |               |           | 0         |               |           | 0         |          |          | 0         | 0 0 0                     |
| <b>TOTAL</b>                        | <b>0</b>         | <b>0</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b>      | <b>0</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0 0 0</b>              |

| Employee Type                   | Appointment Type |     |       |               |    |       |               |    |       |       |   |       | FTE (1) |       |     |        |
|---------------------------------|------------------|-----|-------|---------------|----|-------|---------------|----|-------|-------|---|-------|---------|-------|-----|--------|
|                                 | Ongoing          |     |       | Contract - ST |    |       | Contract - LT |    |       | Other |   |       |         | Total |     |        |
|                                 | M                | F   | Total | M             | F  | Total | M             | F  | Total | M     | F | Total |         | M     | F   | Total  |
|                                 |                  |     |       |               |    |       |               |    |       |       |   |       |         |       |     |        |
| <b>PUBLIC SECTOR SALARIED</b>   |                  |     |       |               |    |       |               |    |       |       |   |       |         |       |     |        |
| Full time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| Part time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| TOTAL                           | 0                | 0   | 0     | 0             | 0  | 0     | 0             | 0  | 0     | 0     | 0 | 0     | 0       | 0     | 0   |        |
| <b>SCHOOL SERVICES OFFICERS</b> |                  |     |       |               |    |       |               |    |       |       |   |       |         |       |     |        |
| Full time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| Part time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| TOTAL                           | 0                | 0   | 0     | 0             | 0  | 0     | 0             | 0  | 0     | 0     | 0 | 0     | 0       | 0     | 0   |        |
| <b>TAFE ACT</b>                 |                  |     |       |               |    |       |               |    |       |       |   |       |         |       |     |        |
| Full time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| Part time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| TOTAL                           | 0                | 0   | 0     | 0             | 0  | 0     | 0             | 0  | 0     | 0     | 0 | 0     | 0       | 0     | 0   |        |
| <b>OTHER</b>                    |                  |     |       |               |    |       |               |    |       |       |   |       |         |       |     |        |
| Full time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| Part time                       | 0                |     |       | 0             |    |       | 0             |    |       | 0     |   |       | 0       | 0     | 0   |        |
| TOTAL                           | 0                | 0   | 0     | 0             | 0  | 0     | 0             | 0  | 0     | 0     | 0 | 0     | 0       | 0     | 0   |        |
| <b>TOTAL</b>                    |                  |     |       |               |    |       |               |    |       |       |   |       |         |       |     |        |
| Full time                       | 175              | 81  | 256   | 22            | 15 | 37    | 48            | 20 | 68    | 4     | 0 | 4     | 249     | 116   | 365 |        |
| Part time                       | 1                | 23  | 24    | 0             | 2  | 2     | 0             | 2  | 2     | 7     | 4 | 11    | 8       | 31    | 39  |        |
| TOTAL                           | 176              | 104 | 280   | 22            | 17 | 39    | 48            | 22 | 70    | 11    | 4 | 15    | 257     | 147   | 404 | 389.56 |

### (c) Equal Opportunity Employment Programs

No equal opportunity programs have been established in the 2001-2 financial year under Section 67 of the PSM Act.

### (d) Age

| Age Group | Appointment Type |     |       |               |    |       |               |    |       |       |   |       |       |     |       |
|-----------|------------------|-----|-------|---------------|----|-------|---------------|----|-------|-------|---|-------|-------|-----|-------|
|           | Ongoing          |     |       | Contract - ST |    |       | Contract - LT |    |       | Other |   |       | Total |     |       |
|           | M                | F   | Total | M             | F  | Total | M             | F  | Total | M     | F | Total | M     | F   | Total |
| 15-19     | 0                | 0   | 0     | 3             | 4  | 7     | 0             | 0  | 0     | 0     | 0 | 0     | 3     | 4   | 7     |
| 20-24     | 5                | 17  | 22    | 2             | 3  | 5     | 2             | 2  | 4     | 0     | 0 | 0     | 9     | 22  | 31    |
| 25-29     | 11               | 17  | 28    | 6             | 4  | 10    | 5             | 0  | 5     | 2     | 1 | 3     | 24    | 22  | 46    |
| 30-34     | 16               | 15  | 31    | 2             | 1  | 3     | 3             | 3  | 6     | 2     | 0 | 2     | 23    | 19  | 42    |
| 35-39     | 21               | 10  | 31    | 1             | 1  | 2     | 6             | 1  | 7     | 0     | 1 | 1     | 28    | 13  | 41    |
| 40-44     | 28               | 17  | 45    | 2             | 0  | 2     | 3             | 4  | 7     | 2     | 1 | 3     | 35    | 22  | 57    |
| 45-49     | 42               | 14  | 56    | 4             | 2  | 6     | 16            | 7  | 23    | 2     | 0 | 2     | 64    | 23  | 87    |
| 50-54     | 31               | 7   | 38    | 2             | 2  | 4     | 12            | 4  | 16    | 1     | 0 | 1     | 46    | 13  | 59    |
| 55-59     | 19               | 6   | 25    |               |    | 0     |               | 1  | 1     |       | 1 | 1     | 19    | 8   | 27    |
| 60-64     | 2                | 1   | 3     | 0             | 0  | 0     | 1             | 0  | 1     | 2     | 0 | 2     | 5     | 1   | 6     |
| 65+       | 1                | 0   | 1     |               |    | 0     |               |    | 0     |       |   | 0     | 1     | 0   | 1     |
| TOTAL     | 176              | 104 | 280   | 22            | 17 | 39    | 48            | 22 | 70    | 11    | 4 | 15    | 257   | 147 | 404   |

## (e) Requirements for the Annual Report of the Commissioner for Public Employment

| PSM ACT Requirement  | Information to be Provided by each Administration Unit  |
|--|---|
| <p>Section 28(2)(a) 'describe the extent of observance within the Public Service of:</p> <ul style="list-style-type: none"> <li>&gt; the personnel management standards contained in Part 2 of the Act;</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>&gt; the personnel management guidelines and directions,</li> </ul> <p>and measures taken to ensure observance of those standards, guidelines and directions'.</p> <p>Section 28(2)(b) 'describe measures taken to improve personnel management in the various administrative units'.</p> | <p>MEASURES TAKEN IN YOUR ADMINISTRATIVE UNIT TO ENSURE OBSERVANCE OF EACH OF THE SEVEN PERSONNEL MANAGEMENT STANDARDS OF PART 2 OF THE PSM ACT, AND ANY CURRENT ISSUES.</p> <ol style="list-style-type: none"> <li> <b>1. Base all selection decisions on a proper assessment of merit</b> <p>Policy and guidelines in relation to the correct processes for selecting staff and referenced to Commissioner's Determination 2 (and the OCPE HR Management Framework) are in place and available to all managers via the DWLBC intranet. In addition a panel of appropriately skilled external contractors was selected via a tender process and engaged at July 1 2001. This panel provides assistance and advice to managers in relation to public service selection processes.</p> </li> <li> <b>2. Treat employees fairly and consistently and not subject employees to arbitrary or capricious administrative decisions.</b> <p>Management accountabilities in line with various legislation are re-inforced in job and person specifications, HR policies and the DWR Induction Pack. Grievance Resolution Policy and Guidelines exist to ensure that employees are afforded reasonable opportunity for redress on decisions that affect them.</p> </li> <li> <b>3. Prevent unlawful discrimination against employees or persons seeking employment in the public sector on the grounds of sex, sexuality, marital status, pregnancy, race, physical impairment or any other ground to ensure that no form of unjustifiable discrimination is exercised against employees or persons seeking employment in the public sector.</b> </li> <li> <b>4. Use diversity in their workforces to advantage and afford employees equal opportunities to secure promotion and advancement in their employment.</b> <p>Management accountabilities are re-enforced in job and person specifications and HR policies. References to legislation and the relevant accountabilities are stated in the DWR Induction Pack and managers are required to 'sign off' on the specific references with new employees. All existing and new employees have received the Code of Conduct booklet issued by OCPE.</p> </li> <li> <b>5. Afford employees reasonable avenues of redress against improper or unreasonable administrative decisions</b> <p>Grievance Resolution Policy and Guidelines are in place to ensure that employees are afforded reasonable opportunity for redress on decisions that affect them.</p> </li> <li> <b>6. Provide safe and healthy working conditions</b> <p>An OHS Management System was implemented during the year. Awareness sessions have been held for all managers. Further consultation and training needs are currently being identified.</p> </li> <li> <b>7. Prevent nepotism and patronage</b> <p>Policy and guidelines in relation to the correct processes for selecting staff and referenced to Commissioner's Determination 2 (and the OCPE HR Management Framework) are in place and available to all managers via the DWLBC intranet. In addition a panel of appropriately skilled external contractors was selected via a tender process and engaged at July 1 2001.</p> </li> </ol> |

| PSM ACT Requirement | Information to be Provided by each Administration Unit   |
|---------------------|--|
|                     | <p>This panel provides assistance and advice to managers in relation to public service selection processes. All existing and new employees have received the Code of Conduct booklet issued by OCPE. A Grievance Resolution Policy and Guidelines exist to ensure that employees are afforded reasonable opportunity for redress on decisions that affect them.</p> <p>&gt; BASED UPON EACH OF THE EIGHT KEY RESULT AREAS OF THE <i>STRATEGIC HUMAN RESOURCE MANAGEMENT FRAMEWORK</i> FOR THE <i>SOUTH AUSTRALIAN PUBLIC SECTOR</i>, MEASURES TAKEN IN YOUR ADMINISTRATIVE UNIT:</p> <ul style="list-style-type: none"> <li>– TO INCORPORATE THE PRINCIPLES OUTLINED IN THE COMMISSIONER'S GUIDELINES IN YOUR AGENCY'S HUMAN RESOURCE POLICIES AND PRACTICES</li> <li>– TO ENSURE OBSERVANCE OF PSM ACT DETERMINATIONS ISSUED BY THE COMMISSIONER</li> <li>– TO IMPROVE PERSONNEL MANAGEMENT.</li> </ul> <p><i>All Human Resources Policies are linked to and referenced with:</i></p> <ul style="list-style-type: none"> <li>– <i>the relevant key result areas outlined in the Strategic HR Management Framework</i></li> <li>– <i>the relevant Determination</i></li> <li>– <i>the location of the framework via the OCPE intranet</i></li> <li>– <i>New Determinations when issued by OCPE, are e-mailed to managers for their information. Policies are reviewed in light of updates in newly issued Determinations.</i></li> </ul> <p>&gt; MEASURES TAKEN BY YOUR ADMINISTRATIVE UNIT TO ENSURE THAT THE USE OF:</p> <ul style="list-style-type: none"> <li>– TEMPORARY AND CASUAL EMPLOYMENT CONTRACTS</li> <li>– PROJECT BASED 1-5 YEAR CONTRACTS</li> <li>– EXTERNALLY FUNDED 1-5 YEAR CONTRACTS</li> <li>– CONTRACTS FOR SERVICE WITH A PRIVATE SECTOR TEMPORARY EMPLOYMENT ORGANISATION</li> </ul> <p>IS WITHIN THE REQUIREMENTS SET OUT IN THE PSM ACT AND PSM ACT DETERMINATION 2.</p> <p><i>Recruitment, Selection and Appointment policy and guidelines are in place to re-inforce the requirements of Determination 2 and the PSM Act 1995. In addition managers are provided with a 'checklist' to support due process when undertaking all selection processes. A summary of the provisions of Determination 2 was issued to all managers late last year.</i></p> <p><i>All recruitment, selection and appointment documentation and processes are 'quality checked' by HR staff at various points in the process. All negotiations around salary and allowances pertaining to 1-5 year project based positions are referred to HR for consideration prior to implementation.</i></p> <p><i>Managers have been provided with the details of the 10 preferred providers of temporary staff.</i></p> |



| PSM ACT Requirement | Information to be Provided by each Administration Unit  |
|---------------------|---|
|                     | <p>&gt; MEASURES TAKEN BY YOUR ADMINISTRATIVE UNIT TO ENSURE THAT <b>NON-PSM ACT</b> CASUAL AND TEMPORARY EMPLOYEES ARE RECRUITED, SELECTED, MANAGED AND EMPLOYED IN ACCORDANCE WITH RELEVANT LEGISLATION AND SOUTH AUSTRALIAN GOVERNMENT POLICIES.</p> <p><i>Recruitment, Selection and Appointment policy and guidelines are in place to re-e-force due process. All recruitment, selection and appointment documentation is 'quality checked' by HR staff at the various points in the process. A review of weekly paid recruitment and selection processes is to be completed in due course.</i></p> <p>&gt; MEASURES TAKEN BY YOUR ADMINISTRATIVE UNIT TO ADDRESS REQUIREMENTS FOR PERFORMANCE IMPROVEMENT UNDER WORKCOVER'S PERFORMANCE STANDARDS FOR SELF INSURERS, WHICH DEMONSTRATE THAT PERFORMANCE TARGETS HAVE BEEN ESTABLISHED AND DEMONSTRATE PROGRESS AGAINST THOSE TARGETS.</p> <p>Performance measures were drafted at the implementation of the new OHS Management System in July last year. Further development of reporting and measuring tools is continuing with the appointment of a dedicated OHS Coordinator to the agency.</p> <p>&gt; DETAILS OF TEMPORARY AND 1-5 YEAR CONTRACTS WHERE THE CHIEF EXECUTIVE (OR DELEGATE) HAS APPROVED OF ADDITIONAL MONETARY OR NON-MONETARY BENEFITS, AS PROVIDED IN PSM ACT DETERMINATION 2 – SPECIAL CONDITIONS WITHIN CONTRACTS (PAGE 15).</p> <p>Please see Attachment 1.</p> <p>&gt; DETAILS OF 1-5 YEAR EMPLOYMENT CONTRACTS USED TO PROVIDE SPECIAL CONDITIONS TO RETAIN OR ATTRACT THE SERVICES OF A PARTICULAR PERSON IN A PARTICULAR POSITION, AS PROVIDED IN PSM ACT DETERMINATION 2 – CONVERSION OF AN ONGOING POSITION TO A 1-5 YEAR CONTRACT POSITION (PAGE 16).</p> <p><i>There were no ongoing positions converted to contract positions.</i></p> <p>&gt; SPECIFIC INITIATIVES OF YOUR ADMINISTRATIVE UNIT THAT DEMONSTRATE COMMITMENT TO EACH OF THE PRINCIPLES CONTAINED IN THE GUIDELINE FOR PLANNED HUMAN RESOURCE DEVELOPMENT IN THE SAPS.</p> <p>A workforce Profile Survey was undertaken in DWR in September last year. A range of initiatives will be implemented across the new agency to ensure that programs meet employee and business needs and are in line with the OCPE principles. Areas for development include Performance Devt. Program, Training and Devt. planning and Flexible Work Practices.</p> <p>&gt; HUMAN RESOURCE DEVELOPMENT PERFORMANCE INDICATORS:-</p> <p>&gt; THE PERCENTAGE OF EMPLOYEES WHO HAVE A DOCUMENTED INDIVIDUAL DEVELOPMENT PLAN WHICH HAS BEEN IMPLEMENTED AND REVIEWED WITHIN THE PAST 12 MONTHS</p> <p>A workforce Profile Survey was undertaken in DWR in September last year. A range of initiatives will be implemented across the new agency to ensure that programs meet employee and business needs and are in line with the OCPE principles. Of significance is the need for formalised performance development within the agency. This is to be initiated within the next financial year in consultation with appropriate parties within the new agency.</p> |

| PSM ACT Requirement | Information to be Provided by each Administration Unit   |
|---------------------|--|
|                     | <p>&gt; THE PERCENTAGE OF TRAINING EXPENDITURE RELATIVE TO TOTAL EMPLOYEE REMUNERATION COSTS, VIZ</p> $\frac{\text{TRAINING AND DEVELOPMENT EXPENDITURE}}{\text{TOTAL REMUNERATION EXPENDITURE}} \times 100$ <p><i>More than 2.02% of total employee remuneration was expended on training and development in the 2001/02 financial year. A training and development Data Base will soon be developed to ensure the effective capture of all data required for OCPE annual reporting purposes including costs attributed to study leave.</i></p> <p>&gt; THE EXTENT OF IMPLICATION OF ACCREDITED "TRAINING PACKAGES" WITHIN ADMINISTRATION UNITS AND THE CLASSIFICATION LEVEL OF THE EMPLOYEES INVOLVED, VIZ:</p> <p><i>NUMBER OF EMPLOYEES ENROLLED SINCE JULY 1 IN A QUALIFICATION (OR A UNIT FROM A QUALIFICATION) FROM AN ACCREDITED TRAINING PACKAGE.</i></p> <p>17 Graduates have commenced studying the Government Practicing Certificate in conjunction with OCPE.</p> <p>1 HR Consultant is undertaking the Certificate IV in Workplace Assessment in conjunction with OCPE.</p> <p>Total: 18 employees</p> <p>&gt; LEADERSHIP AND MANAGEMENT DEVELOPMENT BENCHMARK (AS DESCRIBED IN THE MONITORING AND REPORTING SECTION OF THE OCPE WEBSITE AT <a href="http://www.ocpe.sa.gov.au/">HTTP://WWW.OCPE.SA.GOV.AU/</a> )</p> <p>&gt; THE PERCENTAGE OF TRAINING AND DEVELOPMENT EXPENDITURE ON LEADERSHIP AND MANAGEMENT DEVELOPMENT RELATIVE TO TOTAL EMPLOYEE REMUNERATION COSTS.</p> <p><i>More than 2.02% of total employee remuneration was expended on training and development in the 2001/02 financial year. A training and development Data Base will soon be developed to ensure the effective capture of all data required for OCPE annual reporting purposes including costs attributed to management and leadership development.</i></p> <p>Section 28(2)(d) 'describe the extent to which disciplinary procedures were invoked in the Public Service'.</p> <p>&gt; THE NUMBER OF PRELIMINARY INVESTIGATIONS INITIATED IN YOUR ADMINISTRATIVE UNIT IN RELATION TO PSM ACT EMPLOYEES DURING 2001-02.</p> <p>&gt; THE NUMBER OF DISCIPLINARY INQUIRIES INVOKED DURING 2001-02.</p> <p>&gt; THE NATURE, OUTCOME AND THE ACTION TAKEN IN RELATION TO EACH DISCIPLINARY INQUIRY.</p> <p>&gt; THE NUMBER OF DISCIPLINARY APPEALS AND OUTCOMES.</p> <p>&gt; THE NUMBER OF DISCIPLINARY MATTERS THAT REMAIN UNRESOLVED AS AT 30 JUNE 2002.</p> <p>&gt; SIMILAR INFORMATION IS REQUIRED FOR DISCIPLINARY INQUIRIES AND APPEALS THAT REMAINED UNRESOLVED AS AT 30 JUNE 2001, BUT WERE SUBSEQUENTLY RESOLVED DURING 2001-2002.</p> <p><i>One formal disciplinary process commenced via a first formal warning during the period. No other preliminary investigations, disciplinary inquiries or disciplinary processes were initiated over the last financial year.</i></p> |

**(f) Executive Structure**

| Level | Number | Male | Female | Status   |
|-------|--------|------|--------|--|
| Ex A  | 4      | 4    | –      | On 5 year contracts with fall back provisions  |
| Ex B  | 4      | 4 +  | –      | On 5 year contracts with fall back provisions.   |
| Ex C  | 3      | 3    | –      | On 5 year contracts with fall back provisions  |
| CEO   | 1      | 1    | –      | Position was vacated in March 2002 and a recruitment process is presently underway to fill this position |

+ 1 position at this level has been reduced with the appointment of the incumbent to another position within Government in line with the Commissioner for Public Employment's request to reduce the number of executives within the SAPS.

## 2) OHS & IM

During the reporting period, the Department has established the basis for the Occupational Health, Safety and Welfare (OHS&W) management system and practices with which to manage key legislative requirements. This has been achieved with limited resources and support of staff through the OHS & W Committee. The level of resource allocation has been reviewed and remedied with the appointment of a full time OHS & W Coordinator in May 2002.

The Department provided support to the eight Catchment Water Management Boards who will embrace the Departmental system and attend OHS & W Committee meetings in order to ensure legislative requirements are being met across all sections of the Water Resources Portfolio. A Service Level Agreement has been signed between the Department and Boards to provide a clear accountability structure.

During the reporting period, the department reports four open claims against the same number the previous year, with a total of nine new compensation claims against 12 in the previous year. The total expenditure of all new claims for the financial year was \$84,636, compared to \$147,158 in the previous reporting year.

In the review and development of a new system to reflect the changing agency structure, the OHS and W system currently in progress, systematic plans and resource allocation will be targeted at achieving the Department's policy drive objectives and performance targets. The Department's system will be audited by Workcover in early 2003.

## Occupational Health, Safety and Injury Management Reporting

|          |  | 2001/02  | 2000/1            |
|----------|--|--|-------------------|
| <b>1</b> | <b>OHS legislative requirements</b>  |  |                   |
|          | Number of notifiable occurrences pursuant to OH S and W Regulations Division 6.6     | Nil  | Nil               |
|          | Number of notifiable injuries pursuant to OHS and W Regulations Division 6.6         | Nil  | Nil               |
|          | Number of notices served pursuant to OHS & W Act 235,s39 and s40                     | Nil  | Nil               |
| <b>2</b> | <b>Injury Management legislative requirements</b>                                    |  |                   |
|          | Total number of employees who participated in the rehabilitation program             | 2  | 2                 |
|          | Total number of employees rehabilitated and reassigned to alternative duties         | 2  | 1                 |
|          | Total number of employees rehabilitated back to their original work                  | Nil  | Nil               |
| <b>3</b> | <b>WorkCover Action Limits</b>   |  |                   |
|          | Number of open claims as at 30 June  | 4  | 4                 |
|          | Percentage of workers compensation expenditure over gross annual remuneration        | 0.53%  | 1.15%             |
| <b>4</b> | <b>Number of injuries</b>  |  |                   |
|          | Number of new workers compensation claims in the financial year                      | 9  | 12                |
|          | Number of fatalities   | –  | –                 |
|          | Lost time injuries   | 7  | 5                 |
|          | Medical treatment only   | 2  | 7                 |
|          | Total number of whole working days lost  | 43   | 72                |
| <b>5</b> | <b>Cost of workers compensation</b>  |  |                   |
|          | Cost of new claims for financial year  | \$84,636   | \$147,158         |
|          | Cost of all claims excluding lump sum payments                                       | \$75,436   | \$147,158         |
|          | Amount paid for lump sum payments (s42,43,44)  | \$9,200  | –                 |
|          | Total amount recovered from external sources (s54)                                   | Nil  | Nil               |
| <b>6</b> | <b>Trends</b>  |  |                   |
|          | Injury frequency rate for new lost-time injury/disease for each million hours worked | 0.8124   | 2.97              |
|          | Most frequency cause (mechanism) of injury   | Trips & falls  | Sprains & strains |
|          | Most expensive cause (mechanism) of injury   | Trips & falls  | Disease           |
| <b>7</b> | <b>Meeting of organisation's strategic targets</b>                                   | Reduce no of claims from 12 to 8<br>LT1 reduction from 12 to 8 | Nil               |

### 3) Fraud Statement

During the financial year 2001-02 no instances of fraud has been detected within the agency and risk management and audit requirements are in place to eliminate the opportunities for this to occur.



## 4) Freedom of Information Access

New Freedom of Information legislative requirements expect all government agencies to adopt a position which requires release of information unless there is a “good reason” to withhold it. This is to ensure that people have the opportunity to participate in the decision making process of the government and to ensure that the government is accountable. On this basis, the Department’s website is regularly updated with documents which may be of interest to the public. For example, the following types of information are available:

### Major strategies, inter-government relationships and agreements

Technical, general reports and information such as

- > State Water Plan 2000 Vols 1 and 2
- > Catchment Water Management Plans
- > Directions for Managing Salinity in South Australia
- > River Murray Salinity Strategy
- > Monitoring Partnerships
- > ASR Future Directions for SA
- > Upper Marne Farm Dams Report
- > Central Mt Lofty Range Farm Dams Report
- > Discussion Papers and Policies
- > Water Allocation Plans

Legislation under review such as

- > the Integrated Natural Resource Management Bill

Departmental Documents such as:

- > Annual Report 2001-02 (which include financial statements)
- > Corporate Plan 2001-02

General Information such as:

- > Water Resources Journal
- > Fact sheets and brochures
- > Water for Life Newspaper

All documents and departmental publications are listed on the Department’s website at [www.dwr.sa.gov.au](http://www.dwr.sa.gov.au)

In addition, The Water Resources Act 1997 Section 47 states

- (1) “The Minister must keep a register of all water licences and permits granted under this Act....” And
- (4) “The register must be made available for public inspection”.

Arrangements may be made to view any of these documents by contacting the Freedom of Information Officer between 9am and 5pm Monday to Friday.

### Section 2 – Information Statement

Copies of the Department of Water, Land and Biodiversity Conservation’s Information Statement can be obtained, free of charge, by contacting the FOI Officer.

### Section 3 – Contact Arrangements

Requests under the FOI Act for access to documents in the possession of the Department of Water, Land and Biodiversity Conservation should be accompanied by a \$20.60 application fee and directed in writing to:

The Freedom of Information Officer  
Department of Water, Land and Biodiversity Conservation  
GPO Box 2834  
ADELAIDE SA 5001

Additional search fees may apply in line with fees gazetted to take effect from 1 July 2002 and a deposit may be required. A reduction in the fee payable may be applicable in certain circumstances.

Enquiries may be directed to the Freedom of Information Officer, telephone (08) 8463 7917 between 9am and 5pm Monday to Friday.

## 5) Consultants

| Consultant                          | Purpose of Consultancy   | No        | Total \$          |
|-------------------------------------|--|-----------|-------------------|
| <b>Below \$10,000</b>               |  |           |                   |
| Various                             | Various Consultancies  | 74        | 141,895.40        |
|                                     | <b>Sub-total:</b>  | <b>74</b> | <b>141,895.40</b> |
| <b>\$10,001-\$50,000</b>            |  |           |                   |
| TONKIN CONSULTING                   | PROFESSIONAL SERVICES  |           | 39,980.00         |
| MEGAN DYSON                         | PROFESSIONAL SERVICES 22 FEB - 30 APR  |           | 14,700.00         |
| QED PTY LTD                         | CHOWILLA INRM PLAN - APPROACHES TO IMPLEMENTATION  |           | 11,050.50         |
| DEPT FOR ENVIRONMENT & HERITAGE     | PROJECT - AERIAL PHOTOGRAPHY, PHOTOGRAMMETRY   |           | 20,239.30         |
| B D HILL NOMINEES                   | PROFESSIONAL SERVICES PROVIDED TO THE SALT TO SUCCESS PROJECT AS RESOURCE GROUP APRIL & MAY  |           | 13,673.34         |
| WETLAND CARE AUSTRALIA              | ACCOUNTING SYSTEMS PROGRESS PAY'T 1 & HYDROLOGICAL REGIMES PROGRESS PAYMENT 1  |           | 15,560.00         |
| OPEN SYSTEMS TECHNOLOGY             | PROGRAM PEAK EXPOSURE, WORD EXPORT, RPE USER DEFINE  |           | 11,775.00         |
| PADTHAWAY GRAPE GROWERS ASSOC       | INVESTIGATION OF OPTIONS TO IMPROVE QUALITY OF GROUNDWATER INTO PADTHAWAY PRESCRIBED WELLS AREA  |           | 22,727.27         |
| DELOITTE TOUCHE TOHMATSU            | FINANCIAL CONSULTANT ANDRE SCOTT 18/06/01/ TO 17/01/01   |           | 27,650.00         |
| ITIM AUSTRALIA LIMITED              | ON SITE ASSISTANCE SERVICES (VICTORIA SQUARE) MADGE MCGUIRE 01/09/2001 TO 30/09/2001   |           | 11,604.83         |
| UNIVERSITY OF SOUTH AUSTRALIA       | AS PER AGREEMENT 50% OF THE PROJECTS TOTAL ON COMMENCEMENT "RANGELANDS EDUCATION PACKAGES" REF JKH 49805   |           | 33,727.27         |
| UNIVERSITY OF SOUTH AUSTRALIA       | AS PER CONTRACT FOR THE PROJECT "COMPARATIVE EVALUATION OF ENVIRONMENT FLOW OF GAB" REF JKH 48528  |           | 36,090.00         |
| WINTON CONSULTANCY SERVICE PTY LTD  | TO HUMAN RESOURCE CONSULTING WORK FOR THE PERIOD ENDING 20/07  |           | 14,208.77         |
| JULIE SLOAN MANAGEMENT              | WORKFORCE-PROFILE CONSULTATION 1ST PAYMENT   |           | 10,000.00         |
| B D HILL NOMINEES                   | PROFESSIONAL SERVICES FOR 11th AND 18th JANUARY 2002   |           | 25,106.63         |
| JOHN L BATES & ASSOCIATES PTY LTD   | MANAGEMENT CONSULTING  |           | 16,700.00         |
| SINCLAIR KNIGHT MERZ                | CHOWILLA INTEGRATION NATURAL RESOURCE MANAGEMENT PLAN - GROUNDWATER SALINITY CONTROL SCHEME  |           | 15,044.00         |
| CONNELL WAGNER P/L                  | D241.00 - UPPER SPENCER GULF WATER REUSE. INTERIM PROFESSIONAL ENGINEERING SERVICES FEE  |           | 17,165.00         |
| ADELAIDE UNIVERSITY AUSTRALIA       | REIMBURSEMENT OF EXPENSES FOR PROFESSOR G C DANDY TO ATTEND MDBC WORKSHOP IN CANBERRA. 21/08/2001PROJECT 2783 11009400   |           | 15,169.20         |
| RICHARD CLARK AND ASSOCIATES        | GREENOCK CREEK RESTRICTED AREA: WATER RESOURCES STUDY  |           | 13,163.00         |
| PRIMARY INDUSTRIES AND RESOURCES SA | DESKTOP STUDY SKEWES & TIME  |           | 12,474.50         |
| CONNELL WAGNER P/L                  | SPENCER REGION STRATEGIC WATER MANAGEMENT  |           | 33,448.00         |
| HALLIBURTON KBR                     | PROFESSIONAL SERVICES ASSOCIATED WITH INSPECTIONS AND ASSESSMENTS OF THE EXISTING GLENELG REGULATOR STATE STRUCTURE, PREPARATION OF REPLACEMENT COST ESTIMATES AND REPORTING |           | 13,000.00         |
|                                     | <b>Sub-total:</b>  | <b>23</b> | <b>444,256.61</b> |
|                                     | <b>TOTAL</b>   | <b>97</b> | <b>586,152.01</b> |

## 6) Overseas Travel

No officers travelled overseas on official business during the report year.

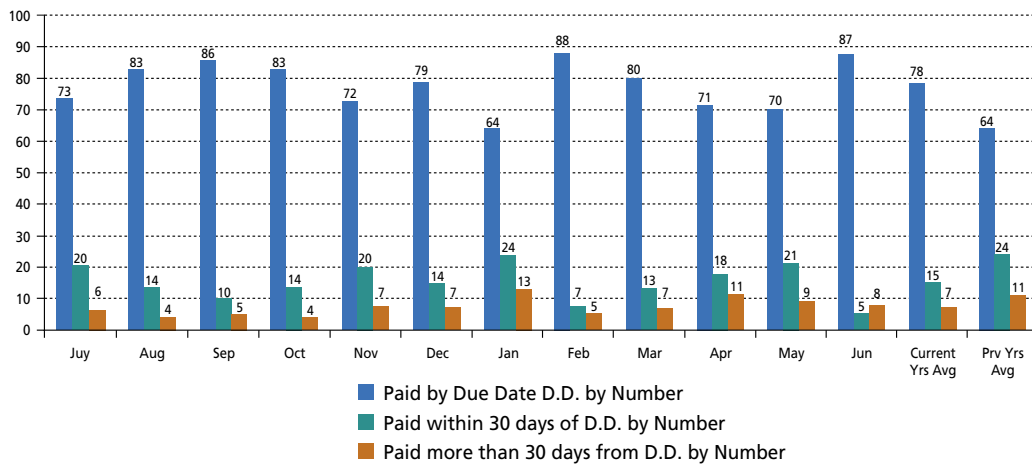
One staff member, Trish Williams was successful in being awarded the prestigious Churchill Fellowship, giving her the opportunity to investigate water-sharing arrangements in developed river systems focusing on environmental flows and salinity issues. She travelled to the USA, Canada, India and South Africa as part of her fellowship program. As the work to be undertaken while overseas was highly relevant to the agency, the Department contributed towards her expenses by providing full salary while she was overseas.

## 7) Accounts Payment Performance

On 30 June 2001, as part of a Service Level Agreement (SLA), the day to day accounts payable processing functions and accounting support were handed over to DAIS. DAIS have maintained a highly satisfactory level of performance in processing transactions and payments, keeping the accounts payable statistic well within the Treasurer's instructions. The SLA is for a two year period, ending 30 June 2003.

The monthly data is set out in the following chart.

### Account Payment Performance



## 8) Contractual Information

During the financial year ended 30 June 2002 there were no contracts entered into which exceeded the value of \$4 million.

## 9) Boards and Committees

Animal and Plant Control Commission

Arid Areas CWMB

Border Groundwater Review Committee

Catchment Management Subsidy Scheme Advisory Committee

Central Eyre Peninsula Soil Conservation Board

Central Flinders Ranges Soil Conservation Board

Central Hills Soil Conservation Board

Clare Valley Water Resources Planning Committee

Coorong District Soil Conservation Board

Dog Fence Board

Dog Fence Board

Eastern District Soil Conservation Board

Eastern Eyre Peninsula Soil Conservation Board

Eight Mile Creek Water Conservation & Drainage Advisory Committee

Eyre Peninsula CWMB

Far West Coast Soil Conservation Board

Gawler Ranges Soil Conservation Board

Hummocks Soil Conservation Board

Kangaroo Island Soil Conservation Board

Kingooonya Soil Conservation Board

Lacapede/Tatiara Soil Conservation Board

Lower Eyre Peninsula Soil Conservation Board

Lower North Soil Conservation Board

Lower South East Soil Conservation Board

Marla-Oodnadatta Soil Conservation Board

Marree Soil Conservation Board

Millicent Water Conservation & Drainage Advisory Committee

Mount Remarkable Soil Conservation Board

Murray Mallee Soil Conservation Board

Murray Plains Soil Conservation Board

Murray-Darling Basin Commission

Native Vegetation Council

North East Pastoral Soil Conservation Board

Northern Adelaide and Barossa CWMB

Northern Flinders Soil Conservation Board

Northern Hills Soil Conservation Board

Onkaparinga CWMB

Pastoral Board

Patawalonga CWMB

River Murray CWMB

Soil Conservation Council

South East CWMB

South Eastern Water Conservation & Drainage Board

Southern Hills Soil Conservation Board

Torrens CWMB

Upper South East Water Conservation & Drainage Advisory Committee

Water Well Drilling Committee

West Broughton Soil Conservation Board

Western Eyre Peninsula Soil Conservation Board

Yorke Peninsula Soil Conservation Board



## 10) Disability Action Plans

*Promoting Independence: Disability Action Plans for South Australia* is a policy and strategy endorsed by Cabinet to provide a whole of government approach for future planning and commitment to people with disabilities. This process aims to ensure that all SA government funded programs and services are inclusive and accessible to people with disabilities and that they meet the requirements of the *Commonwealth Disability Discrimination Act 1992 (DDA)* and the *SA Equal Opportunity Act 1984*.

As a new agency, DWLBC has addressed disability action issues within the planning and management practices developed within the former Department for Water Resources and the Sustainable Resources Group. This approach is reported below against each of the five outcomes listed in the Government's policy.

As it develops its agency wide planning systems, DWLBC will integrate awareness, planning and reporting on Disability Action Plan issues into its corporate planning.

### **Outcome 1: Portfolios and their agencies ensure accessibility to their services to people with disabilities**

Accommodation planning and refurbishment at Mt. Gambier and at Grenfell Street, Adelaide, ensured DWLBC met the relevant Australian standards on access to premises eg *Building Code of Australia, the Development Act (Building Rules) (SA) 1993*. In selecting new accommodation the agency has refused unsuitable accommodation that did not meet accessibility requirements.

Agency procurement policy requires and our processes ensure new capital works meet standards for access and equity. For example, a major shed

constructed for DWR at Berri was designed to ensure wheel-chair access to the facilities.

Staff selection processes are completed in accordance with the Public Sector Management Act and the 'merit principle'. All vacant positions over 6 months are advertised internally within the public sector and comply with mandated EEO programs including the 'disability recruitment program' as part of the whole of government approach to enhance participation of people with disabilities in the State public sector.

New (non public sector) employees shortlisted for interview are required to complete the OCPE 'Employment Declaration Form' which includes references to disability information.

This provides the opportunity to discuss specific needs with the applicant prior to the interview and if selected for the position – plan for specific needs in the workplace.

The Department of Water Resources Workforce Profiling Survey carried out in September 2001 found that 9.3% of respondents reported a physical or non-physical impairment.

Agency policies and training on emergency evacuation procedures recognise the needs of disabled staff or clients on DWLBC premises.

### **Outcome 2: Portfolios and their agencies ensure information about their services and programs are inclusive of people with disabilities**

DWLBC strategies recognise the provision of appropriate formats for our corporate and public communications. It is also recognised that improved information provision will need to be included as area for action in the Disability Action Plan.

DWLBC is establishing Intranet and Internet sites for the new agency. Once the content of the sites has been established there will be the opportunity to address barriers to access by individuals with disabilities during the development phase. Website development is carried out in accordance with all relevant government standards including accessibility and inclusiveness.

An important means of communication for the agency is information displays at public events, particularly in regional and remote areas. These are provided only on ground level sites and are staffed by personnel to ensure requests for access to information are accommodated.

### **Outcome 3: Portfolios and their agencies deliver advice or services to people with disabilities with awareness and understanding of issues affecting people with disabilities.**

A staff member attended a Disability Discrimination Act Workshop on in February 2002 that raised awareness on planning and implementing Disability Action Plans across Government agencies. This information will now be used in the development of a DWLBC Disability Action Plan.

The Department is aware of the Strategy for the Employment of People with Disabilities in the SA Public Sector and has incorporated information on the Strategy into its personnel policies.

**Outcome 4: Portfolios and their agencies provide opportunities for consultation with people with disabilities in decision making processes regarding service delivery and in the implementation of complaints and grievance mechanisms.**

DWLBC is aiming to ensure that the needs of people with disabilities are being addressed through policy development and as part of individual projects.

**Outcome 5: Each portfolio Chief Executive will ensure that their portfolio has met the requirements of the Disability Discrimination Act 1992 and the Equal Opportunity Act 1984.**

DWLBC participates in the 'Promoting Independence: Disability Action Plans for SA' Implementation Reference Group and will work towards preparing a Disability Action Plan based on best practice recommendations of the Group.

The policy Promoting Independence - Disability Action Plans for South Australia will be implemented through the agency by integration into the Department's corporate planning cycle.

## 11) Government Energy Efficiency Action Plan

Under the Government Energy Efficiency Action Plan, which was approved by Cabinet in November 2001 and subsequently launched by the Premier on 3 May 2002, each Government Department is required to conduct a portfolio-wide audit to establish an Energy Use Baseline.

As the Department for Water Resources was created in February 2000, but financial support was provided by a number of other agencies during the transitional period, the establishment of the baseline data is proving to be a complex task.

Results to date reveal that fuel consumption, by far the larger energy component, can be captured with certainty.

Data relating to energy consumption within office locations is still be collected with many of the sites being common sites shared by a number of tenants. There are difficulties in itemising individual transactions to capture the energy component within these shared locations. The Department is working with Real Estate Management (Part of the Department of Administrative and Information Services) to break these costs down to establish the energy consumption figure. The expenditure figure to date stands at \$107,000 but will increase once the additional sites are factored in the baseline.

It has been agreed that a Portfolio approach will be adopted to work together towards the 15% reduction of energy usage over the next 8

years and departmental officers are participating in a Portfolio Committee. An Energy Plan and an Energy Efficiency Awareness Program have been developed which provides the structure for further planned reductions in energy consumption.

As part of the fit-out for the Corporate Office at 25 Grenfell Street, the Office of Energy Policy was consulted and an energy saving lighting system installed, which would met government specifications and guidelines.

Policies relating to the utilisation of vehicles, aimed at better energy management, and energy efficiencies in purchasing have been introduced across the Department.

|              | Energy Consumption | Expenditure      |
|--------------|--------------------|------------------|
| FUEL         | Litres             |                  |
| Diesel       | 156,376            | 132,539          |
| Unleaded     | 79,863             | 61,853           |
| LPG          | 17,236             | 7,480            |
| Leaded       | 2,001              | 1,958            |
| <b>TOTAL</b> | <b>361,010</b>     | <b>\$283,421</b> |



**Auditor-General's  
Department**

Ref: 02/181

23 September 2002

Mr P O'Neill  
Acting Chief Executive  
Department of Water, Land and Biodiversity Conservation  
GPO Box 2343  
ADELAIDE SA 5001

9th Floor State Administration Centre,  
200 Victoria Square  
Adelaide  
South Australia 5000

Telephone: +61 +8 8226 9640  
Facsimile: +61 +8 8226 9688  
DX 56208 Victoria Square

E-mail: [admin@audit.sa.gov.au](mailto:admin@audit.sa.gov.au)  
Web: <http://www.audit.sa.gov.au>

Dear Mr O'Neill,

**2001-02 Audit**

ABN: 53 327 061 410

The audits of the Department of Water, Land and Biodiversity Conservation for the period 8 April 2002 to 30 June 2002 and the Department for Water Resources for the period 1 July 2001 to 8 April 2002 have been completed.

The scope of the audit covered the main areas of financial and accounting operations including:

- Water Licensing System
- Expenditure
- Grants
- Payroll
- Fixed Assets

Matters arising from the audit were reported to you in August 2002 and a satisfactory response was provided. The matters reported, together with action proposed by the Department, will be subject to follow-up by Audit in 2002-03.

During the audit of both financial statements there were a number of issues arising that resulted in additional audit verification work and significant adjustments to the financial statements being required. Audit observed that these circumstances arose primarily from a lack of:

- clarity as to the responsibility for the provision of certain financial information between the Department and its financial service provider (Department for Administrative and Information Services).
- quality control and independent checking processes over the financial statements.

Audit suggests that the Department clearly establish responsibilities for the financial statement preparation and appropriate quality and internal control mechanisms to ensure that financial information for reporting purposes is complete, accurate and relevant.

The financial statements for the Department for Water Resources for the period 1 July 2001 to 8 April 2002 and for the Department of Water, Land and Biodiversity Conservation for the period 8 April 2002 to 30 June 2002 are returned herewith together with my Independent Audit Reports.

Yours sincerely

A handwritten signature in blue ink, appearing to read "K I MacPherson".

K I MacPherson  
**AUDITOR-GENERAL**

Enc





**Auditor-General's  
Department**

## INDEPENDENT AUDIT REPORT

### TO THE ACTING CHIEF EXECUTIVE DEPARTMENT OF WATER, LAND AND BIODIVERSITY CONSERVATION

#### SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Water Resources for the period 1 July 2001 to 8 April 2002. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- An Output Class Schedule of Departmental Operating Expenses and Revenues;
- Notes to and forming part of the Financial Statements;
- Certificate by the Acting Chief Executive and the Manager, Financial Services.

The Acting Chief Executive and the Manager, Financial Services are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Acting Chief Executive.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards to provide reasonable assurance that the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the Department for Water Resources' financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### QUALIFICATION

Note 2(d) to the financial statements describes that certain assets have not been brought to account as at 8 April 2002. Due to the potential significance of these assets, I am unable to form an opinion on the completeness of values ascribed to assets included in the Statement of Financial Position and any resultant depreciation that may impact on the operating result.

#### QUALIFIED AUDIT OPINION

In my opinion, except for the effects on the financial report of the matters referred to in the qualification paragraph, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department for Water Resources as at 8 April 2002, its financial performance and its cash flows for the period then ended.

**K I MacPHERSON**  
AUDITOR GENERAL

23 September 2002



**Auditor-General's  
Department**

## INDEPENDENT AUDIT REPORT

### TO THE ACTING CHIEF EXECUTIVE DEPARTMENT OF WATER, LAND AND BIODIVERSITY CONSERVATION

#### SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Water, Land and Biodiversity Conservation for the period 8 April 2002 to 30 June 2002. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- An Output Class Schedule of Departmental Operating Expenses and Revenues;
- A Schedule of Administered Items;
- A Schedule of Transferred Functions;
- Notes to and forming part of the Financial Statements;
- Certificate by the Acting Chief Executive and the Manager, Financial Services.

The Acting Chief Executive and the Manager, Financial Services are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Acting Chief Executive, Department of Water, Land and Biodiversity Conservation.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards to provide reasonable assurance that the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the Department of Water, Land and Biodiversity Conservation's financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### QUALIFICATION

Note 2(d) to the financial statements describes that certain assets have not been brought to account as at 30 June 2002. Due to the potential significance of these assets, I am unable to form an opinion on the completeness of values ascribed to assets included in the Statement of Financial Position and any resultant depreciation that may impact on the operating result.

#### QUALIFIED AUDIT OPINION

In my opinion, except for the effects on the financial report of the matters referred to in the qualification paragraph, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department of Water, Land and Biodiversity Conservation as at 30 June 2002, its financial performance and its cash flows for the period 8 April 2002 to 30 June 2002.



**EMPHASIS OF MATTER**

Without further qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note (1)(a) to the financial statements, the Department of Water, Land and Biodiversity Conservation was established on 8 April 2002 from the functions of the former Department for Water Resources and the Sustainable Resources Group from the Department of Primary Industries and Resources. Note 12 explains that the asset and liability balances transferred from the Department of Primary Industries and Resources were as agreed between the parties at the time of preparing this report and that there remain a number of matters that require further negotiation and agreement between the two agencies. The nature and amount of future transfers of assets and liabilities could not be reliably determined and measured as at the date of issuing this report and accordingly are not disclosed in this report.

**23 SEPTEMBER 2002****K I MacPHERSON  
AUDITOR-GENERAL**

# Financial Statements

## Statement of Financial Performance for the period 1 July 2001 to 8 April 2002

|  | Note   | 2002<br>\$'000  | 2001<br>\$'000  |
|--|--------|-----------------|-----------------|
| <b>EXPENSES FROM ORDINARY ACTIVITIES:</b>  |        |                 |                 |
| Employee costs   | 4      | 11,848          | 12,794          |
| Goods and services   | 5      | 10,249          | 9,272           |
| Grants and subsidies   | 6      | 16,589          | 22,135          |
| Depreciation   | 7      | 605             | 370             |
| <b>Total Expenses from Ordinary Activities</b>   |        | <b>39,291</b>   | <b>44,571</b>   |
| <b>REVENUES FROM ORDINARY ACTIVITIES:</b>  |        |                 |                 |
| User fees and charges  | 8      | 1,712           | 2,758           |
| Grants   | 9      | 2,286           | 4,839           |
| Interest and other revenues  | 10     | 1,225           | 445             |
| <b>Total Revenue from Ordinary Activities</b>  |        | <b>5,223</b>    | <b>8,042</b>    |
| <b>NET COST OF SERVICES</b>  |        | <b>(34,068)</b> | <b>(36,529)</b> |
| <b>REVENUES FROM GOVERNMENT:</b>   |        |                 |                 |
| Recurrent appropriation  |        | 38,150          | 34,605          |
| Accrual Appropriation  |        | –               | 61              |
| Contingency provision grant  |        | 0               | 564             |
| <b>Total Revenues from Government</b>  | 11     | <b>38,150</b>   | <b>35,230</b>   |
| <b>TRANSFERS</b>   |        |                 |                 |
| Barcoo outlet  |        | 16,312          | –               |
| Other Transfers to Government Departments  |        | (3,134)         | –               |
| <b>Total Transfers</b>   | 12     | <b>13,178</b>   | <b>–</b>        |
| <b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>  |        | <b>17,260</b>   | <b>(1,299)</b>  |
| <b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS ITS OWNER</b> |        | <b>17,260</b>   | <b>(1,299)</b>  |
| <b>Statement of Financial Position as at 8 April 2002</b>  |        |                 |                 |
| <b>CURRENT ASSETS:</b>   |        |                 |                 |
| Cash assets  | 13     | 14,251          | 7,445           |
| Receivables  | 14     | 1,830           | 1,301           |
| Other  | 15     | 33              | 79              |
| <b>Total Current Assets</b>  |        | <b>16,114</b>   | <b>8,825</b>    |
| <b>NON-CURRENT ASSETS:</b>   |        |                 |                 |
| Property, plant and equipment  | 16, 17 | 24,439          | 8,316           |
| <b>Total Non-Current Assets</b>  |        | <b>24,439</b>   | <b>8,316</b>    |
| <b>Total Assets</b>  |        | <b>40,553</b>   | <b>17,141</b>   |
| <b>CURRENT LIABILITIES:</b>  |        |                 |                 |
| Payables   | 18     | 7,384           | 1,414           |
| Provision for employee entitlements  | 4      | 702             | 754             |
| <b>Total Current Liabilities</b>   |        | <b>8,086</b>    | <b>2,168</b>    |
| <b>NON-CURRENT LIABILITIES:</b>  |        |                 |                 |
| Payables   | 18     | 435             | 415             |
| Provision for employee entitlements  | 4      | 3,244           | 3,030           |
| <b>Total Non-Current Liabilities</b>   |        | <b>3,679</b>    | <b>3,445</b>    |
| <b>Total Liabilities</b>   |        | <b>11,765</b>   | <b>5,613</b>    |
| <b>NET ASSETS</b>  |        | <b>28,788</b>   | <b>11,528</b>   |
| <b>EQUITY:</b>   |        |                 |                 |
| Accumulated Surplus  | 19     | 28,788          | 11,528          |
| <b>TOTAL EQUITY</b>  |        | <b>28,788</b>   | <b>11,528</b>   |
| Contingent Liabilities   | 20     |                 |                 |

## Statement of Cash Flows for the period 1 July 2001 to 8 April 2002

|  |      | 2002                            | 2001                            |
|--|------|---------------------------------|---------------------------------|
|  |      | Inflows<br>(Outflows)<br>\$'000 | Inflows<br>(Outflows)<br>\$,000 |
| <b>CASH FLOWS FROM ORDINARY ACTIVITIES:</b>                | Note |                                 |                                 |
| PAYMENTS:  |      |                                 |                                 |
| Employee costs   |      | (11,572)                        | (11,852)                        |
| Goods and services   |      | (9,161)                         | (9,364)                         |
| Grants and subsidies                                       |      | (12,787)                        | (22,135)                        |
| Transfers paid   |      | (2,100)                         | –                               |
| GST payments on purchases                                  |      | (1,131)                         | –                               |
| <b>Total Payments</b>                                      |      | <b>(36,751)</b>                 | <b>(43,351)</b>                 |
| RECEIPTS:  |      |                                 |                                 |
| User charges and fees                                      |      | 1,314                           | 2,204                           |
| Grants   |      | 2,286                           | 4,839                           |
| Interest   |      | 111                             | 135                             |
| Other Receipts   |      | 1,070                           | 288                             |
| GST receipts on sales                                      |      | 274                             | –                               |
| GST receipts from the taxation authority                   |      | 766                             | –                               |
| <b>Total Receipts</b>                                      |      | <b>5,821</b>                    | <b>7,466</b>                    |
| CASH FLOWS FROM GOVERNMENT:                                |      |                                 |                                 |
| Appropriation  |      | 38,150                          | 35,230                          |
| <b>Total Cash Flows from Government</b>                    |      | <b>38,150</b>                   | <b>35,230</b>                   |
| <b>Net Cash provided by/(used in) Operating Activities</b> | 21   | <b>7,220</b>                    | <b>(655)</b>                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>               |      |                                 |                                 |
| PAYMENTS:  |      |                                 |                                 |
| Property, plant and equipment                              |      | (414)                           | (421)                           |
| RECEIPTS:  |      |                                 |                                 |
| Property, plant and equipment                              |      | –                               | –                               |
| <b>Net Cash used in Investing Activities</b>               |      | <b>(414)</b>                    | <b>(421)</b>                    |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>                |      | <b>6,806</b>                    | <b>(1,076)</b>                  |
| <b>CASH AT 1 JULY</b>                                      |      | <b>7,445</b>                    | <b>8,521</b>                    |
| <b>CASH AT 8 APRIL</b>                                     | 13   | <b>14,251</b>                   | <b>7,445</b>                    |

**Output Class Schedule of Departmental Operating Expenses and Revenues for the year period  
1 July 2001 to 8 April 2002**

|   | Coordination<br>and Advice | Water<br>Resource<br>Management | 2002<br>Total |
|---|----------------------------|---------------------------------|---------------|
| <b>EXPENSES FROM ORDINARY ACTIVITIES:</b>         |                            |                                 |               |
| Employee costs                                    | 841                        | 11,007                          | 11,848        |
| Goods and services                                | 728                        | 9,521                           | 10,249        |
| Grants and subsidies                              | 1,178                      | 15,411                          | 16,589        |
| Depreciation                                      | –                          | 605                             | 605           |
| <b>Total</b>                                      | <b>2,747</b>               | <b>36,544</b>                   | <b>39,291</b> |
| <b>REVENUES FROM ORDINARY ACTIVITIES:</b>         |                            |                                 |               |
| Appropriation                                     | 1,786                      | 36,364                          | 38,150        |
| User charges and fees                             | 122                        | 1,590                           | 1,712         |
| Grants  | 162                        | 2,124                           | 2,286         |
| Interest and other revenues                       | 87                         | 1,138                           | 1,225         |
| <b>Total</b>                                      | <b>2,157</b>               | <b>41,216</b>                   | <b>43,373</b> |
| <b>TRANSFERS:</b>                                 |                            |                                 |               |
| Barcoo outlet                                     | –                          | 16,312                          | 16,312        |
| Transfers to Government Departments               | –                          | (3,134)                         | (3,134)       |
|   | –                          | 13,178                          | 13,178        |
| <b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b> | <b>(590)</b>               | <b>17,850</b>                   | <b>17,260</b> |

## Notes to and forming part of the Financial Statements

### 1. Departmental Objectives

#### (a) Departmental Objectives

The objectives of the Department for Water Resources are to:

- > achieve a strong, consistent and collaborative focus on water issues for the benefit of South Australia (by drawing together the key water-related activities into this portfolio);
- > at a national level, ensure that South Australia's interests are recognised and protected in water reform initiatives and the key water resources shared with other states; and
- > take a lead role at the national level in managing water resources in the important areas of the Murray-Darling Basin, Lake Eyre Basin and the Great Artesian Basin. At the State level, be the lead government agency for the policy, regulation, management and administration of the State's water resources.

#### (b) Abolishment of DWR

With effect from 8 April 2002, the Department for Water Resources was abolished. The functions, together with the assets and liabilities of the abolished Department were transferred to the Department of Water, Land and Biodiversity Conservation, which was established on 8 April 2002.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards, Statements of Accounting Concepts and Urgent Issues Group Consensus Views (UIG's). The financial statements are prepared on the accrual basis of accounting and in accordance with historical cost convention, except for certain types of physical non-current assets which are valued at written down current cost.

#### (b) The Reporting Entity

The financial activities of the Department are primarily conducted through a Special Deposit Account established pursuant to section 8 of the Public Finance and Audit Act 1987 and held at the Department of Treasury and Finance.

The Department's sources of funds consist of monies appropriated by Parliament together with grants revenue and income derived from user charges and fees for services to the public and industry.

#### Administered Resources

The Department administers, but does not control, certain resources on behalf of the South Australian Government. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Department's objectives. For these resources, the Department acts only on behalf of the South Australian Government.

Transactions and balances relating to administered resources are not recognised as Departmental assets, liabilities, revenues or expenses, but are disclosed separately in the Schedule of Administered Items.

The administered resources will be reported in the 30 June Financial Statements for the Department of Water, Land and Biodiversity Conservation. The administered resources will be reported for the full year as the restructuring of government departments, which brought about the abolishment of the Department for Water Resources, did not have any effect on their financial activities.

#### (c) Income Recognition

##### (i) User charges and fees

User charges and fees controlled by the Department are recognised as revenues. User charges and fees are controlled by the Department where they can be deployed for the achievement of Departmental objectives.

User charges and fees collected by the Department but not controlled by it are not recognised as revenues, but are reported as administered revenues in the Schedule of Administered Items. Such amounts are paid to the Consolidated Account or other Funds not controlled by the Department.

Classification of Drilling revenue has been amended to be included in the sale of goods and services rather than as fees as previously disclosed.

##### (ii) Appropriation

Appropriations are recognised as revenue when the Department obtains control over the cash. Control over appropriation is normally obtained upon receipt.

##### (iii) Grants

Grants, whether operating, investing, or other, are recognised as revenue when the Department obtains control over the assets comprising the contributions. Control over grants is normally obtained upon receipt.

#### (d) Non-Current Assets

The Statement of Financial Position includes those non-current assets where identification, ownership, control and valuations can be reliably determined. Certain assets have been identified but not recognised by the Department as uncertainty exists over where control and ownership of these assets rests and the appropriate entity that should recognise them. It was on this basis that these assets were not previously recognised by the former Department for Environment, Heritage and Aboriginal Affairs, prior to the establishment of the Department for Water Resources. An implementation plan has been established whereby control and ownership will be identified and the assets will be valued and recognised where the Department is deemed to control those assets.

The Department has adopted an asset capitalisation limit of \$5,000. The capitalisation amount is within the limitations set by Accounting Policy Statement APS 2 'Asset Recognition'.

All items of property, plant and equipment controlled by the Department have been brought to account at current cost, with assets other than land, being reduced to reflect the portion of economic benefits that had been consumed since the asset was acquired, ie 'depreciated current cost'.

Current value has been determined using deprival value methodology, whereby assets are valued at the replacement cost of procuring assets with similar functions and which provide comparable future service potential.

The Department has adopted a policy of performing revaluations of property, plant and equipment at intervals not exceeding three years in accordance with Accounting Policy Statement APS 3 'Revaluation of Non-Current Assets'.

#### *Land and Buildings*

Land and buildings have been independently valued by Valcorp Pty Ltd as at 30 June 1999.

#### *Borehole Network*

The borehole network utilised for groundwater measurement, was independently valued by Valcorp Pty Ltd as at 30 June 1999 on the basis of deprival value and recorded at replacement cost less accumulated depreciation.

#### *Hydrometric Gauging Stations*

The hydrometric gauging stations utilised to measure and control salinity have been included at officers' valuation.

#### *Waste Disposal Stations*

The houseboat waste disposal stations were independently valued by Valcorp Pty Ltd as at 30 June 1999.

#### *Plant and Equipment*

Plant and equipment are brought to account at cost or at officers' valuation for initial recognition purposes. Items with an individual value of less than \$5,000 are expensed in the Statement of Financial Performance at the time they are acquired.

#### *Barcoo Outlet*

The Barcoo Outlet project was commissioned during November 2001 by the major projects group – Department for Administrative and Information Services. With the completion of the project the asset was transferred to Department for Water Resources (DWR) from the previous Minister for Infrastructure at cost. As part of the overall infrastructure at Holdfast Shores, the Glenelg lock gates have also been upgraded, but the transfer of this asset which is also intended to come to DWR, will not be effected until 2002-03.

### **(e) Depreciation**

All items of property, plant and equipment, with the exception of land, have a limited useful life and are systematically depreciated in a manner that reflects the consumption of service potential. The depreciation rates are reviewed annually. No depreciation is applied to capital work in progress, as this asset category consists of unfinished projects that have not been commissioned into service.

Assets are subject to straight line depreciation over the following periods:

|                              | Years   |
|------------------------------|---------|
| Buildings                    | 50      |
| Borehole network             | 30      |
| Barcoo Outlet                | 25 - 50 |
| Hydrometric gauging stations | 4-213   |
| Waste disposal stations      | 50      |
| Plant and equipment          | 3-30    |

### **(f) Employee Entitlements**

#### *(i) Wages, Salaries and Annual Leave*

Liabilities for wages, salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

#### *(ii) Sick Leave*

No provision has been made for sick leave as entitlements are non-vesting and it is considered that sick leave is taken from the current year's entitlement.

#### *(iii) Long Service Leave*

A liability for long service leave is calculated by using the product of the current liability for all employees who have completed eight or more years of service and the current rate of remuneration for each of these employees respectively. The eight years has been based on an actuarial calculation as directed in Accounting Policy Statements. The liability is measured as the amount unpaid at the reporting date.

#### *(iv) Employee Entitlement On-costs*

Related on-costs of payroll tax and superannuation are recorded under the item creditors and accruals for any annual and long service leave accrued at the end of the year.

#### *(v) Superannuation*

Contributions are made by the Department to several superannuation schemes operated by the South Australian Government. 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 superannuation schemes. The only liability outstanding at balance date relates to any contribution due but not yet paid to the superannuation schemes.

#### *(vi) Workers Compensation*

A provision is raised to reflect the liability for any outstanding (unsettled) workers compensation claims for lump sum payments, adjusted for potential recoveries from negligent third parties. It is based on an actuarial assessment prepared for the Department of Premier and Cabinet.

These figures reflect an apportionment of the whole-of-government estimate of workers compensation liability, according to the Department's experience of claim numbers and payments.

The whole-of-government estimate can be found in a report prepared by Taylor Fry Pty Ltd, consulting actuaries, and submitted to the Public Sector Occupational Health and Injury Management Branch of the Department of Premier and Cabinet. This report conforms to the WorkCover Guidelines for Actuaries, Australian Accounting Standard AAS26 'Financial Reporting of General Insurance Activities' and Professional Standard PS 300 'Actuarial Reports and Advice on Outstanding Claims in General Insurance' of the Institute of Actuaries of Australia.

The allocation of workers compensation liabilities has also been split into current and non-current portions.



**(g) Leases**

The Department has entered into non-cancellable operating lease agreements for office accommodation where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating lease. Refer to Note 22 for further details.

Operating lease payments are representative of the pattern of benefit derived from the leased assets and accordingly are charged to the Statement of Financial Performance in the periods in which they are incurred.

The Department has not entered into any finance leases.

**(h) Provision for Doubtful Debts**

The provision for doubtful debts has been calculated as 1 percent of all receivables, together with an allowance for specific debts that are unlikely to be collected.

**(i) Cash**

For the purpose of the Statement of Cash Flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

Cash includes \$61,000 received as accrual appropriation and its use is restricted by conditions established by the Treasurer.

**(j) Goods and Services Tax**

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as a part of the cost of acquisition of the asset, or as part of the expense item.

The net amount of GST recoverable or payable to the ATO is included as a current asset or liability in the Statement of Financial Position.

Cashflows are included in the Statement of Cash Flows on a gross basis.

**(k) Comparative Figures**

The Statement of Financial Performance, Statement of Financial Position and the Statement of Cash Flows and the Notes to the financial statements disclose comparative figures for 2000-2001. Actual information relates to the period 1 July 2001 to 8 April 2002 and therefore is not representative of a complete financial year following the abolishment of the Department on 8 April 2002, whereas the comparatives are for the complete year from 1 July 2000 to 30 June 2001.

**(l) Rounding**

All amounts are rounded to the nearest thousand dollars.

**OUTPUT CLASS 1: COORDINATION AND ADVICE**

The coordination of whole of government initiatives or services as well as policy advice and development for and on behalf of the Minister for Water Resources.

*Output 1.1 Policy Advice*

Strategic and technical policy advice and development for and on behalf of the Minister for Water Resources on the sustainable management and development of water resources at the State, inter-government, regional and catchment levels.

**OUTPUT CLASS 2: WATER RESOURCES MANAGEMENT**

The provision of a range of water resource management services including resource planning and management; the administration of the Water Resources Act, 1997; water licensing; and the assessment, monitoring and evaluation of water resources.

*Output 2.1 Resource Planning and Management Services*

Plans and strategies for water resources management, water allocation and salinity management; resources planning advice and assistance to relevant authorities (eg catchment water management boards and planning committees, South Eastern Water Conservation and Drainage Board); development and management of River Murray remediation projects. Regional management of water resources through the Riverland and South East offices.

*Output 2.2 Resource Monitoring and Assessment Services*

Oversight, monitoring and analysis of the state and condition of South Australia's water resources and sustainable levels of water use; technical advice and data for the Water Resources Council, catchment water management boards and water resources planning committees, government agencies, the water management and development sectors, search and academic institutions; increased community awareness of the importance of managing the State's water resources.

*Output 2.3 Licensing and Compliance Services*

Administration of the Water Resources Act 1997 and other water management legislation including specification and issue of licenses, permits and authorisations for water property rights; on-going review of community awareness of and compliance with the provisions of this legislation and where necessary, enforcement of legislative requirements.

**3. Output Classes of the Department**

The Department has specified two major classes of outputs that it delivers to the community and the Minister for Water Resources. Outputs are defined as goods and services produced, provided to or acquired for external customers. The identity and description of each major output class and output of the Department are summarised below (refer to the Output Class Schedule of Departmental Operating Expenses and Revenues).

#### 4. Employee Entitlements

##### (a) Employee Costs

Wages, salaries and other employee related expenses  
Workers compensation  
Superannuation

| 2002<br>\$'000 | 2001<br>\$'000 |
|----------------|----------------|
| 10,715         | 11,343         |
| 91             | 216            |
| 1,042          | 1,235          |
| 11,848         | 12,794         |

##### (b) Employee Entitlements Liability

###### Current Liability:

Long service leave  
Annual leave  
Workers Compensation

|     |     |
|-----|-----|
| 131 | 119 |
| 543 | 584 |
| 28  | 51  |
| 702 | 754 |

###### Non-Current Liability:

Long service leave  
Workers Compensation

|       |       |
|-------|-------|
| 3,152 | 2,865 |
| 92    | 165   |
| 3,244 | 3,030 |

#### 5. Goods and Services

Goods and services expenses for the reporting period comprised of:

Contractor expenses  
Accommodation and service expenses  
Consultancies  
Travel and accommodation  
Vehicle operating expenses  
Materials and consumables  
Minor plant and equipment purchases  
Printing, publishing and stationery  
Computing expenses  
Equipment repairs and maintenance  
Legal fees  
Exhibition and promotional expenses  
Service Level Agreement  
Advertising expenses  
Chemical Analysis  
Other

| 2002<br>\$'000 | 2001<br>\$'000 |
|----------------|----------------|
| 2,712          | 2,090          |
| 1,556          | 1,791          |
| 470            | 1,000          |
| 387            | 905            |
| 751            | 589            |
| 400            | 581            |
| 461            | 347            |
| 397            | 372            |
| 589            | 352            |
| 256            | 311            |
| 128            | 179            |
| 204            | 105            |
| 720            | –              |
| 343            | 97             |
| 120            | –              |
| 755            | 553            |
| 10,249         | 9,272          |

## 6. Grants and Subsidies

Grants and subsidies for the reporting period comprised:

Murray Darling 2001 grants

State contribution to Murray Darling Basin Commission,  
pursuant to the Murray Darling Basin Agreement Act

Catchment Management Subsidy Scheme

South East Confined Aquifer Rehabilitation Scheme

Lower Murray Irrigation Action Group

Contribution to the Lake Eyre Basin program through the  
Commonwealth Department of the Environment

Gawler River Flood Mitigation Scheme

\*Great Artesian Basin Bore drain

Miscellaneous grants

| 2002<br>\$'000 | 2001<br>\$'000 |
|----------------|----------------|
| 924            | 5,713          |
| 13,441         | 13,239         |
| 683            | 2,086          |
| 49             | 750            |
| 248            | –              |
| 125            | –              |
| 293            | –              |
| 259            | –              |
| 567            | 347            |
| 16,589         | 22,135         |

\* This amount was granted by way of work undertaken for the project, ie contribution of assets.

## 7. Depreciation

Depreciation expenses for the reporting period were charged in respect of:

Building improvements

Borehole network

Hydrometric gauging stations

Waste disposal stations

Barcoo Outlet

Plant and equipment

|     |     |
|-----|-----|
| 1   | 5   |
| 217 | 108 |
| 57  | 39  |
| 45  | 30  |
| 116 | –   |
| 169 | 188 |
| 605 | 370 |

## 8. User charges and fees

User charges and fees for the reporting period comprised:

\*Fees, levies and licences

Sale of goods and services

|       |       |
|-------|-------|
| 566   | 2,468 |
| 1,146 | 290   |
| 1,712 | 2,758 |

## 9. Grants

Grant revenue for the reporting period comprised:

Great Artesian Basin

National Action Plan for Salinity and Water Quality

Commonwealth Contributions to the Environmental Flows - Arid Zone Rivers project

Watercare Education and Awareness

Sundry grants and contributions received

Regional Flood Mitigation Program

Catchment Management Subsidy Scheme

Murray Darling 2001 Program

|       |       |
|-------|-------|
| 775   | –     |
| 660   | –     |
| 273   | –     |
| 209   | –     |
| 207   | 657   |
| 60    | 1,748 |
| 72    | –     |
| 30    | 2,434 |
| 2,286 | 4,839 |

## 10. Interest and other revenues

Interest and other revenues for the reporting period comprised:

Salaries and wages recouped

Interest income

Other revenue

|       |     |
|-------|-----|
| 858   | –   |
| 170   | 157 |
| 197   | 288 |
| 1,225 | 445 |

## 11. Revenues from Government

Department for Water Resources  
 Recurrent appropriation  
 Accrual appropriation  
 Contingency provision grants

| 2002<br>\$'000 | 2001<br>\$'000 |
|----------------|----------------|
| 38,150         | 34,605         |
| –              | 61             |
| –              | 564            |
| <b>38,150</b>  | <b>35,230</b>  |

Note: All accrual and contingency appropriations will be paid to the Department of Water, Land and Biodiversity Conservation during June 2002.

## 12. Transfers

Transfers in:  
 Barcoo Outlet

16,312 –

Transfers out:

\*Transfer to Department of Primary Industries and Resources  
 \*Transfer to Department for Environment and Heritage

(1,034) –  
 (2,100) –  
**13,178 –**

\* Finalisation of transfers relating to the formation of the Department.

## 13. Financial Instruments

The following disclosures have been provided in accordance with the requirements of Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'.

### (a) Terms, Conditions and Accounting Policies

#### (i) Financial Assets

- > Cash on hand and deposits are available at call.
- > Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 60 days.

#### (ii) Financial Liabilities

- > Trade creditors are raised for all amounts billed or ordered but unpaid. Trade creditors are normally settled within 30 days.

### (b) Interest Rate Risk

|                           |  |                                       | 2002                                  |   | 2001                                  |
|---------------------------|--|---------------------------------------|---------------------------------------|---|---------------------------------------|
| Financial Instrument      | Floating<br>Interest<br>Rate<br>\$'000 | Non-<br>Interest<br>Bearing<br>\$'000 | Total<br>Carrying<br>Amount<br>\$'000 | Weighted<br>Average<br>Effective<br>Interest<br>Rate<br>Percent | Total<br>Carrying<br>Amount<br>\$'000 |
| Financial Assets:         |  |                                       |                                       |   |                                       |
| Cash on hand and deposits | 14,251                                 | –                                     | 14,251                                | 4.9   | 7,445                                 |
| Receivables               | –                                      | 1,688                                 | 1,688                                 | –   | 1,248                                 |
|                           | <b>14,251</b>                          | <b>1,688</b>                          | <b>15,939</b>                         |   | <b>8,693</b>                          |
| Financial Liabilities:    |  |                                       |                                       |   |                                       |
| Trade creditors           | –                                      | 6,920                                 | 6,920                                 | –   | 958                                   |
|                           | <b>–</b>                               | <b>6,920</b>                          | <b>6,920</b>                          |   | <b>958</b>                            |

## (c) Net Fair Value

Financial Instruments are valued at the carrying amount as per the Statement of Financial Position which approximates fair value. The carrying amount of financial assets approximates net fair value due to their short term to maturity or being receivable on demand. The carrying amount of financial liabilities is considered to be a reasonable estimate of net fair value.

## (d) Credit Risk

At the end of each reporting period these receivable balances are reviewed and a provision is raised in respect of any balance where recoverability is considered doubtful. Bad debts are written off in the period in which they are identified. Credit risk therefore is confined to the amount set aside as a provision for doubtful debts. The resulting carrying amount is considered to approximate their net fair values. The Department does not have any significant exposure to a single customer, thus its credit risks are due to its customer base being influenced by the South Australian economy and the factors that can influence the particular industries that rely on water.

**14. Receivables**

|                                       | 2002<br>\$'000 | 2001<br>\$'000 |
|---------------------------------------|----------------|----------------|
| Current:                              |                |                |
| User charges and fees receivable      | 1,593          | 1,195          |
| Accrued interest                      | 95             | 36             |
| Net goods and services tax receivable | 177            | 86             |
| Other Receivables                     | –              | 17             |
| Less: Provision for doubtful debts    | (35)           | (33)           |
|                                       | <u>1,830</u>   | <u>1,301</u>   |
|                                       |                |                |
|                                       | <u>33</u>      | <u>79</u>      |

**15. Other Current Assets**

User charges and fees receivable

**16. Property, Plant and Equipment**

|                              | Cost<br>\$'000 | Valuation<br>\$'000 | 2002<br>Accumulated<br>Depreciation<br>\$'000 | Written<br>Down Value<br>\$'000 | 2001<br>Written<br>Down Value<br>\$'000 |
|------------------------------|----------------|---------------------|---|---------------------------------|---|
| Land and buildings           | 22             | 40                  | 7   | 55                              | 56                                      |
| Borehole network             | –              | 8,691               | 6,210   | 2,481                           | 2,698                                   |
| Hydrometric Gauging Stations | –              | 3,883               | 1,144   | 2,739                           | 2,796                                   |
| Waste disposal stations      | –              | 2,996               | 1,573   | 1,423                           | 1,468                                   |
| Barcoo Outlet                | 16,312         | –                   | 116   | 16,196                          | –                                       |
| Plant and equipment          | 3,314          | 682                 | 2,993   | 1,003                           | 986                                     |
| Work in progress             | 542            | –                   | –   | 542                             | 312                                     |
|                              | <u>20,190</u>  | <u>16,292</u>       | <u>12,043</u>                                 | <u>24,439</u>                   | <u>8,316</u>                            |

## 17. Property, Plant and Equipment Movement Schedule

|                            | Land*<br>and<br>Buildings<br>\$'000 | Borehole<br>Network<br>\$'000 | Hydrometric<br>Gauging<br>Station<br>\$'000 | Waste<br>Disposal<br>Stations<br>\$'000 | Barcoo<br>Outlet<br>\$'000 | Plant and<br>Equipment<br>\$'000 | Work in<br>Progress<br>\$'000 | Total<br>\$'000 |
|----------------------------|-------------------------------------|-------------------------------|---|---|----------------------------|----------------------------------|-------------------------------|-----------------|
| Gross Carrying Amount:     |                                     |                               |   |   |                            |                                  |                               |                 |
| Balance as at 30 June 2001 | 62                                  | 8,691                         | 3,883                                       | 2,996                                   | -                          | 3,956                            | 312                           | 19,900          |
| Additions                  | -                                   | -                             | -   | -                                       | -                          | 187                              | 230                           | 417             |
| Disposals                  | -                                   | -                             | -   | -                                       | -                          | (147)                            | -                             | (147)           |
| Transfers in               | -                                   | -                             | -   | -                                       | 16,312                     | -                                | -                             | 16,312          |
| Balance as at 8 April 2002 | 62                                  | 8,691                         | 3,883                                       | 2,996                                   | 16,312                     | 3,996                            | 542                           | 36,482          |
| Accumulated Depreciation:  |                                     |                               |   |   |                            |                                  |                               |                 |
| Balance as at 30 June 2001 | (6)                                 | (5,993)                       | (1,087)                                     | (1,528)                                 | -                          | (2,970)                          | -                             | (11,584)        |
| Disposals                  | -                                   | -                             | -   | -                                       | -                          | 146                              | -                             | 146             |
| Depreciation expense       | (1)                                 | (217)                         | (57)  | (45)                                    | (116)                      | (169)                            | -                             | (605)           |
| Transfers in               | -                                   | -                             | -   | -                                       | -                          | -                                | -                             | -               |
| Balance as at 8 April 2002 | (7)                                 | (6,210)                       | (1,144)                                     | (1,573)                                 | (116)                      | (2,993)                          | -                             | (12,043)        |
| Net Book Value:            |                                     |                               |   |   |                            |                                  |                               |                 |
| As at 30 June 2001         | 56                                  | 2,698                         | 2,796                                       | 1,468                                   | -                          | 986                              | 312                           | 8,316           |
| As at 8 April 2002         | 55                                  | 2,481                         | 2,739                                       | 1,423                                   | 16,196                     | 1,003                            | 542                           | 24,439          |

\* Value of land in 30 June 2001 opening balance is \$40,000.

## 18. Payables

|                 | 2002<br>\$'000 | 2001<br>\$'000 |
|-----------------|----------------|----------------|
| Current:        |                |                |
| Employee costs  | 464            | 370            |
| Trade creditors | 3,411          | 958            |
| GST Payable     | -              | 86             |
| MDBC payments   | 3,509          | -              |
|                 | 7,384          | 1,414          |
| Non-Current:    |                |                |
| Employee costs  | 435            | 415            |
|                 | 435            | 415            |

## 19. Accumulated Surplus

|  | 2002<br>\$'000 | 2001<br>\$'000 |
|--|----------------|----------------|
| Opening balance accumulated surplus                                    | 11,528         | 12,827         |
| Increase/(Decrease) in net assets resulting from operations<br>(1,299) | 17,260         |                |
| Accumulated Surplus at 8 April   | 28,788         | 11,528         |

## 20. Contingent Obligations

Section 14A of the Irrigation Act 1994, inserted by the Irrigation (Dissolution of Trusts) Amendment Act 1988, contains the following provision:

If in the opinion of the Minister it is not practicable or appropriate to vest the property and rights, or attach liabilities, of a dissolved trust on or to another trust, the property, rights and liabilities of the trust will, subject to subsection (3) vest in or attach to the Crown.

At the time of preparing this report the Departments exposure arising from the aforementioned could not be reliably measured.



## 21. Reconciliation of Net Cash provided by Operating Activities to Surplus (Deficit) from Ordinary Activities

|   | 2002<br>\$'000 | 2001<br>\$'000 |
|---|----------------|----------------|
| Net cash provided by operating activities   | 7,220          | (655)          |
| Transfer of Barcoo outlet                   | 16,312         | –              |
| Transfer to other Government Departments    | (1,034)        | –              |
| Non cash items:                             |                |                |
| Depreciation expense                        | (605)          | (370)          |
| Change in operating assets and liabilities: |                |                |
| Increase/(Decrease) in receivables          | 531            | 653            |
| Increase/(Decrease) in other assets         | (46)           | 31             |
| (Increase) in payables                      | (4,956)        | (38)           |
| (Increase) in employee entitlements         | (162)          | (920)          |
| Surplus/(Deficit) from Ordinary Activities  | 17,260         | (1,299)        |

## 22. Lease Commitments

As at 8 April 2002, the Department for Water Resources has the following obligations under non cancellable operating leases:

|   |       |       |
|---|-------|-------|
| Not later than one year                           | 1,011 | 765   |
| Later than one year but not later than five years | 3,490 | 3,321 |
| Later than five years                             | 2,808 | 2,435 |
|   | 7,309 | 6,521 |

## 23. Payments to Consultants

Payments to consultants fell within the following bands:

|                     | 2002<br>Number of<br>Consultants<br>as at 8 April | 2001<br>Number of<br>Consultants |
|---------------------|---|----------------------------------|
| \$0 - \$10,000      | 47  | 51                               |
| \$10,000 - \$50,000 | 16  | 18                               |
| \$50,000 and above  | –   | 2                                |

## 24. Remuneration to Auditors

Audit fees for the period ended 8 April 2002 are \$60,000 (\$60,000)

## 25. Enhanced Targeted Voluntary Separation Package (TVSP's) Scheme

|  | 2002<br>\$'000 | 2001<br>\$'000 |
|--|----------------|----------------|
| Number of employees paid ETVSPs  | 9              | –              |
| Amount paid to these employees:  |                |                |
| ETVSP  | 810            | –              |
| Accrued annual leave and long service leave  | 427            | –              |
|  | 1,237          | –              |
| Amount recovered from the Enhanced Targeted Voluntary Separation Package Schemes Special Deposit Account | 810            | –              |

These amounts are included in the financial statements

## 27. Employee Remuneration

An Employee Remuneration note will be included in the 30 June 2002 Financial Statements for the Department of Water, Land and Biodiversity Conservation, in accordance with APS 16 relating to restructures.

In our opinion, the attached Financial Statements of the Department for Water Resources, being the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and notes thereto, are drawn up so as to give a reasonable and fair view of the results of the Department for Water Resources for the period 1 July 2001 to 8 April 2002, and state of affairs as at 8 April 2002. The Financial Statements have been prepared in accordance with Statements of Accounting Concepts, applicable Urgent Issues Group Consensus Views, applicable Accounting Standards and the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act, 1987, as amended. Internal controls over financial reporting have been effective throughout the reporting period.

|  |       |       |
|--|-------|-------|
| National Action Plan for Salinity and Water Quality  | 583   | –     |
| Great Artesian Basin                                 | 547   | –     |
| Watercare  | 164   | –     |
| South East Convesion to Volumetric                   | 82    | –     |
| Environmental Flows - Arid Zones Rivers              | 77    | 172   |
| Commonwealth contributions                           | –     | 1,796 |
| Contributions received - Murray Darling 2001 Program | –     | 194   |
|  | 1,453 | 2,162 |

| 2002<br>Unspent<br>Amount<br>\$'000 | 2001<br>Unspent<br>Amount<br>\$'000 |
|-------------------------------------|-------------------------------------|
| 583                                 | –                                   |
| 547                                 | –                                   |
| 164                                 | –                                   |
| 82                                  | –                                   |
| 77                                  | 172                                 |
| –                                   | 1,796                               |
| –                                   | 194                                 |
| 1,453                               | 2,162                               |

Peter O'Neill

ACTING CHIEF EXECUTIVE

Rudi Artz

MANAGER, FINANCIAL SERVICES

## Statement of Financial Performance for the period 8 April to 30 June 2002

|  | Note | 2002<br>\$'000 |
|--|------|----------------|
| <b>EXPENSES FROM ORDINARY ACTIVITIES:</b>  |      |                |
| Employee costs   | 4    | 5,256          |
| Goods and services   | 5    | 10,062         |
| Grants and subsidies   | 6    | 5,452          |
| Depreciation   | 7    | 290            |
| <b>Total Expenses from Ordinary Activities</b>   |      | <b>21,059</b>  |
| <b>REVENUES FROM ORDINARY ACTIVITIES:</b>  |      |                |
| User fees and charges  | 8    | 3,884          |
| Grants   | 9    | 8,520          |
| Interest and other revenues  | 10   | 390            |
| <b>Total Revenue from Ordinary Activities</b>  |      | <b>12,794</b>  |
| <b>NET COST OF SERVICES</b>  |      | <b>(8,265)</b> |
| <b>REVENUES FROM GOVERNMENT:</b>   |      |                |
| Recurrent appropriation  |      | 4,895          |
| Accrual Appropriation  |      | 62             |
| Contingency provision grant  |      | 311            |
| <b>Total Revenues from Government</b>  | 11   | <b>5,268</b>   |
| <b>TRANSFERS:</b>  |      |                |
| Transfers from the former Department for Water Resources   |      | 28,788         |
| Transfers from Department of Primary Industries and Resources  |      | 1,278          |
| <b>Total Transfers</b>   | 12   | <b>30,066</b>  |
| <b>SURPLUS FROM ORDINARY ACTIVITIES</b>  |      | <b>27,069</b>  |
| <b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM<br/>TRANSACTIONS WITH THE STATE GOVERNMENT AS ITS OWNER</b> |      | <b>27,069</b>  |

## Statement of Financial Position as at 30 June 2002

|                                      |        |               |
|--------------------------------------|--------|---------------|
| <b>CURRENT ASSETS:</b>               |        |               |
| Cash assets                          | 13     | 4,435         |
| Receivables                          | 14     | 4,100         |
| Inventory                            |        | 475           |
| Other                                | 15     | 45            |
| <b>Total Current Assets</b>          |        | <b>9,055</b>  |
| <b>NON-CURRENT ASSETS:</b>           |        |               |
| Property, plant and equipment        | 16, 17 | 27,644        |
| <b>Total Non-Current Assets</b>      |        | <b>27,644</b> |
| <b>Total Assets</b>                  |        | <b>36,699</b> |
| <b>CURRENT LIABILITIES:</b>          |        |               |
| Payables                             | 18     | 3,255         |
| Provision for employee entitlements  | 4      | 1,280         |
| <b>Total Current Liabilities</b>     |        | <b>4,535</b>  |
| <b>NON-CURRENT LIABILITIES:</b>      |        |               |
| Payables                             | 18     | 604           |
| Provision for employee entitlements  | 4      | 4,491         |
| <b>Total Non-Current Liabilities</b> |        | <b>5,095</b>  |
| <b>Total Liabilities</b>             |        | <b>9,630</b>  |
| <b>NET ASSETS</b>                    |        | <b>27,069</b> |
| <b>EQUITY:</b>                       |        |               |
| Accumulated Surplus                  | 19     | 27,069        |
| <b>TOTAL EQUITY</b>                  |        | <b>27,069</b> |
| Contingent Obligations               | 20     |               |

## Statement of Cash Flows for the period 8 April to 30 June 2002

|  | Note | 2002<br>Inflows<br>(Outflows)<br>\$'000 |
|--|------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>     |      |   |
| <b>PAYMENTS:</b>                                 |      |   |
| Employee costs                                   |      | (4,915)                                 |
| Goods and services                               |      | (14,134)                                |
| Grants and subsidies                             |      | (5,452)                                 |
| GST paid on purchases                            |      | (781)                                   |
| <b>Total Payments</b>                            |      | <b>(25,282)</b>                         |
| <b>RECEIPTS:</b>                                 |      |   |
| User charges and fees                            |      | 1,669                                   |
| Grants   |      | 8,520                                   |
| Interest   |      | 272                                     |
| Other Receipts                                   |      | 180                                     |
| GST receipts on sales                            |      | 297                                     |
| GST receipts from the taxation authority         |      | 368                                     |
| <b>Total Receipts</b>                            |      | <b>11,306</b>                           |
| <b>CASH FLOWS FROM GOVERNMENT:</b>               |      |   |
| Appropriation                                    |      | 5,268                                   |
| Transfers from other Government agencies         |      | 14,251                                  |
| <b>Total Cash Flows from Government</b>          |      | <b>19,519</b>                           |
| <b>Net Cash provided by Operating Activities</b> | 21   | <b>5,543</b>                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>     |      |   |
| <b>PAYMENTS:</b>                                 |      |   |
| Property, plant and equipment                    |      | (1,108)                                 |
| <b>Net Cash used in Investing Activities</b>     |      | <b>(1,108)</b>                          |
| <b>NET INCREASE IN CASH HELD</b>                 |      | <b>4,435</b>                            |
| <b>CASH AT 8 APRIL</b>                           |      | <b>–</b>                                |
| <b>CASH AT 30 JUNE</b>                           | 13   | <b>4,435</b>                            |

## Output Class Schedule of Departmental Operating Expenses and Revenues for the period 8 April to 30 June 2002

|   | Coordination<br>and Advice | Water<br>Resource<br>Management | Information<br>Services | State Resource<br>Regulation<br>Services | Facilitation<br>Services | TOTAL         |
|---|----------------------------|---------------------------------|-------------------------|--|--------------------------|---------------|
| <b>EXPENSES FROM ORDINARY ACTIVITIES:</b>                     |                            |                                 |                         |  |                          |               |
| Employee costs  | 478                        | 3,222                           | 198                     | 118                                      | 1,239                    | 5,255         |
| Goods and services  | 916                        | 6,169                           | 378                     | 224                                      | 2,375                    | 10,062        |
| Grants and subsidies  | 496                        | 3,343                           | 205                     | 123                                      | 1,285                    | 5,452         |
| Depreciation  | 26                         | 178                             | 12                      | 6  | 68                       | 290           |
| <b>Total</b>  | <b>1,916</b>               | <b>12,912</b>                   | <b>793</b>              | <b>471</b>                               | <b>4,967</b>             | <b>21,059</b> |
| <b>REVENUES FROM ORDINARY ACTIVITIES:</b>                     |                            |                                 |                         |  |                          |               |
| Appropriation   | 480                        | 3,230                           | 198                     | 118                                      | 1,242                    | 5,268         |
| User charges and fees   | 354                        | 2,382                           | 146                     | 86                                       | 916                      | 3,884         |
| Grants  | 776                        | 5,224                           | 322                     | 189                                      | 2,009                    | 8,520         |
| Interest and other revenues                                   | 36                         | 239                             | 15                      | 8  | 92                       | 390           |
| <b>Total</b>  | <b>1,646</b>               | <b>11,075</b>                   | <b>681</b>              | <b>401</b>                               | <b>4,259</b>             | <b>18,062</b> |
| <b>TRANSFERS:</b>   |                            |                                 |                         |  |                          |               |
| Transfers from the former Department for Water Resources      | 3,742                      | 25,046                          | –                       | –  | –                        | 28,788        |
| Transfers from Department of Primary Industries and Resources | –                          | –                               | 166                     | 102                                      | 1,010                    | 1,278         |
| <b>3,742</b>  | <b>25,046</b>              | <b>166</b>                      | <b>102</b>              | <b>1,010</b>                             |                          | <b>30,066</b> |
| <b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES</b>             | <b>3,472</b>               | <b>23,209</b>                   | <b>54</b>               | <b>32</b>                                | <b>302</b>               | <b>27,069</b> |

## Schedule of Administered Items for the year ended 30 June 2002

|   | Catchment<br>Water<br>Management<br>Board Levies<br>\$'000 | Qualco<br>Sunlands<br>\$'000 | Penalty<br>Charges<br>\$'000 | Ministerial<br>Payments<br>\$'000 | Arid Areas<br>Catchment<br>Water<br>Management<br>Board<br>\$'000 | Water<br>Resources<br>Levy Fund<br>\$'000 | Pastoral<br>Board<br>\$'000 | National<br>Heritage<br>Trust<br>Grants<br>\$'000 | National<br>Action Plan<br>for Salinity<br>& Water<br>Quality<br>\$'000 | Soil<br>Conservation<br>& Landcare<br>\$'000 | South Eastern<br>Water<br>Drainage<br>Board<br>\$'000 | 2002<br>Total<br>\$'000 |
|---|--|------------------------------|------------------------------|-----------------------------------|---|---|-----------------------------|---|---|--|---|-------------------------|
| <b>ADMINISTERED ASSETS AND LIABILITIES:</b>                         |  |                              |                              |                                   |   |   |                             |   |   |  |   |                         |
| <b>ASSETS:</b>  |  |                              |                              |                                   |   |   |                             |   |   |  |   |                         |
| Cash on hand and on deposit   | 1,578  | 254                          | 774                          | (125)                             | 648   | 178                                       | -                           | 6,033   | 5,623   | 24   | (162)   | 14,825                  |
| Current receivables   | 428  | 1                            | 2,538                        | 125                               | 3   | 14  | -                           | -   | -   | -  | -   | 3,109                   |
| Non-current asset   | -  | -                            | -                            | -                                 | -   | -   | 23,583                      | -   | -   | -  | -   | 23,583                  |
| <b>Total</b>  | <b>2,006</b>   | <b>255</b>                   | <b>3,312</b>                 | <b>-</b>                          | <b>651</b>  | <b>192</b>                                | <b>23,583</b>               | <b>6,033</b>                                      | <b>5,623</b>  | <b>24</b>                                    | <b>(162)</b>  | <b>41,517</b>           |
| <b>LIABILITIES:</b>   |  |                              |                              |                                   |   |   |                             |   |   |  |   |                         |
| Current creditors and accruals                                      | 1,578  | -                            | 774                          | -                                 | 11  | -   | -                           | -   | -   | -  | 10  | 2,373                   |
| Current provision for employee entitlements                         | -  | -                            | -                            | -                                 | 6   | -   | -                           | -   | -   | -  | 55  | 61                      |
| Non-current creditors and accruals                                  | -  | -                            | -                            | -                                 | -   | -   | -                           | -   | -   | -  | 23  | 23                      |
| Non-current provision for employee entitlements                     | -  | -                            | -                            | -                                 | -   | -   | -                           | -   | -   | -  | 173   | 173                     |
| <b>Total</b>  | <b>1,578</b>   | <b>-</b>                     | <b>774</b>                   | <b>-</b>                          | <b>17</b>   | <b>-</b>                                  | <b>-</b>                    | <b>-</b>  | <b>-</b>  | <b>-</b>                                     | <b>261</b>  | <b>2,630</b>            |
| <b>NET ADMINISTERED ASSETS</b>                                      | <b>428</b>   | <b>255</b>                   | <b>2,538</b>                 | <b>-</b>                          | <b>634</b>  | <b>192</b>                                | <b>23,583</b>               | <b>6,033</b>                                      | <b>5,623</b>  | <b>24</b>                                    | <b>(423)</b>  | <b>38,887</b>           |
|   |  |                              |                              |                                   |   |   |                             |   |   |  |   |                         |
|   | Catchment<br>Water<br>Management<br>Board Levies<br>\$'000 | Qualco<br>Sunlands<br>\$'000 | Penalty<br>Charges<br>\$'000 | Ministerial<br>Payments<br>\$'000 | Arid Areas<br>Catchment<br>Water<br>Management<br>Board<br>\$'000 | Water<br>Resources<br>Levy Fund<br>\$'000 | Pastoral<br>Board<br>\$'000 | National<br>Heritage<br>Trust<br>Grants<br>\$'000 | National<br>Action Plan<br>for Salinity<br>& Water<br>Quality<br>\$'000 | Soil<br>Conservation<br>& Landcare<br>\$'000 | South Eastern<br>Water<br>Drainage<br>Board<br>\$'000 | 2002<br>Total<br>\$'000 |
| <b>ADMINISTERED REVENUES AND EXPENSES:</b>                          |  |                              |                              |                                   |   |   |                             |   |   |  |   |                         |
| <b>EXPENSES FROM ORDINARY ACTIVITIES:</b>                           |  |                              |                              |                                   |   |   |                             |   |   |  |   |                         |
| Employee costs  | -  | -                            | -                            | 125                               | 205   | 23  | -                           | -   | -   | -  | 1,013   | 1,366                   |
| Grants  | -  | -                            | -                            | -                                 | -   | -   | -                           | 19,872  | 7,365   | -  | -   | 27,237                  |
| Goods and services  | -  | 188                          | -                            | -                                 | 197   | -   | -                           | 22  | -   | -  | 15  | 422                     |
| Amounts remitted and due to Consolidated Account                    | -  | -                            | 774                          | -                                 | -   | -   | -                           | -   | -   | -  | -   | 774                     |
| Amounts remitted and due to Catchment Water Management Boards       | 5,141  | -                            | -                            | -                                 | -   | -   | -                           | -   | -   | -  | -   | 5,141                   |
| Amounts remitted to South Eastern Water Conservation Drainage Board | -  | -                            | -                            | -                                 | -   | -   | -                           | -   | -   | -  | 1,551   | 1,551                   |
| <b>Total</b>  | <b>5,141</b>   | <b>188</b>                   | <b>774</b>                   | <b>125</b>                        | <b>402</b>  | <b>23</b>                                 | <b>-</b>                    | <b>19,894</b>                                     | <b>7,365</b>  | <b>-</b>                                     | <b>2,579</b>  | <b>36,491</b>           |
| <b>REVENUES FROM ORDINARY ACTIVITIES:</b>                           |  |                              |                              |                                   |   |   |                             |   |   |  |   |                         |
| Appropriations  | -  | 250                          | -                            | 125                               | 400   | -   | -                           | -   | 7,203   | -  | 1,551   | 9,529                   |
| Grants  | -  | -                            | -                            | -                                 | -   | -   | -                           | 22,820  | 5,729   | -  | -   | 28,549                  |
| User charges and fees   | 5,388  | 187                          | 2,305                        | -                                 | -   | 112                                       | -                           | -   | -   | -  | -   | 7,992                   |
| Other revenues  | 20   | 6                            | 71                           | -                                 | 53  | 93  | -                           | 15  | 23  | 1  | 605   | 887                     |
| <b>Total</b>  | <b>5,408</b>   | <b>443</b>                   | <b>2,376</b>                 | <b>125</b>                        | <b>453</b>  | <b>205</b>                                | <b>-</b>                    | <b>22,835</b>                                     | <b>12,955</b>   | <b>1</b>                                     | <b>2,156</b>  | <b>46,957</b>           |
| <b>NET PROFIT</b>   | <b>267</b>   | <b>255</b>                   | <b>1,602</b>                 | <b>-</b>                          | <b>51</b>   | <b>182</b>                                | <b>-</b>                    | <b>2,941</b>                                      | <b>5,590</b>  | <b>1</b>                                     | <b>(423)</b>  | <b>10,466</b>           |

## Schedule of Transferred Functions for the year ended 30 June 2002

|  | DWR<br>\$'000   | Sustainable<br>Resources<br>\$'000 | DWLBC<br>\$'000 | TOTAL<br>\$'000 |
|--|-----------------|------------------------------------|-----------------|-----------------|
| <b>EXPENSES FROM ORDINARY ACTIVITIES:</b>  |                 |                                    |                 |                 |
| Employee costs   | 11,848          | 4,997                              | 5,255           | 22,100          |
| Goods and services   | 10,249          | 14,405                             | 10,062          | 34,716          |
| Grants and subsidies   | 16,589          | 6,445                              | 5,452           | 28,486          |
| Depreciation   | 605             | 218                                | 290             | 1,113           |
| <b>Total Expenses from Ordinary Activities</b>   | <b>39,291</b>   | <b>26,065</b>                      | <b>21,059</b>   | <b>86,415</b>   |
| <b>REVENUES FROM ORDINARY ACTIVITIES:</b>  |                 |                                    |                 |                 |
| User fees and charges  | 1,712           | 2,039                              | 3,884           | 7,635           |
| Grants   | 2,286           | 8,267                              | 8,520           | 19,073          |
| Interest and other revenues  | 1,225           | 3,228                              | 390             | 4,843           |
| <b>Total Revenue from Ordinary Activities</b>  | <b>5,223</b>    | <b>13,534</b>                      | <b>12,794</b>   | <b>31,551</b>   |
| <b>NET COST OF SERVICES</b>  | <b>(34,068)</b> | <b>(12,531)</b>                    | <b>(8,265)</b>  | <b>(54,864)</b> |
| <b>REVENUES FROM GOVERNMENT:</b>   |                 |                                    |                 |                 |
| Recurrent appropriation  | 38,150          | 10,236                             | 4,895           | 53,281          |
| Accrual appropriation  | –               | –                                  | 62              | 62              |
| Contingency provision grant  | –               | –                                  | 311             | 311             |
| <b>Total Revenues from Government</b>  | <b>38,150</b>   | <b>10,236</b>                      | <b>5,268</b>    | <b>53,654</b>   |
| <b>TRANSFERS:</b>  |                 |                                    |                 |                 |
| Barcoo Outlet  | 16,312          | –                                  | –               | 16,312          |
| Other Transfers to Government Departments  | (3,134)         | –                                  | –               | (3,134)         |
| Transfers from the former Department for Water Resources   | –               | –                                  | 28,788          | 28,788          |
| Transfers from Department of Primary Industries and Resources  | –               | –                                  | 1,278           | 1,278           |
| <b>Total Transfers</b>   | <b>13,178</b>   | <b>–</b>                           | <b>30,066</b>   | <b>43,244</b>   |
| <b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>  | <b>17,260</b>   | <b>(2,295)</b>                     | <b>27,069</b>   | <b>42,034</b>   |
| <b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM<br/>TRANSACTIONS WITH THE STATE GOVERNMENT AS ITS OWNER</b> | <b>17,260</b>   | <b>(2,295)</b>                     | <b>27,069</b>   | <b>42,034</b>   |



## Notes to and forming part of the Financial Statements

### 1. Departmental Objectives

#### (a) Establishment of the Department

The Department of Water, Land and Biodiversity Conservation (DWLBC) was established by proclamation in the Government Gazette dated 8 April 2002 as an Administrative Unit under the Public Sector Management Act, 1995. The Department was created from the functions transferred from the former Department for Water Resources and Sustainable Resources Group from the Department of Primary Industries and Resources. Employees relating to these functions were transferred effective from the 8 April 2002 and the 1 May 2002 respectively, pursuant to section 7 of the Public Sector Management Act, 1995.

#### (b) Departmental Objectives

The objectives of the Department of Water, Land and Biodiversity Conservation are to:

- > Influence perceptions, understandings and behaviours to achieve better use and management of our natural resources;
- > Understand the natural resource condition by monitoring, assessment and reporting;
- > Create a culture of excellence in which we attract, grow and promote skills, knowledge and enthusiasm within and outside the organisation;
- > Build informed resources partnerships to adopt sustainable resource management;
- > Restore, maintain and enhance healthy ecosystems that provide the service and intrinsic value for the community; and
- > Create and sustain a highly responsive, ethical and accountable organisation that applies sound management practices.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with the Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards, Statements of Accounting Concepts and Urgent Issues Group Consensus Views (UIG's). The financial statements are prepared on the accrual basis of accounting and in accordance with historical cost convention, except for certain types of physical non-current assets which are valued at written down current cost.

The Statement of Financial Performance, Statement of Cash Flows and the Output Class Schedule report the financial activities since the establishment of the Department on 8 April 2002 to 30 June 2002. The Schedule of Administered Items reports financial activity for the twelve months ending 30 June 2002. In addition, the Schedule of Transferred Functions reports financial activities of the functions transferred to the Department for the twelve months ended 30 June 2002.

#### (b) The Reporting Entity

The financial activities of the Department are primarily conducted through a Special Deposit Account established pursuant to section 8 of the Public Finance and Audit Act 1987 and held with the Department of Treasury and Finance.

The Department's sources of funds consist of monies appropriated by Parliament together with grants revenue and income derived from user charges and fees for services to the public and industry.

#### Administered Resources

The Department administers, but does not control, certain resources on behalf of the South Australian Government. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Department's objectives. For these resources, the Department acts only on behalf of the South Australian Government.

Transactions and balances relating to administered resources are not recognised as Departmental assets, liabilities, revenues or expenses, but are disclosed separately in the Schedule of Administered Items.

The administered resources reported in these financial statements have been reported for the full year as the restructuring of government departments, which brought about the establishment of the Department of Water, Land and Biodiversity Conservation, did not have any effect on their financial activities.

#### (c) Income Recognition

##### (i) User charges and fees

User charges and fees controlled by the Department are recognised as revenues. User charges and fees are controlled by the Department where they can be deployed for the achievement of Departmental objectives.

User charges and fees collected by the Department but not controlled by it are not recognised as revenues, but are reported as administered revenues in the Schedule of Administered Items. Such amounts are paid to the Consolidated Account or other Funds not controlled by the Department.

##### (ii) Appropriation

Appropriations are recognised as revenue when the Department obtains control over the cash. Control over appropriation is normally obtained upon receipt.

##### (iii) Grants

Grants, whether operating, investing, or other, are recognised as revenue when the Department obtains control over the assets comprising the contributions. Control over grants is normally obtained upon receipt.

**(d) Non-Current Assets**

The Statement of Financial Position includes those non-current assets where identification, ownership, control and valuations can be reliably determined. Certain assets have been identified but not recognised by the Department as uncertainty exists over where control and ownership of these assets rests and the appropriate entity that should recognise them. It was on this basis that these assets were not previously recognised by the former Department for Water Resources, prior to the establishment of the Department of Water, Land and Biodiversity Conservation. An implementation plan has been established whereby control and ownership will be identified and the assets will be valued and recognised where the Department is deemed to control those assets.

The Department has adopted an asset capitalisation limit of \$5,000. The capitalisation amount is within the limitations set by Accounting Policy Statement APS 2 'Asset Recognition'.

All items of property, plant and equipment controlled by the Department have been brought to account at current cost, with assets other than land, being reduced to reflect the portion of economic benefits that had been consumed since the asset was acquired, ie 'depreciated current cost'.

Current value has been determined using deprival value methodology, whereby assets are valued at the replacement cost of procuring assets with similar functions and which provide comparable future service potential.

The Department has adopted a policy of performing revaluations of property, plant and equipment at intervals not exceeding three years in accordance with Accounting Policy Statement APS 3 'Revaluation of Non-Current Assets'.

*Land and Buildings*

Land and buildings have been independently valued by Valcorp Pty Ltd as at 30 June 1999.

*Borehole Network*

The borehole network utilised for groundwater measurement, was independently valued by Valcorp Pty Ltd as at 30 June 1999 on the basis of deprival value and recorded at replacement cost less accumulated depreciation.

*Barcoo Outlet*

The Barcoo Outlet project was commissioned during November 2001 by the major projects group, Department for Administrative and Information Services. With the completion of the project the asset was transferred to the Department for Water Resources from the previous Minister for Infrastructure at cost. As part of the overall infrastructure at Holdfast Shores, the Glenelg lock gates have also been upgraded but the transfer of this asset which is also intended to come to the Department will not be effected until 2002-03.

*Hydrometric Gauging Stations*

The hydrometric gauging stations utilised to measure and control salinity have been included at officer's valuation.

*Waste Disposal Stations*

The houseboat waste disposal stations were independently valued by Valcorp Pty Ltd as at 30 June 1999.

*Plant and Equipment*

Plant and equipment are brought to account at cost or at officers' valuation for initial recognition purposes. Items with an individual value of less than \$5,000 are expensed in the Statement of Financial Performance at the time they are acquired.

**(e) Depreciation**

All items of property, plant and equipment, with the exception of land, have a limited useful life and are systematically depreciated in a manner that reflects the consumption of service potential. The depreciation rates are reviewed annually. No depreciation is applied to capital work in progress, as this asset category consists of unfinished projects that have not been commissioned into service.

Assets are subject to straight line depreciation over the following periods:

|                              | Years |
|------------------------------|-------|
| Buildings                    | 50    |
| Borehole network             | 30    |
| Barcoo Outlet                | 25-50 |
| Hydrometric gauging stations | 4-213 |
| Waste disposal stations      | 50    |
| Plant and equipment          | 3-30  |

**(f) Inventories**

Inventories are measured at the lower of cost and net realisable value on an item by item basis. Where the net market value of an inventory item is less than cost, provision is made for the anticipated loss on realisation.

**(g) Employee Entitlements***(i) Wages, Salaries and Annual Leave*

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

*(ii) Sick Leave*

No provision has been made for sick leave as entitlements are non-vesting and it is considered that sick leave is taken from the current year's entitlement.

*(iii) Long Service Leave*

A liability for long service leave is calculated by using the product of the current liability for all employees who have completed eight or more years of service and the current rate of remuneration for each of these employees respectively. The eight years has been based on an actuarial calculation as directed in Accounting Policy Statements. The liability is measured as the amount unpaid at the reporting date.

*(iv) Employee Entitlement On-costs*

Related on-costs of payroll tax and superannuation are recorded under the item payables for any annual and long service leave accrued at the end of the year.

**(v) Superannuation**

Contributions are made by the Department to several superannuation schemes operated by the South Australian Government. 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 superannuation schemes. The only liability outstanding at balance date relates to any contribution due but not yet paid to the superannuation schemes.

**(vi) Workers Compensation**

A provision is raised to reflect the liability for any outstanding (unsettled) workers compensation claims for lump sum payments, adjusted for potential recoveries from negligent third parties. It is based on an actuarial assessment prepared for the Department of Premier and Cabinet.

These figures reflect an apportionment of the whole-of-government estimate of workers compensation liability, according to the Department's experience of claim numbers and payments.

The whole-of-government estimate can be found in a report prepared by Taylor Fry Pty Ltd, consulting actuaries, and submitted to the Public Sector Occupational Health and Injury Management Branch of the Department of Premier and Cabinet. This report conforms to the WorkCover Guidelines for Actuaries, Australian Accounting Standard AAS26 'Financial Reporting of General Insurance Activities' and Professional Standard PS 300 'Actuarial Reports and Advice on Outstanding Claims in General Insurance' of the Institute of Actuaries of Australia.

The allocation of workers compensation liabilities has also been split into current and non-current portions.

**(h) Leases**

The Department has entered into non-cancellable operating lease agreements for office accommodation where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating lease. Refer to Note 22 for further details.

Operating lease payments are representative of the pattern of benefit derived from the leased assets and accordingly are charged to the Statement of Financial Performance in the periods in which they are incurred.

The Department has not entered into any finance leases.

**(i) Provision for Doubtful Debts**

The provision for doubtful debts has been calculated as a percentage of all receivables, together with an allowance for specific debts that are unlikely to be collected.

**(j) Cash**

For the purpose of the Statement of Cash Flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis. Cash includes \$123,000 in accrual appropriation and its use is restricted by conditions established by the Treasurer.

**(k) Goods and Services Tax**

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation

Office (ATO). In these circumstances the GST is recognised as a part of the cost of acquisition of the asset, or as part of the expense item. All GST remitted to and received from the ATO in relation to the Sustainable Resources Group has been accounted for by the Department of Primary Industries and Resources.

The net amount of GST recoverable or payable to the ATO is included as a current asset or liability in the Statement of Financial Position.

Cashflows are included in the Statement of Cash Flows on a gross basis.

**(l) Comparative Figures**

The general purpose Financial Report is the first produced by the Department of Water, Land and Biodiversity Conservation. Comparative information is therefore not available for the Statement of Financial Performance, Statement of Financial Position or Statement of Cash Flows.

**(m) Rounding**

All amounts are rounded to the nearest thousand dollars.

**3. Output Classes of the Department**

The Department has specified five major classes of outputs that it delivers to the community and the Minister for Environment and Conservation. Outputs are defined as goods and services produced, provided to or acquired for external customers. The identity and description of each major output class of the Department are summarised below (refer to the Output Class Schedule of Departmental Operating Expenses and Revenues).

**OUTPUT CLASS 1: COORDINATION AND ADVICE**

The coordination of whole-of-government initiatives or services as well as policy advice and development for and on behalf of the Minister for Environment and Conservation.

**OUTPUT CLASS 2: WATER RESOURCES MANAGEMENT**

The provision of a range of water resource management services including resource planning and management; the administration of the Water Resources Act, 1997; water licensing; and the assessment, monitoring and evaluation of water resources.

**OUTPUT CLASS 3: INFORMATION SERVICES**

Services for the generation, synthesis and dissemination of information and technology.

**OUTPUT CLASS 4: STATE RESOURCE REGULATION SERVICES**

Services that are required to regulate the use of and protect the State's natural and productive resources. These services are the responsibility of the Department of Water, Land and Biodiversity Conservation by either legislative responsibilities or Cabinet policy.

**OUTPUT CLASS 5: FACILITATION SERVICES**

Facilitation services that establish strategic alliances and strategies in the areas of wealth, health, welfare, safety, sustainability or self-reliance of industries, enterprises or communities.

#### 4. Employee Entitlements

|   | 2002<br>\$'000 |
|---|----------------|
| <b>(a) Employee Costs</b>                           |                |
| Wages, salaries and other employee related expenses | 4,855          |
| Workers compensation                                | –              |
| Superannuation                                      | 400            |
|   | <u>5,255</u>   |
| <b>(b) Employee Entitlements Liability</b>          |                |
| Current Liability:                                  |                |
| Long service leave                                  | 183            |
| Annual leave  | 1,069          |
| Workers Compensation                                | 28             |
|   | <u>1,280</u>   |
| Non-Current Liability:                              |                |
| Long service leave                                  | 4,399          |
| Workers Compensation                                | 92             |
|   | <u>4,491</u>   |

#### 5. Goods and Services

Goods and services expenses for the reporting period comprised of:

|                                     |                |
|-------------------------------------|----------------|
| Contractor expenses                 | 6,038          |
| Accommodation and service expenses  | 413            |
| Consultancies                       | 122            |
| Travel and accommodation            | 247            |
| Vehicle operating expenses          | 290            |
| Materials and consumables           | 408            |
| Minor plant and equipment purchases | 447            |
| Printing, publishing and stationery | 113            |
| Computing expenses                  | 593            |
| Equipment repairs and maintenance   | 125            |
| Legal fees                          | 36             |
| Service Level Agreement             | 663            |
| Advertising expenses                | 187            |
| Chemical Analysis                   | 79             |
| Maps, photographs and plans         | 153            |
| Audit remuneration                  | 10             |
| Other                               | 138            |
|                                     | <u>10,062.</u> |

#### 6. Grants and Subsidies

Grants and subsidies for the reporting period comprised:

|                                     |              |
|-------------------------------------|--------------|
| Catchment Management Subsidy Scheme | 1,591        |
| Loxton Irrigation                   | 452          |
| Gawler River Flood Mitigation       | 278          |
| GH Michelle Trade Waste Subsidy     | 265          |
| Regional Flood Mitigation Program   | 163          |
| Centre for Groundwater Studies      | 50           |
| * Great Artesian Basin Bore drain   | 408          |
| Miscellaneous grants                | 2,245        |
|                                     | <u>5,452</u> |

\* This amount was granted by way of work undertaken for the project, ie contribution of assets.

**7. Depreciation**

|  |            |
|--|------------|
|  | 2002       |
| Depreciation expenses for the reporting period were charged in respect of: | \$'000     |
| Building improvements  | 5          |
| Borehole network   | 72         |
| Hydrometric gauging stations   | 20         |
| Waste disposal stations  | 15         |
| Barcoo Outlet  | 87         |
| Plant and equipment  | <u>290</u> |

**8. User Charges and Fees**

User charges and fees for the reporting period comprised:

|                            |              |
|----------------------------|--------------|
| Fees, levies and licences  | 235          |
| Sale of goods and services | <u>3,649</u> |
|                            | <u>3,884</u> |

**9. Grants**

Grant revenue for the reporting period comprised:

|   |              |
|---|--------------|
| Loxton District Irrigation Rehabilitation | 4,596        |
| National Action Plan                      | 1,885        |
| Environmental Flows                       | 421          |
| Great Artesian Basin                      | 400          |
| Regional Flood Mitigation                 | 146          |
| Watercare                                 | 46           |
| Sundry grants and contributions received  | 996          |
| Spencer Region Strategic Water Management | <u>30</u>    |
|   | <u>8,520</u> |

**10. Interest and Other Revenues**

Interest and other revenues for the reporting period comprised:

|                             |            |
|-----------------------------|------------|
| Salaries and wages recouped | 87         |
| Interest income             | 210        |
| Other revenue               | <u>93</u>  |
|                             | <u>390</u> |

**11. Revenues from Government**

Department of Water, Land and Biodiversity Conservation:

|                              |              |
|------------------------------|--------------|
| Recurrent appropriation      | 4,895        |
| Accrual appropriation        | 62           |
| Contingency provision grants | <u>311</u>   |
|                              | <u>5,268</u> |

## 12. Transfers as a result of restructure

Transfers from the Department for Water Resources

Net assets transferred to the Department:

|                               |               |
|-------------------------------|---------------|
| Cash                          | 14,251        |
| Receivables                   | 1,830         |
| Other current assets          | 33            |
| Property, plant and equipment | 24,439        |
|                               | <u>40,553</u> |

Net liabilities transferred to the Department:

|                                     |                 |
|-------------------------------------|-----------------|
| Payables                            | (7,819)         |
| Provision for employee entitlements | (3,946)         |
|                                     | <u>(11,765)</u> |

**Net transfers from the Department for Water Resources**

**28,788**

Transfers from the Department of Primary Industries and Resources

Net assets transferred to the Department:

|                               |              |
|-------------------------------|--------------|
| Cash                          | –            |
| Receivables                   | –            |
| Inventory                     | 598          |
| Property, plant and equipment | 2,387        |
|                               | <u>2,985</u> |

Net liabilities transferred to the Department:

|                                     |                |
|-------------------------------------|----------------|
| Payables                            | (184)          |
| Provision for employee entitlements | (1,523)        |
|                                     | <u>(1,707)</u> |

**Net transfers from the Department of Primary Industries and Resources**

**1,278**

**Total transfers**

**30,066**

The assets and liabilities transferred to the Department from the Department of Primary Industries and Resources represent amounts agreed to between the two agencies at the date of signing this report. Notwithstanding that agreement there remain a number of matters that require further negotiation and agreement between the two agencies. The nature and amount of future transfers of assets and liabilities could not be reliably measured and consequently are not disclosed in this report. Any subsequent changes will be reported in future accounting periods.

## 13. Financial Instruments

The following disclosures have been provided in accordance with the requirements of Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'.

(a) Terms, Conditions and Accounting Policies

(i) Financial Assets

- > Cash on hand and deposits are available at call and are recorded at cost.
- > Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 60 days.

(ii) Financial Liabilities

- > Trade creditors are raised for all amounts billed or ordered but unpaid. Trade creditors are normally settled within 30 days.

(b) Interest Rate Risk

| Financial Instrument      | Floating Interest Rate<br>\$'000 | Non-Interest Bearing<br>\$'000 | Total Carrying Amount<br>\$'000 | Weighted Average Effective Interest Rate<br>Percent |
|---------------------------|----------------------------------|--------------------------------|---------------------------------|---|
| Financial Assets:         |                                  |                                |                                 |   |
| Cash on hand and deposits | 4,435                            | –                              | 4,435                           | 4.9   |
| Receivables               | –                                | 3,841                          | 3,841                           | –   |
|                           | <u>4,435</u>                     | <u>3,841</u>                   | <u>8,276</u>                    |   |
| Financial Liabilities:    |                                  |                                |                                 |   |
| Trade creditors           | –                                | 2,738                          | 2,738                           | –   |
|                           | <u>–</u>                         | <u>2,738</u>                   | <u>2,738</u>                    |   |



## c) Net Fair Value

Financial Instruments are valued at the carrying amount as per the Statement of Financial Position which approximates fair value. The carrying amount of financial assets approximates net fair value due to their short term to maturity or being receivable on demand. The carrying amount of financial liabilities is considered to be a reasonable estimate of net fair value.

## (d) Credit Risk

At the end of each reporting period these receivable balances are reviewed and a provision is raised in respect of any balance where recoverability is considered doubtful. Bad debts are written off in the period in which they are identified. Credit risk therefore is confined to the amount set aside as a provision for doubtful debts. The resulting carrying amount is considered to approximate their net fair values. The Department does not have any significant exposure to any customer, thus its credit risks are due to its customer base being influenced by the South Australian economy.

**14. Receivables**

Current:

|                                    |              |
|------------------------------------|--------------|
| User charges and fees receivable   | 3,808        |
| Accrued interest                   | 33           |
| Goods and services tax receivable  | 293          |
| Less: Provision for doubtful debts | (34)         |
|                                    | <u>4,100</u> |

**15. Other Current Assets**

|             |           |
|-------------|-----------|
| Prepayments | <u>45</u> |
|-------------|-----------|

**16. Property, Plant and Equipment**

|                              | Cost<br>\$'000 | Valuation<br>\$'000 | Accumulated<br>Depreciation<br>\$'000 | 2002<br>Written<br>Down Value<br>\$'000 |
|------------------------------|----------------|---------------------|---------------------------------------|---|
| Land and buildings           | 388            | 2,356               | 640                                   | 2,104                                   |
| Borehole network             | –              | 8,691               | 6,282                                 | 2,409                                   |
| Hydrometric Gauging Stations | –              | 3,883               | 1,164                                 | 2,719                                   |
| Waste disposal stations      | –              | 2,996               | 1,588                                 | 1,408                                   |
| Barcoo Outlet                | 16,312         | –                   | 203                                   | 16,109                                  |
| Plant and equipment          | 6,044          | 682                 | 5,015                                 | 1,711                                   |
| Work in progress             | 1,184          | –                   | –                                     | 1,184                                   |
|                              | <u>23,928</u>  | <u>18,608</u>       | <u>14,892</u>                         | <u>27,644</u>                           |

Land and buildings, waste disposal stations and borehole network assets were independently valued by Valcorp Australia Pty Limited as at 30 June 1999. The valuer who provided professional opinions was Messrs A J Lucas, MBAm B App Sc (Val), Dip Acc, AAPI. The hydrometric gauging stations and various plant and equipment have been included at officer's valuation.

For further details of valuation methodologies adopted by the Department refer to Note 2(d).

**17. Property, Plant and Equipment Movement Schedule**

|                                  | Land*<br>and<br>Buildings<br>\$'000 | Borehole<br>Network<br>\$'000 | Hydrometric<br>Gauging<br>Station<br>\$'000 | Waste<br>Disposal<br>Stations<br>\$'000 | Barcoo<br>Outlet<br>\$'000 | Plant and<br>Equipment<br>\$'000 | Work in<br>Progress<br>\$'000 | Total<br>\$'000 |
|----------------------------------|-------------------------------------|-------------------------------|---|---|----------------------------|----------------------------------|-------------------------------|-----------------|
| <b>Gross Carrying Amount:</b>    |                                     |                               |   |   |                            |                                  |                               |                 |
| Balance as at 8 April 2002       | –                                   | –                             | –   | –                                       | –                          | –                                | –                             | –               |
| Additions                        | –                                   | –                             | –   | –                                       | –                          | 154                              | 954                           | 1,108           |
| Transfer from work in progress   | 312                                 | –                             | –   | –                                       | –                          | –                                | (312)                         | –               |
| Transfers in                     | 2,432                               | 8,691                         | 3,883                                       | 2,996                                   | 16,312                     | 6,572                            | 542                           | 41,428          |
| Balance as at 30 June 2002       | 2,744                               | 8,691                         | 3,883                                       | 2,996                                   | 16,312                     | 6,726                            | 1,184                         | 42,536          |
| <b>Accumulated Depreciation:</b> |                                     |                               |   |   |                            |                                  |                               |                 |
| Balance as at 8 April 2002       | –                                   | –                             | –   | –                                       | –                          | –                                | –                             | –               |
| Depreciation expense             | (5)                                 | (72)                          | (20)  | (15)                                    | (87)                       | (91)                             | –                             | (290)           |
| Transfers in                     | (635)                               | (6,210)                       | (1,144)                                     | (1,573)                                 | (116)                      | (4,924)                          | –                             | (14,602)        |
| Balance as at 30 June 2002       | (640)                               | (6,282)                       | (1,164)                                     | (1,588)                                 | (203)                      | (5,015)                          | –                             | (14,892)        |
| <b>Net Book Value:</b>           |                                     |                               |   |   |                            |                                  |                               |                 |
| As at 8 April 2002               | –                                   | –                             | –   | –                                       | –                          | –                                | –                             | –               |
| As at 30 June 2002               | 2,104                               | 2,409                         | 2,719                                       | 1,408                                   | 16,109                     | 1,711                            | 1,184                         | 27,644          |

\* Value of land as at 30 June 2002 is \$731,000

**18. Payables****Current:**

|                 |              |
|-----------------|--------------|
| Employee costs  | 517          |
| Trade creditors | 2,738        |
|                 | <u>3,255</u> |

**Non-Current:**

|                |            |
|----------------|------------|
| Employee costs | 604        |
|                | <u>604</u> |

**19. Accumulated Surplus**

|  |               |
|--|---------------|
| Increase in net assets resulting from operations | 27,069        |
| <b>Accumulated Surplus at 30 June</b>            | <u>27,069</u> |

**20. Contingent Obligations**

Section 14A of the Irrigation Act 1994, inserted by the Irrigation (Dissolution of Trusts) Amendment Act 1988, contains the following provision:

If in the opinion of the Minister it is not practicable or appropriate to vest the property and rights, or attach liabilities, of a dissolved trust on or to another trust, the property, rights and liabilities of the trust will, subject to subsection (3) vest in or attach to the Crown.

At the time of preparing this report the Department's exposure arising from the aforementioned could not be reliably measured.

**21. Reconciliation of Net Cash provided by Operating Activities to Surplus from Ordinary Activities**

|   |                        |
|---|------------------------|
|   | <b>2002<br/>\$'000</b> |
| Net cash provided by operating activities   | 5,543                  |
| Net Transfers of assets to the Department   | 26,826                 |
| Non cash items:                             |                        |
| Depreciation expense                        | (290)                  |
| Change in operating assets and liabilities: |                        |
| Increase in receivables                     | 4,100                  |
| Increase in other assets                    | 45                     |
| Increase in inventory                       | 475                    |
| (Increase) in payables                      | (3,859)                |
| (Increase) in employee entitlements         | (5,771)                |
| <b>Surplus from Ordinary Activities</b>     | <u>27,069</u>          |

## 22. Lease Commitments

As at 30 June 2002, the Department of Water, Land and Biodiversity Conservation has the following obligations under non-cancellable operating leases:

|   |              |
|---|--------------|
| Not later than one year                           | 1,000        |
| Later than one year but not later than five years | 3,419        |
| Later than five years                             | 2,691        |
|   | <u>7,110</u> |

## 23. Remuneration of Employees

For the period 1 July to 30 June there were 13 employees whose remuneration received or receivable exceeded \$100,000. The number of employees whose packages as at 30 June were equal to or exceeded \$100,000 fell within the following bands:

Number of Employees as at 30 June 2002

|                       |           |
|-----------------------|-----------|
| \$100,001 - \$110,000 | 4         |
| \$120,001 - \$130,000 | 4         |
| \$140,001 - \$150,000 | 1         |
| \$150,001 - \$160,000 | 2         |
| \$170,001 - \$180,000 | 1         |
| \$200,001 - \$210,000 | <u>13</u> |

Total remuneration paid was \$1,745,000 paid in the following breakdowns:

Department for Water Resources remunerated 10 employees amounting to \$1,011,000 for period up to 8 April.

Department of Primary Industries and Resources remunerated 3 employees amounting to \$331,000 for the period up to 1 May.

Department of Water, Land and Biodiversity Conservation remunerated thirteen employees amounting to \$403,000 for the period between 8 April and 30 June 2002.

## 24. Payments to Consultants

Payments to consultants fell within the following bands:

|                     | Number of Consultants |
|---------------------|-----------------------|
| \$0 - \$10,000      | 23                    |
| \$10,000 - \$50,000 | 7                     |
| \$50,000 and above  | -                     |

## 25. Remuneration to Auditors

Audit fees accrued for the period 8 April 2002 to 30 June 2002 are \$10,000.

## 26. Enhanced Targeted Voluntary Separation Package (ETVSP's) Scheme

There were no Enhanced Targeted Voluntary Separation Packages paid to employees between 8 April 2002 and 30 June 2002.

## 27. Restrictions on Contributions Received

The Department received contributions from various funding sources, expressly for the purpose of undertaking specific projects. As at 30 June 2002 \$11,759,000 of contributions, which have been recognised as revenues in the Statement of Financial Performance, are yet to be spent in the manner specified by the contributors.

In our opinion, the attached Financial Statements of the Department of Water, Land and Biodiversity Conservation, being the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and notes thereto, are drawn up so as to give a reasonable and fair view of the results of the Department of Water, Land and Biodiversity Conservation for the period 8 April 2002 to 30 June 2002, and state of affairs as at 30 June 2002. The Financial Statements have been prepared in accordance with Statements of Accounting Concepts, applicable Urgent Issues Group Consensus Views, applicable Accounting Standards and the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act, 1987, as amended. Internal controls over financial reporting have been effective throughout the reporting period.

Peter O'Neill  
ACTING CHIEF EXECUTIVE

Rudi Artz  
MANAGER, FINANCIAL SERVICES