

ANNUAL REPORT 2002-03

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The Department of
Water, Land and
Biodiversity
Conservation



**Government
of South Australia**

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Introduction

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 its Annual Report covering the financial year ended 30 June 2003.

Rob Freeman
Chief Executive

Chief Executive's Overview

It has been an exciting and challenging 12 months for the Department of Water, Land and Biodiversity Conservation. The Department is the lead agency for water, land and biodiversity, which collectively form the essentials in natural resource management – crucial for this State's long-term prosperity.

This report marks DWLBC's first full year of operation. The Department's creation in April 2002 brought together the management of these natural resources into a single organisation. During 2002-03 the Department convened regional forums which attracted more than 200 submissions for the purposes of developing a draft Natural Resources Management Bill which aims to achieve ecologically sustainable development in SA.

This Annual Report provides details of our achievements for the year to 30 June 2003. These achievements are impressive, and we must acknowledge that they were not delivered solely through the diligent efforts of public servants, but also through extensive collaboration and strong partnerships with government and industry stakeholders, client groups, indigenous peoples and, perhaps most importantly, the community.

The River Murray Bill 2002 was tabled in the House of Assembly in December 2002 following public consultation on a Discussion paper and Draft River Murray Bill. This legislation is intended to give the Government clear powers over the way in which the River is used and to control planning, irrigation practices, pollution, and rehabilitation programs.

After four years of extensive public consultation the Native Vegetation Act was amended to refine and improve controls on the clearance of native vegetation. The amendment was passed by Parliament in November 2002.

DWLBC's strength lies in the collective experience and knowledge of its dedicated staff, and this intellectual capital needs to be actively managed if we are to answer future challenges. Initiatives to date have included the establishment of an executive HR committee, and the introduction of a staff recognition scheme.

Improved governance arrangements have included the introduction of a streamlined departmental executive and executive HR, finance and information management committees. These arrangements are ensuring that not only does the Department deliver real and sustainable business outcomes but that they occur in a strong corporate governance framework by actively encouraging continuous improvement, risk management, transparency, accountability and performance monitoring.

DWLBC has a rare opportunity to make a real difference in safeguarding the State's natural resources. We are tackling these challenges in ways that put us at the forefront of national and international reforms, and I am confident that based on our 2002-03 performance we will continue to meet any new challenges in the future.

Rob Freeman
Chief Executive

Highlights and Achievements

Policy, Planning and Coordination

Natural Resource Management Reform

DWLBC spearheaded reforms to improve the use and management of South Australia's vital natural resources during 2002-03. Extensive public consultation was carried out on the State Government's proposed reform of Natural Resource Management (NRM). The reforms will provide an integrated approach to the use and management of natural resources, including new legislation to be considered by Parliament in 2003-04.

Commonwealth Inquiry into Future Water Supplies – for Rural Industries and Communities

In November 2002 DWLBC prepared a Whole of Government submission to a House of Representatives Standing Committee on Agriculture, Fisheries and Forestry inquiry into future water supplies for rural industries and communities. The submission outlined the South Australian Government's position in relation to water access rights and providing compensation where access rights are reduced.

Council of Australian Governments (COAG) Water Reform

DWLBC provided substantial input to the national water reform agenda with specific advice in relation to the development of a best practice template for water access entitlements, trading principles and rules, the range of tradeable products/transactions in water markets, impediments to trade, and conformance of SA with common principles for water access entitlements.

Native Vegetation Amendment Act

Controls on the clearance of native vegetation were refined and improved by a DWLBC-driven amendment to the Native Vegetation Act.

The Native Vegetation (Miscellaneous) Amendment Act 2002 was passed in November after four years of review and public consultation. The legislation marks an end to broadacre clearance, will encourage revegetation, and provide greater deterrent for unauthorised clearance.

Natural Resource Programs and Planning

Draft Integrated Natural Resource Management (INRM) Plans were prepared in 2002-03 to improve resource management in the Mount Lofty Ranges and Greater Adelaide, South East, Murray Darling Basin, Kangaroo Island, and Northern and Yorke Agricultural District NRM regions.

The Natural Resource Management Secretariat supported the development of new natural resource management processes, particularly under the National Action Plan for Salinity and Water Quality and changes to the Natural Heritage Trust.

Catchment and Water Allocation Planning

The Department provided assistance to the River Murray Catchment Water Management Board to develop a comprehensive regional water management plan for the River Murray. This sets the priorities for works and measures in the region, together with a budget funded primarily through the catchment environment levy on licensed water users. The catchment plan was adopted by the Minister on 12 March 2003.

Further assistance was given to the Board to develop a Water Allocation Plan for the River Murray. This plan provides the legal foundation upon which licensed water allocations are made to irrigators, SA Water and other consumptive users. The plan introduces important new policies for irrigators, including an 85% water use efficiency target, an obligation to offset impacts from irrigation on salinity and floodplain health, and an obligation to report annually on irrigation activities.

Water Proofing Adelaide

A Water Proofing Adelaide steering group, including key Government water resources agencies and chaired by the DWLBC, was established in 2002-03. Water Proofing Adelaide will develop a long-term integrated water resources strategy for the Adelaide region.

State Floodplains Strategy

The State Floodplains Committee – with representatives from Catchment Water Management Boards, Local Government and State Government agencies - continued to develop the South Australian Flood and Floodplain Management Strategy during 2002-03.

A draft strategy was produced following the completion of six technical reports by working groups formed by the State Floodplains Committee. The Strategy is being developed to confirm the responsibilities of each of the stakeholders involved with floodplain management.

Natural Resource Management

Salinity Management

The salinity management program aims to keep salinity levels in the River Murray (as measured at Morgan) below 800 EC (electrical conductivity) units for 95% of the time. In order to maximise the cost-effectiveness of new salinity interception schemes, a run-of-River salinity survey was carried out from Lock 7 (NSW) to Wellington during the low flow period in late autumn. This survey measured the amount of salt added to the river each kilometre.

To complement the field survey, a comprehensive review of future estimated salt loads into the River Murray to 2050 was completed. Mapping of high and low salinity impact locations along the River Murray was completed.

The results of this work will be used to determine irrigators' accountability for salinity impacts from irrigation, identify high priority actions for salt interception, and develop strategies for managing pumped saline water.

The construction of the Bookpurnong and Loxton Salt Interception Schemes was approved, with construction expected to commence in 2003. The schemes are designed to intercept approximately 200 tonnes of salt per day.

River Murray Forum

The River Murray Forum held on 25 February 2003 at Parliament House brought together more than 50 Members of Parliament and 250 industry observers to discuss the issues surrounding the River Murray. The event management for the full day's programme, including audiovisual presentations was co-ordinated by the DWLBC Strategic Communication and Marketing Unit. The forum produced "The Adelaide Declaration", a statement on the long-term future of the River Murray.

Wetland Management

A healthy floodplain plays a critical role in supporting a wide range of species, many of which are of national and international importance, as well as driving the ecology of the mainstream of the River by providing energy and nutrient inputs.

Guidelines have been completed to provide a framework for community groups to develop wetland management plans, and to provide for licensed water allocations.

Work commenced on the Wetlands for Water project, which will enhance wetland health and achieve augmentation of environmental flows in the River Murray in SA through a system of on-ground initiatives.

Murray Mouth

In October 2002 a decision was made to initiate a dredging program to reduce the risk of the Murray mouth closing during the 2002-03 summer period. The objectives of this project were to reduce the water level in the Coorong and to create sustainable channels from the river mouth to both the Coorong and the Goolwa channel. The program has been successful in that the Murray Mouth has been kept open. However, this was deemed inadequate to fully protect the ecology of the Coorong. A decision was made in June to employ a second dredge to ensure the necessary tidal exchange to the Coorong was achieved.

Members of the Murray-Darling Basin Ministerial Council inspected the Murray Mouth in November 2002 to gain an appreciation of its condition, and to view dredging operations.

River Murray Drought Response Strategy

In May 2003, the State Government announced a 20% restriction in the use of River Murray water for 2003-04 following advice from the Murray-Darling Basin Commission and a specially convened High Level Taskforce on the River Murray.

Communication of drought response information was a major focus with strategies including new websites, direct mail bulletins, fact sheets and public meetings. Throughout June 2003 the Department, in partnership with the River Murray Catchment Water Management Board, consulted widely with water users and interested members of the community to develop strategies to meet the Government's target reduction in use of River Murray water.

Natural Resource Management - Building Community Capacity

More than 1,340 hectares of land was revegetated using local species in 2002-03 as part of the Mount Lofty Ranges Catchment Program. The program involved 10 councils and more than 4,000 property holders, and resulted in the protection of 1,364 hectares of remnant native vegetation and habitat from threats such as weeds and livestock grazing.

Artesian Bore Rehabilitation, Piping and Mungerannie Demonstration Site

Two-thirds of the bore drain replacement program in South Australia was completed in 2002-03 as part of the Great Artesian Basin Sustainability Initiative. The Initiative is a partnership between the Commonwealth and State Governments, Arid Areas Catchment Water Management Board and pastoralists to eliminate the wastage of uncontrolled flows of artesian water from bores and open bore drains to recover artesian pressures across the basin. Artesian pressures have declined up to 100 metres in some areas of the basin over the last century.

A major field day event was conducted in September 2002 and a permanent demonstration site established at Mungerannie, on the Birdsville Track, to demonstrate piped water distribution systems from high pressure and high temperature (89 degrees C) artesian bores. The site has provided a focus to demonstrate the benefits to pastoralists to participate in the initiative and trial new, cost effective technology.

SA Licensed Water Use Metering Policy

Recommendations in DWLBC's *State Water Plan 2000* prompted the State Government to adopt a new policy dealing with the metering of licensed water use in SA. Under the new policy, all water allocations will be volumetric and all water use will be measured by 2005. These changes will further safeguard water resources in SA. Across the State steps are being taken to achieve this outcome within the allocated timeframe.

Water Trading Website

Buying and selling of water allocations has been made significantly easier by a new department initiative.

DWLBC developed a new website to facilitate water trading in prescribed areas of SA. The website provides up to date water trading market information, and can be found at www.dwlbc.sa.gov.au/water/trading.

SE Confined Aquifer Well Rehabilitation Scheme

A total of 58 wells – almost half of the licenced wells in the South East - were rehabilitated under the SE Confined Aquifer Well Rehabilitation Scheme to the end of the 2002-03 financial year. All of the remaining 60 well owners have signed up to participate in the scheme.

Animal and Plant Control

DWLBC continued to discover, contain and eradicate Branched Broomrape, overcoming the limitations of the dry year to meet all program objectives. Research into eradication of Branched Broomrape using modified farming systems provided solutions 12 months earlier than anticipated.

Operation Aegis

High-tech satellite imagery (LandSat 7) was used by the Department to detect alleged illegal clearance of native vegetation in the Upper South East during 2002-03. Satellite images detected a loss of vegetation amounting to 1024 hectares on 32 properties during an 11-month period to November 2002

Known as Operation Aegis, the project led to a significant number of clearance investigations with further prosecutions envisaged. Operation Aegis is a joint initiative with the Native Vegetation Council and Department for Environment and Heritage.

Water-use compliance

The Department increased further its efforts to detect illegal use of water in South Australia during 2002-03.

Two businesses faced court action in 2002-03 following investigations by DWLBC for taking water without appropriate licences. In a busy year for the DWLBC compliance unit, numerous investigations were undertaken and cautions issued. Where necessary DWLBC undertook prosecutions, civil litigation or both.

Natural Resource Science And Information

Mt Lofty Ranges Assessment

The Mt Lofty Ranges Water Resources Assessment Program is being undertaken to support the future management direction for the water resources in the region. Detailed hydrologic analysis of the Torrens, South Para and Finniss catchments was completed, with more catchments to be assessed in the future. Other work in partnership with Catchment Water Management Boards, the EPA and SA Water includes examining monitoring and environmental flow implications for future management scenarios.

An aerial videographic survey of watercourses across the Mt Lofty Ranges was conducted by helicopter to benchmark watercourse condition and identify sites of permanent water for environmental flow assessments.

SE Volumetric Conversion

A series of 18 workshops were held and two major field programs commenced in 2002-03 as part of the SE Volumetric Conversion project. This four-year project will develop a methodology to convert the 2500 crop area-based licensed water allocations in the South East to volumetric water allocations.

The workshops provided irrigators with the opportunity to raise issues and provide input to the process. The field trial programs will ensure that the volumetric conversion has a strong technical base.

The Metered Extraction Trials program provides incentives for the purchase and installation of water meters on irrigation bores in return for irrigators providing irrigation data to the project for three years. The program has been fully supported by irrigators with 165 meters installed on 110 properties providing high quality data to the conversion process.

This project was a recommendation of the Parliamentary Select Committee into groundwater management in the South East.

Resource Monitoring and Assessment

DWLBC directed remediation programs and directed the allocation of resources after the completion of reports on the condition of soil and agricultural land in SA. A report into wind erosion levels was also completed.

Australian Arid Zone Rivers Project (ARIDFLO)

Hydrological and biological surveys at sites across the Lake Eyre Basin in South Australia continued in 2002-03 as part of the Australian Arid Zone Rivers Project (ARIDFLO).

The project aims to improve knowledge of Australia's arid rivers by combining scientific research and local knowledge to produce information and models that can be used by communities and governments in guiding the management of these rivers. The project will be completed in late 2003.

Resource Assessment, Mid North and Kangaroo Island

Projects were undertaken in 2002-03 to provide a basis for assessing resource condition and availability for establishing management directions and investment in a number of regions. Water monitoring was established at six sites in the Mid North, in partnership with the Northern and Yorke Agricultural District Integrated Natural Resource Management Committee.

Additionally, a hydrologic and ecological assessment of the Willochra catchment was initiated to better understand the impact of water-diverting occurrences in the catchment. A quality and resource monitoring project for Kangaroo Island was initiated, involving water, watercourse condition surveys, hydrologic and ecological assessments.

Resource Management Technology and Innovations

New technology for identifying high-risk areas of land affected by dryland salinity was successfully trialled in an airborne dryland salinity mapping survey program at five locations around the State. Results will assist in the assessment of aquifer recharge options, protect underlying groundwater from salinisation, and identify native vegetation at risk from salinity.

In the Riverland, mapping will assist future irrigation planning to reduce recharge and high salt loads being driven into the River Murray.

Water Management Innovations

The management of water resources will be boosted by the availability of water level, salinity and wind condition data through a new telemetry system implemented by the Department. During 2002-03 groundwater monitoring reports, essential tools for assessing the condition of the resource, were published for six prescribed wells areas.

Corporate Strategy and Business Services

Human Resources

An Executive HR Committee was established in December 2002 comprising Executive representatives of each Directorate. The major role of the Executive HR Committee is to develop implement and evaluate policies relating to the management of the Department's workforce. The overall objective is to ensure the workforce is able to contribute to the achievement of current and future goals.

Nineteen DWLBC Graduates completed the Graduate Practising Certificate in 2002 and DWLBC was recognised as the first public sector department to have a 100% completion rate of the program.

The department celebrated its inaugural “Wallaby Awards “ for exceptional staff contributions. Simon Lewis in “Our People” category and David Cresswell in “Our Business” category were the inaugural winners from 21 nominations from their peers.

Information Management and Technology

The Department received a Gold Award for its Obswell Data Information System at the Government Technology Productivity Awards in Sydney.

The Obswell system provides Internet-based access to South Australia’s groundwater level and salinity monitoring data. It was developed to assist the Department with its water level and salinity resource assessment, and to provide public access to groundwater monitoring information.

Communications and Marketing

The Department maintained a high profile throughout the year with its clients and sections of the community having dealings with its policies and operations.

A strong presence was made at both the Cleve and Lucindale Field days with officers of the department engaging with combined attendances of around 80,000.

In response to the drought strategy, two drought bulletins were direct mailed to all irrigators, a specialised website developed and public meetings promoted to ensure irrigators were kept well informed.

Nineteen technical fact sheets were developed for print and website on a variety of topics to ensure easy access to quality information.

Executive Finance Committee

The Executive Finance Committee was established during the year with responsibility for the formulation and implementation of policies relating to financial management in the Department.

The Committee’s key role is to recommend to the Departmental Executive policies and strategies that achieve the Department’s overall financial management objectives. The role includes oversight and monitoring of the Department’s budget.

Statement of Purpose

To ensure South Australia's natural resources are managed in ecologically sustainable ways that support the well being of present and future generations.

Our Vision

An enhanced quality of life through sustainable natural resource management

This vision incorporates an enhanced quality of life that depends on a well-managed balance of social, economic and biophysical outcomes. It reflects the bigger purpose of our efforts being not simply improved management of natural resources per se but for the better quality of life to which that contributes. Achieving this balance involves strong stewardship responsibilities that need to be fulfilled through partnerships between DWLBC, broader government, the community and stakeholders.

Success will ensure an informed and involved community committed to sustainable natural resource management as a way of life. As a consequence, this success will contribute to inter-generational equity.

Our Values

To create a responsive, well-focussed and successful organisation, we are committed to:

- Aiming to make a difference, individually and as an organisation
- Displaying integrity and professionalism that builds mutual trust and respect
- Communicating and involving others in decision-making
- Performing duties with a high standard of skill and expertise
- Following through and delivering on commitments
- Demonstrating leadership and innovative practice
- Developing and maintaining positive relationships with clients
- Encouraging continuous learning and creativity
- Working in teams towards a shared purpose and vision
- Working effectively with diversity by valuing individual differences

Strategic Objectives

• Improved condition of our biodiversity, water, land, and marine resources

This strategic objective involves the direct interface between the agency and the condition of the State's natural environment. In some functions, the agency acts directly to monitor, protect and improve the resource condition. The strategies below describe how we approach these activities in priority areas.

• Wise resource use providing for best environmental, social and economic outcomes

This strategic objective relates to the way the Agency affects community behaviour towards the use of natural resources. DWLBC's programs affect the use of natural resources through various

channels, such as, the provision of information, technical support and regulatory frameworks. The activities of primary producers, landholders, pastoralists, urban dwellers, local communities and other groups are influenced by our choice of policy instrument and our attitudes to its implementation.

- **Improved capability and willingness to invest in sustainable natural resource management**

This strategic objective is about developing the way we work with communities to achieve better NRM outcomes. The Government's NRM reforms will redefine the agency's relationship with community organisations. DWLBC provides many services that contribute to the ability of communities to make decisions on resource management. It contributes to the development of the legal and institutional framework and provides technical, organisational and practical assistance.

- **Robust partnerships with community, stakeholders and governments**

This strategic objective sets out our approach to partnering. There are critical relationships that DWLBC needs to foster and commit to in order to achieve natural resource outcomes. Formal partnership arrangements and joint projects are increasingly important in leveraging our limited financial resources. This objective targets our working arrangements with state and Commonwealth government agencies and authorities, indigenous people, local governments and industry.

- **A culture of excellence that attracts and develops people with capability, commitment and credibility**

This strategic objective recognises that our policy goals are achieved by the application and commitment of our workforce. It addresses human resource development work that is an urgent priority within the agency and sets out some other key organisational development approaches.

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;
- Natural resource users in urban, rural and remote communities;
- National and interstate natural resource management agencies and institutions;
- Local Government;
- Producer and industry organizations;
- Conservation bodies and other special interest groups;
- General community;

- Statutory bodies including:
 - The Water Resources Council;
 - Animal and Plant Control Commission;
 - The Catchment Water Management Boards and water resources planning committees;
 - Soil Conservation Council;
 - Soil Conservation Boards;
 - The South Eastern Water Conservation and Drainage Board;
 - Dog Fence Board;
 - Native Vegetation Council;
 - Murray-Darling Basin Commission;
 - Pastoral Board;
 - Water Well Drilling Committee;

Roles and Functions By Division

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, 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.
- Project management and oversight of MDBC River Murray Water Remediation programs in South Australia.
- 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.

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.

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

- 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.
- Implementing management requirements such as restriction and prescriptions.

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.

Sustainable Resources

Role

The Sustainable Resources Division ensures the State's natural resources are sustained to support primary and resource industry and growth. The group implements Government policy and investment to promote healthy and prosperous primary production industries in SA that deliver safe produce, fulfil the current and future needs of South Australians, and incorporate economic, social and environmental aspects of resource use.

Functions

- Provision of strategic policy advice on the use and management of land and pastoral resources and support to Government, which is timely, innovative, and of high quality.
- Support land managers in technical advice on sustainable land management practices.
- Strategically influencing and supporting individual, community and industry capacity for natural resource management while developing self-reliance.
- Develop strong partnerships and facilitating an integrated approach to the management of land resources and related environmental issues.
- Promote a culture and involve the community in the management of pest animals and pest plants in South Australia.
- Enable the appropriate, efficient and effective management of water and associated natural resources by land managers and users.
- Coordinate policy development, manage the operational elements of the Natural Heritage Trust and National Action Plan on Salinity and Water Quality (NAP) and provide administration and logistic support to the various inter-agency based committees and groups on behalf of the Environment and Conservation Portfolio.

Biodiversity Division

Role

The Biodiversity Conservation Division has responsibility for ensuring that biodiversity conservation is integrated into sustainable natural resource use and management across South Australia.

Strong cross-agency partnerships are required to deliver key objectives at the portfolio level.

Functions

- Administration of the *Native Vegetation Act, 1991* including supporting the operation of the Native Vegetation Council.
- Assessments for the Native Vegetation Council in response to native vegetation clearance applications, development applications referred to the Council and reports of alleged illegal clearance.
- Assessments under the EPBC Act, potential reserves, disposal of crown land and for major development proposals including mining/petroleum exploration or extraction.
- Monitoring within reserves and for major projects such as the Upper South East and Dryland Salinity Program.
- Facilitation and promotion of uptake of biodiversity initiatives in INRM plans.
- Development of cooperative partnerships with community groups to facilitate biodiversity conservation, including administration of the NHT Bushcare Program.

- Support for regional INRM groups, particularly Mt Lofty Ranges-Greater Adelaide, Kangaroo Island and the Northern and Yorke Agricultural District, in the development and drafting of regional INRM plans and investment strategies.

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 across the Department 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 role of the portfolio's Accredited Purchasing Unit.

Legislation

The following Legislation under the Minister for Environment and Conservation is administered by The Department of Water, Land and Biodiversity Conservation:

Animal & Plant Control (Agricultural Protection & Other Purpose) Act, 1986

An Act to provide for the control of animals and plants for the protection of agriculture and the environment and for the safety of the public; to repeal the Vertebrate Pests Act 1975 and the Pest Plants Act 1975; and for other purposes.

Dog Fence Act, 1946

An Act to provide for the establishment and maintenance of a dog-proof fence in the northern part of the State in order to prevent the entry of wild dogs into the pastoral areas of the State; and for incidental purposes.

Groundwater (Border Agreement) Act 1985

An Act to approve and provide for carrying out an Agreement for the management of groundwater adjacent to the border of South Australia and Victoria; to make related amendments to the Water Resources Act, 1976; and for other purposes.

Ground Water (Qualco-Sunlands) Control Act, 2000

An Act to reduce the risk of waterlogging and salinisation of land and increased levels of salinity in the River Murray caused by the irrigation of land in the Qualco-Sunlands irrigation area; to make a related amendment to the Irrigation Act 1994; and for other purposes.

Irrigation Act, 1994

An Act to provide for the irrigation of land in government and private irrigation districts.

Lake Eyre Basin (Inter-governmental Agreement) Act, 2001

An Act to ratify and approve the Lake Eyre Basin Intergovernmental Agreement; and for other purposes.

Native Vegetation Act, 1991

An Act to provide incentives and assistance to landowners in relation to the preservation and enhancement of native vegetation; to control the clearance of native vegetation.

Pastoral Land Management and Conservation Act, 1989

An Act to make provision for the management and conservation of pastoral land; and for other purposes.

River Torrens Acquisition Act, 1970

An Act to provide for the acquisition of certain lands comprising the River Torrens, or adjacent thereto; and for other purposes.

Soil Conservation and Land Care Act, 1989

An Act to provide for the conservation and rehabilitation of the land of this State.

South Eastern Water Conservation and Drainage Act, 1992

An Act to provide for the conservation and management of water and the prevention of flooding of rural land in the South East of the State; to repeal the South-Eastern Drainage Act 1931 and the Tatiara Drainage Trust Act 1949; and for other related purposes.

Upper South East Dryland Salinity and Flood Management Act, 2002

An Act to provide for a scheme to protect and improve the environment and agricultural production in the Upper South East through the proper conservation and management of

water and the initiation or implementation by the Government of the State of works and environmental management programs and other initiatives; to make related amendments to the South Eastern Water Conservation and Drainage Act 1992; and for other purposes.

Water Conservation Act, 1936

An Act to consolidate certain Acts relating to the conservation of water.

Water Resources Act, 1997

An Act to provide for the management of the State's water resources.

The following legislation under the Minister for the River Murray is administered by the Department of Water, Land and Biodiversity Conservation:

Murray-Darling Basin Act, 1993

An Act to approve and provide for carrying out an agreement entered into between the Commonwealth, New South Wales, Victoria and South Australia with regard to the water, land and other environmental resources of the Murray-Darling Basin.

Renmark Irrigation Trust Act, 1936

An Act to consolidate certain Acts relating to the Renmark Irrigation Trust.

River Murray Waters Agreement (Dartmouth Reservoir) Act 1971

An Act to Ratify and Approve an Agreement relating to Financial Assistance for the Construction of the Dartmouth Reservoir; and for other purposes.

River Murray Waters Agreement Supplemental Agreement Act, 1963

An Act to ratify and approve an agreement entered into between the Prime Minister of the Commonwealth and the Premiers of the States of New South Wales, Victoria, and South Australia respecting the waters of the Darling River stored at Menindee in the State of New South Wales in the connected series of lake storages collectively known as the Menindee Lake Storage; and for other purposes.

Relationship to Other Agencies

The Department of Water, Land and Biodiversity Conservation reports to the Minister for Environment and Conservation and the Minister for the River Murray, the Hon John Hill. The department is one part of a complementary triumvirate of agencies reporting to the Minister, the others being Department for Environment and Heritage (DEH) and the Environmental Protection Authority (EPA).

DWLBC ensures the allocation and the use of natural resources occurs in a sustainable way according to ESD (Ecologically Sustainable Development) principles. It also ensures that it is not degraded by inappropriate management practices and introduced pests.

To carry out its role it works closely with other agencies including Primary Industries and Resources SA, Planning SA, SA Water, Premier and Cabinet, Office of Regional Development, DAIS, Department of Education and Training and Tourism SA

DWLBC also has extensive shared programs with the Australian Government through DAFF (Department of Agriculture, Fisheries and Forestry Australia) and DEH. It also has extensive programs with Local Governments particularly through the Animal and Plant Control Commission. DWLBC is a member of the Murray-Darling Basin Commission which manages the River systems. There are strong interactions also with the Non Government organisations such as the Conservation Council, SA Farmers Federation, and the SA Dairy Association.

Programs, Objectives and Outcomes

The South Australian Government's *Portfolio Statements* presented by the Treasurer of South Australia to Parliament outlines the programs for the Department of Water, Land and Biodiversity Conservation for 2002-03.

The Department's has three programs:

- Policy, Planning and Coordination;
- Natural Resource Management; and
- Natural Resource Science and Information.

The Policy, Planning and Coordination program incorporates three sub-programs:

- Policy Advice;
- Natural Resource Planning; and
- State-Commonwealth Joint Programs.

The Natural Resource Management Program incorporates four sub-programs:

- Murray-Darling;
- Building Community Capacity;
- Resource Management Operations, Licensing and Compliance; and
- Management of Infrastructure Assets.

The Natural Resource Science and Information Program incorporates two sub-programs:

- Resource Management and Assessment; and
- Resource Management Technology and Innovation.

The following provides detail of the objectives and outcomes under each of the programs and sub-programs.

Program 1: Policy, Planning and Coordination

Scope: To deliver whole of government sustainable natural resource outcomes through natural resource planning, coordination of whole of government initiatives or services as well as policy advice and development for and on behalf of the Minister.

1.1 Policy Advice

Natural Resource Management Reform

Extensive public consultation was carried out on the South Australian Government's proposed reform of Natural Resource Management (NRM). The reforms provide an integrated approach to the use and management of natural resources and ensure better NRM outcomes by drawing together decisions that affect the whole landscape within the one institutional framework. The proposal for new institutional arrangements include an NRM Council, regional NRM Boards, and local NRM groups. The Government has established an Interim NRM Council.

Commonwealth Inquiry into Future Water Supplies - for Rural Industries and Communities

In November 2002, the Department prepared a whole of Government submission to a House of Representatives Standing Committee on Agriculture, Fisheries and Forestry inquiry into future water supplies for rural industries and communities. The submission discusses a broad range of rural water supply issues and suggests ways in which the Commonwealth might help to improve water management in rural areas. The Department made a presentation to the public hearing in Adelaide.

Lake Eyre Basin

The Lake Eyre Basin (LEB) Ministerial Forum policies for water flow and catchment management within the Basin were adopted by the Ministerial Forum in October 2002.

The Lake Eyre Basin Intergovernmental Agreement between South Australia, Queensland and the Commonwealth governments requires that as soon as practicable after its signing that an assessment is done of the health of the rivers and catchments of the Lake Eyre Basin and thereafter every 10 years. The results of the assessment will guide the Ministers and others in developing policy and strategy for natural resources management within the Lake Eyre Basin. The Lake Eyre Basin Rivers Assessment Project has now commenced. A draft methodology will be developed during the latter part of 2003, with the aim of using the methodology in the initial assessment of river health during 2004.

Council of Australian Governments (COAG) Water Reform

The Department provided substantial input to the national water reform agenda with specific advice in relation to the development of:

- A best practice template for water access entitlements;
- Trading principles and rules;
- The range of tradeable products/transactions in water markets;
- Impediments to trade; and
- Conformance of SA with common principles for water access entitlements.

The Native Vegetation Amendment Act

The *Native Vegetation (Miscellaneous) Amendment Act 2002*, which continues to refine and improve controls on the clearance of native vegetation, was passed by Parliament.

The law enforcement provisions of the legislation were proclaimed on 19 December 2002, with the balance of the Act due for proclamation following the completion of the review of the Regulations in 2003.

Work on the review of the Native Vegetation Regulations was progressed with continuing consultation with key interest groups, state agencies and parliamentarians.

Consistent with the government's commitment to increasing protection for the remaining native vegetation, the review of the Regulations sought to provide greater flexibility for reasonable clearance such as fire safety, grazing and biodiversity management, a tightening of exemptions to avoid misuse and to facilitate the protection of significant native vegetation in urban areas.

New housing within intact native vegetation will need to be approved under both planning and Native Vegetation controls, and exemptions for clearance incidental to construction work will be reviewed.

Provision is made for the clearance of intact native vegetation if the development is in the public interest, bind the Crown for new works (bringing the Crown in line with the rest of the community), provide for clearance (for certain exemptions) to be conditional on a significant environmental benefit, and increase protection of native vegetation to include large dead trees that are habitat for threatened species listed under the *Commonwealth Environment Protection and Biodiversity Act 1999*.

Amendments to Water Resources Act/Draft Natural Resources Management (NRM) Legislation

Following the review of the *Water Resources Act 1997* (the Act) in 2001-02, a number of amendments to the Act were recommended to improve the efficiency and effectiveness of its administration. A significant number of these amendments have been incorporated into the draft Natural Resources Management Bill. These largely concerned minor improvements to levy arrangements and planning processes.

Substantial amendments which arose from the review of the *Water Resources Act 1997* which concern updated penalties for breaches of the Act will be considered as amendments to future Natural Resources Management legislation.

The Water Resources Act 1997 and the *Waterworks Act 1932* were amended to ensure the appropriate legislative base is in place to underpin water conservation measures in SA.

Impacts of Plantation Forest Land Use on Water Resources

Plantation forests intercept and use more rainfall than most traditional agricultural land uses and hence a change of land use to plantation forest can reduce surface water runoff or recharge to groundwater. In addition to potential environmental consequences, in areas where the available water resources are approaching or are already at full allocation, any reduction in the available water resources may impact on existing users of that resource.

This situation potentially exists in the lower South East, the Mt Lofty Ranges and Middle River catchment on Kangaroo Island.

Over the past two years the Department, in consultation with representatives from key stakeholder groups including irrigators, the plantation forest industry, South Australian Farmers Federation and the South East Catchment Water Management Board, have been developing a management

proposal that will ensure transparent accountability of impacts of plantation forestry on groundwater resources under the *Water Resources Act 1997*.

An inter-agency Working Group has been set up to examine the impacts of forestry development in the Mt Lofty Ranges.

In the South East, technical studies are under way into the impacts of forest plantations on groundwater, assessing the sustainable use of the Blue Lake catchment area, irrigation salinity and salt accession in the Upper South East and the conversion of area based water allocations to volume-based allocations.

The CSIRO is monitoring the interception of rainfall recharge and the potential extraction of groundwater from the water table in a number of monitoring sites within commercial blue gum and pine plantations. This work will continue through to 2003-04. A mid term project report of the monitoring results and its analysis was completed.

1.2 Natural Resource Planning

Natural Resource Planning

Draft regional Integrated Natural Resource Management (INRM) Plans were prepared for the Mount Lofty Ranges and Greater Adelaide, South East, Murray Darling Basin, Kangaroo Island and Northern and Yorke Agricultural District NRM regions. The Mt Lofty Ranges and Greater Adelaide INRM Plan has been accredited and Northern and Yorke Agricultural District INRM Plan and the Murray-Darling Basin INRM Plan have been presented to the State and Commonwealth Governments for accreditation.

Plans for the South East and Kangaroo Island NRM Regions are almost complete and will be presented to the State and Commonwealth Governments for accreditation early in 2003-04.

Regional NRM Plans for the Aboriginal Lands, Eyre Peninsula and Rangelands NRM regions have commenced and will be released for public consultation early in 2003-04. The Plans will be presented to the State and Commonwealth Governments for accreditation before the end of 2003-04.

The Cluster Schools project has been successfully completed. The project supported schools in increasing the adoption of sustainable development principles into their curriculum. It provided excellent outcomes in terms of methodology development and implementation with schools and community groups. It is expected that the materials and methods developed in this project will be incorporated into the proposed new project "*Regional Capacity Building through Youth*".

Regional coordination and support of regional groups has been successful in achieving district plans and capacity building of the regional bodies. A Waite campus spatial group has been developed along with a proposal for an engagement process with the private sector. The pilot regional information centre, located in Mt Gambier, is now fully staffed and operating. Regional plans are being delivered within given timeframes to community expectations largely due to the dedication of regional people. Funding in 2003-04 will flow to the projects prioritized in regional plans.

Catchment Management

The Department continues to partner with Catchment Water Management Boards and communities in achieving sustainable development of our water resources. The Far North Wells (Great Artesian Basin) was prescribed under the *Water Resources Act 1997*. The Marne River and Saunders Creek Catchments were also prescribed. Community consultation was undertaken on a proposal to prescribe the Baroota catchment in the mid-north. Major efforts have gone into the development of water resource management arrangements for the Eastern Mount Lofty Ranges water resources from south of the Marne River and Saunders Creek catchments to Goolwa.

The Department continued to assist Catchment Water Management Boards with the preparation of water allocation plans and catchment water management plans. In particular, assistance was given in the completion and adoption by the Minister for Environment and Conservation of two catchment water management plans produced by the South East and River Murray Catchment Water Management Boards. Ongoing support was provided for the preparation of the Morambro Creek Water Allocation Plan and catchment water management plans for the Eyre Peninsula and Arid Areas Catchment Water Management Boards.

The Catchment Management Subsidy Scheme (CMSS) received 66 applications principally from local government and Catchment Water Management Boards for stormwater reuse, improved drainage and flood mitigation for 2002-03. 29 projects were recommended for funding by the Catchment Management Subsidy Scheme steering committee and subsequently approved by the Minister with an estimated value of \$2.6m.

Water Proofing Adelaide

A high level steering group, chaired by DWLBC, was established to oversee the development of an integrated water resources strategy for the Adelaide region known as Water Proofing Adelaide. The Steering Committee comprises key State Government water resources agencies.

The last time a comprehensive metropolitan water resource study was undertaken for metro Adelaide was 1978. A Strategy Advisory Committee has also been appointed chaired by former Deputy Premier Don Hopgood, with representation from the water industry, local government, research organisations, Council of Social Services and the South Australian Farmers Federation.

The Strategy Advisory Committee is responsible for community consultation. Progress on the strategy during the 2002-03 year included:

- Secured funding assistance through the NAP for Salinity and Water Quality
- Developed an issues paper which sets out the risks and opportunities in relation to water supply and demand to 2025
- Developed scenarios for the modelling of options.

Water Proofing Adelaide will:

- Develop an analytical framework to evaluate potential water resource scenarios
- Release a discussion paper in December 2003 which will set out the key issues and seek feedback from the community on appropriate options for meeting Adelaide's water supply targets
- Develop a Communications Plan with a public information campaign to be launched in October 2003
- Prepare a State Government Wastewater Statement.

Wetlands Strategy for South Australia

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 help coordinate the work of catchment water management boards in wetland management.

The Wetlands Strategy for South Australia was launched on 2 February 2003, World Wetlands Day by the Acting Minister for Environment and Conservation, Hon Mr Terry Roberts.

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

Whilst the Department for Environment and Heritage is leading the implementation of Wetlands Strategy, the Department of Water, Land and Biodiversity Conservation is a key partner. The Environment and Conservation portfolio has brought water and environmental issues into one portfolio, which provides for even greater integration of effort on wetlands management.

State Floodplains Strategy

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. This matter is also being addressed by the Local Government Forum.

Following the completion of six technical reports by working groups formed by the State Floodplains Committee, a preliminary draft Strategy has been produced which brings together the key recommendations of the technical reports.

In developing the draft Strategy it was identified that further work was needed to clarify responsibilities and actions in the areas of emergency response and flood warning. This work is currently being progressed.

Over the coming year the State Floodplains Committee will finalise the draft Strategy, undertake targeted consultation, and seek State Government endorsement of the Strategy.

Estuaries Management Plan

The *State Water Plan 2000* identified that water resources management needs to address estuaries and their management. The Plan articulated some broad policy principles in relation to estuaries, and identified a need to review policy and institutional arrangements for the management of estuaries.

During 2003 the Department of Water, Land and Biodiversity Conservation worked with the Department for Environment and Heritage to develop a project to conduct this work. DEH, in partnership with DWLBC, is developing a draft estuaries policy that will set the direction for the management of estuaries across South Australia.

1.3 State/Commonwealth joint programs

National Action Plan for Salinity and Water Quality, and the Natural Heritage Trust

The Department has supported the development of new natural resource management processes, particularly under the National Action Plan for Salinity and Water Quality and changes to the Natural Heritage Trust.

In 2002-03, the State's obligations under the Natural Heritage Trust Partnership Agreement (NHT1) were met, including a 2001-02 annual report and financial reporting, payments to proponents, final reporting on projects, and the processing of extension and variation requests.

Bilateral negotiations were completed for the administrative and financial arrangements to deliver the Extension of Natural Heritage Trust (NHT2) and the associated bilateral agreement signed. The first round of funding under this bilateral agreement has been approved and funds will flow to the regional NRM Groups early in 2003-4. Delivering Natural Heritage Trust 2 has been slower than initially expected with delays to all aspects of the program. Community and stakeholder expectations have needed to be managed through the course of these delays.

In 2003-04, the NHT1 will be completed and under NHT2 and under the National Action Plan for Salinity and Water Quality (NAP) there will be a shift from regional priority rounds considering local projects to regional investment based on regional NRM Plans and Investment Strategies.

The Department is facilitating the development of a statewide approach to monitoring and evaluation for both the NAP and NHT2. This involves clarifying the requirements with the Commonwealth, and capacity building in the regions to deliver an appropriate level of monitoring and evaluation.

The Department also managed the assessment of the first round of Australian Government Envirofund, and prepared the State Bid recommending 166 projects to the value of \$2.7 million from the 194 applications received. A new State Assessment Panel was jointly appointed by State and Commonwealth Ministers.

Business processes and support systems were developed to deliver the joint State/Commonwealth Natural Resource Management programs. The principal business system is the Natural Resource Management Support System database.

Program 2: Natural Resource Management

Scope: Natural resource management services including the administration of natural resource legislation, restoration and maintenance of ecosystems and resource licensing.

2.1 Murray-Darling

River Murray Drought Response Strategy

During 2002-03, South Australia's River Murray water users began to observe the impacts of the worst drought on record in the Murray-Darling Basin. A prolonged dry period had resulted in poor inflows into Murray-Darling Basin Commission storages, and as a consequence, a progressive draw-down in the volume of water held in these storages since December 2001.

Following more than twelve months of entitlement flow conditions, in January 2003, the Government issued a warning to all River Murray users from Blanchetown to the Barrages to expect low river levels and high salinity in the river and Lower Lakes.

In issuing this warning, the Government also announced:

- That it had established the South Australian High Level Taskforce on the River Murray to monitor developments and provide the Government with advice on water management arrangements during this period; and
- Several communications initiatives, such as a drought advice website and bulletin to provide users with up-to-date information on water resource conditions in the River Murray.

By March/April 2003, salinity levels for Milang and Meningie of 1200EC and 1800EC respectively, were observed and average water levels in the Lower Lakes had fallen to a near record low of 0.36m Australian Height Datum (AHD). This level was approximately 300mm below 'normal' target water level for that time of the year.

The low river and lake levels below Lock 1 were causing navigational difficulties and also causing irrigators problems in maintaining access to water for irrigation and water supply purposes. Problems as far upstream as Swan Reach were being reported. During the March – April period, reports of elevated algae levels in the Lower Lakes resulted in the Department for Human Services issuing warnings against contact with visibly discoloured water.

On 20 May 2003, following advice from the Murray-Darling Basin Commission and the South Australian High Level Taskforce on the River Murray, the Minister announced a 20% restriction on the use of water from the River Murray for 2003-04. This was the first time restrictions had been imposed on South Australia's licensed users of water from the River Murray. This decision was taken based on the available resource and to provide security of supply to all users of River Murray water.

Following this announcement, more than 100 irrigators and associated industry representatives, were consulted in the formulation of advice to the Government on how best to manage the shortfall in water in the River Murray for the coming year.

On 14 June 2003, the Government announced a package of policy measures, scheduled to come into effect on 2 July 2003 to achieve the 20% reduction in water usage from the River Murray. More specifically, the authorised level of water use for irrigators would be set, (pursuant to section 16 of the *Water Resources Act 1997*), at 65% of licensed water allocations.

The two water licences, issued to South Australian Water Corporation for public water supply purposes, were also restricted to 122 gigalitres and 30 gigalitres for the metropolitan Adelaide and country towns licenses, respectively.

In the week commencing 16 June 2003, DWLBC in partnership with the River Murray Catchment Water Management Board, convened five public meetings throughout the River Murray region to provide water users and interested members of the community with information on the status of Commission storages, predicted water availability and the reduced water allocations for 2003-04. Information regarding proposed new water trading arrangements for River Murray licensees, during the period of the Notice of Restriction, was also provided.

Water resource conditions in the upper Murray system continue to be monitored. Co-ordination of the government's drought response, including announcements relating to restrictions for licensed water users along the Murray, industry briefings, public forums and information dissemination was managed by the media and communications section of the Department. A series of ongoing salinity bulletins are being produced to provide up to date information via direct mail-out to groups most affected by the impacts of the drought; a 1800 hotline number providing critical river information and direct access to departmental officers has been introduced along with a website containing contact listings, salinity advice and messages.

River Murray Act

Following extensive consultation the proposed River Murray Act scheduled for Parliament in July 2003 will provide important powers and functions to protect the River Murray, including a general Duty of Care, whereby everyone must take reasonable measures to prevent harm to the River. The Duty of Care is enforceable by protection orders.

The Act will allow the Minister to enter into management agreements with landowners within the Murray Darling Basin to enhance, protect, and manage the natural resources of the River Murray.

Regulations declaring two River Murray Protection Areas have also been drafted. These Regulations will require certain activities within the protection areas to be referred to the Minister for the River Murray for consideration. The referral system is key to improving the health of the River Murray and to furthering the objectives of the River Murray Act.

The proposed protection areas include:

- The "Floodplain zone", which includes the main stem of the River and approximately 500 metres to cadastre; and
- The "Tributaries zone", which covers all of the upper catchment and reflects the boundary as detailed in the River Murray Catchment Water Management Plan.

Consultation, regarding the boundaries of the protection areas and referred activities, was undertaken with each affected local council during May 2003.

Awareness and training programs on the Act and Regulations are being undertaken. It is expected the Act and Regulations will be implemented in stages, starting with the Act being proclaimed during October 2003, and the Regulations that require referrals of certain activities, to follow soon after, beginning with the referrals under the *Water Resources Act 1997* and the *Development Act 1993*.

The River Murray Act and Draft Regulations deliver a cooperative and integrated approach to ensuring 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.

River Murray Forum

The River Murray Forum held on 25 February 2003 at Parliament House brought together more than 50 Members of Parliament and 250 industry observers to discuss the issues surrounding the River Murray. The event management for the full day's programme, including audio visual presentations was co-ordinated by the DWLBC Strategic Communication and Marketing Unit. The forum produced "The Adelaide Declaration", a statement on the long-term future of the River Murray.

River Murray – Environmental Flows

Increased flows are required to achieve a balance between the health of the river system and consumptive use of the water resource.

Ecological function of the River Murray can only be restored through integrated management programs, addressing all the relevant factors for a specific area, such as saline groundwater inputs, making the most effective use of existing flows, increased and more frequent floods, and management of grazing and feral and exotic species.

Programs for improved environmental outcomes are being developed for key assets within South Australia, but these will rely heavily on increased flows in the river system. The South Australia Environmental Flows Program is focussing on areas of wetland rehabilitation, flow manipulation, integrated management of the region below lock 1 (including the lakes, Coorong and Murray Mouth), restoring the ecological health to the Chowilla floodplain, and the development of the South Australian Environmental Flows and Wetland Strategies.

Building on the work of the River Murray Forum, the South Australian Government has strongly argued the case for a 'first step' decision by the Murray-Darling Basin Ministerial Council to restore 500 gigalitres of additional flow in the River Murray within the next five years, and to follow this up with subsequent decisions to restore at least an additional 1 500 gigalitres of flow (including the first 500 gigalitres) to the River Murray.

The Living Murray Initiative, (a Murray Darling Basin Commission initiative) provides the opportunity to put into practice large scale integrated landscape management actions across the Murray-Darling Basin, in order to achieve water savings and to promote water recovery to improve the health of the River Murray system. The Living Murray initiative recognises that action must maximise benefits to the environment and minimise costs to water users. A range of mechanisms for water recovery are being explored through the initiative, along with the development of cost-sharing arrangements, establishment of a water-accounting framework, establishing a robust water trading market, and assessment of environmental outcomes that can be achieved through various water recovery scenarios.

South Australia has taken a strong leadership role on environmental flows and advocates strongly for the Murray-Darling Basin Ministerial Council to address the issue of over-allocation.

Wetland Management

A major success of the Wetlands Program this year has been the writing of the Wetland Management Plan Guidelines. This document is critical for setting a management standard for Wetlands in South Australia. It provides a framework for Wetland groups to use when developing wetland management plans, and assists in carrying out the steps required when applying for wetland licenses.

The development of the first phase of the Salinity Impacts of Wetland Management (SIWM) model, (for measuring wetland water volumes and salinity), is providing a method to determine water gains and losses from Wetland management regimes. This opens up the possibility of 'saving' water from one wetland and using it to flood another, thereby providing environmental benefits for both sites. The SIWM model will be extended in the near future, to include areas below lock one.

Work has commenced on the Wetlands for Water project, which will combine the dual objectives of enhancing wetland health and achieving augmentation of environmental flows in the River Murray in SA through a system of on-ground initiatives. The Wetlands for Water project has identified a number of wetlands where both ecological objectives and water savings can be achieved through an integrated approach to riverine management, thus contributing to improving the health of the River Murray in SA. The first phase of the project is to gain an understanding of the environmental values of selected wetlands through a comprehensive baseline survey, which will guide management into the future. On-ground management of selected wetlands is scheduled to commence within 12 months.

Drought conditions across the country have necessitated the drying of wetland complexes throughout South Australia, and frustrated wetland groups who had hoped to flood their wetlands this year. They have also provided a rare opportunity to monitor the ecological response to the dropping water levels in the River Murray below Lock 1. DWLBC is currently managing a multi-disciplinary monitoring team to investigate the response of aquatic plants, fish and birds as well as water quality and groundwater.

The results of current drought monitoring will provide essential information of the impacts and benefits of natural and deliberate variations in water levels. Results will also help determine appropriate weir and barrage management in the future.

Several other important investigations have been completed over the past 12 months in partnership with the River Murray Catchment Water Management Board and various other stakeholders. These include:

- A detailed mapping of floodplain vegetation and groundwater, conducted from the SA border to the barrages. This information is being used to understand patterns in declining floodplain health and to identify priority areas for remedial action;
- A preliminary assessment of the impacts and benefits associated with river level variation, undertaken to identify the reach(es) where manipulation is most feasible; and
- An assessment of the ecological benefits of a range of flow regimes, completed as part of the MDBC Living Murray Program. This will inform the delivery of future flows to South Australia.

Chowilla Integrated Natural Resource Management Project

The Chowilla floodplain, located on the New South Wales/South Australian border is an immensely valuable area for a wide range of purposes, including conservation of native flora and fauna, recreation, tourism and River Murray health. It is the largest remaining area of natural riverine forest in SA and forms a major part of the Riverland Wetland of International Importance, declared under the Ramsar Convention. The environmental values of this area are threatened due to lack of flooding and soil salinisation. The Chowilla floodplain is also a major contributor to salinity in the River Murray. The Chowilla Integrated Natural Resource Management Project is aimed at enhancing and, where possible, restoring the environmental values of the Chowilla floodplain and River Murray.

2002-03 marked a turning point for the Chowilla Project, where significant information was collected building on data gathered and directions set a decade ago. Two major pump tests were undertaken on the floodplain, revealing important information about the hydrogeological properties of the floodplain.

Along with a full survey and calibration of groundwater monitoring bores, this data has been used to develop a groundwater model which will help us design an optimal salt interception scheme for Chowilla.

Research and modelling was also undertaken to improve our understanding of the ecological processes that affect the biodiversity of the floodplain. Further work on the economic implications and environmental benefits of a salt interception scheme was carried out, contributing necessary

elements to the implementation of an integrated natural resource management approach to restoring the environmental benefits of Chowilla, while managing the salinity impacts in the River.

Murray Mouth

The prolonged drought throughout the Murray-Darling Basin resulted in the Murray Mouth becoming severely constricted by the build-up of sand carried inside the river mouth by tidal flows. In October 2002, the decision was taken to initiate a dredging program to reduce the risk of the river mouth closing during the 2002-03 summer period. The objectives of this project were to reduce the water level in the Coorong and to create sustainable channels from the river mouth to both the Coorong and the Goolwa channel.

This significant project required approvals under both Commonwealth and State legislation including the Native Title Act, the Environment Protection and Biodiversity Conservation Act and the state Environment Protection Act. Dredging, with all relevant approvals, commenced just 6 weeks after the decision to initiate the project was taken, due in a large part to the strong working relationship between the agencies and relevant community groups, including the local Aboriginal Heritage and Native Title Committees.

The project met the objectives and succeeded in keeping the river mouth open during the summer of 2002-03. However, the tidal flushing of the Coorong channel was insufficient to prevent obvious environmental degradation and in May 2003 it was decided to engage a second dredge to ensure that channels could be established between the river mouth and both the Coorong and the Goolwa channel, prior to the 2003-04 summer. Relevant approvals and funding for this second dredge were obtained in June 2003. The Murray-Darling Basin Commission has funded the whole dredging project, with annual contributions provided by South Australia, NSW, Victoria and Commonwealth Governments. Total funding to June 2003 was \$3.1million.

In addition to the dredging project, a morphological computer model for the Murray Mouth was completed in June 2003 to aid in the long-term management of the river mouth. The model predicts the response of the sediments in the vicinity of the river mouth to both tidal flows and river flows and will prove a useful tool in the management of this region once water is available to be released from the barrages again.

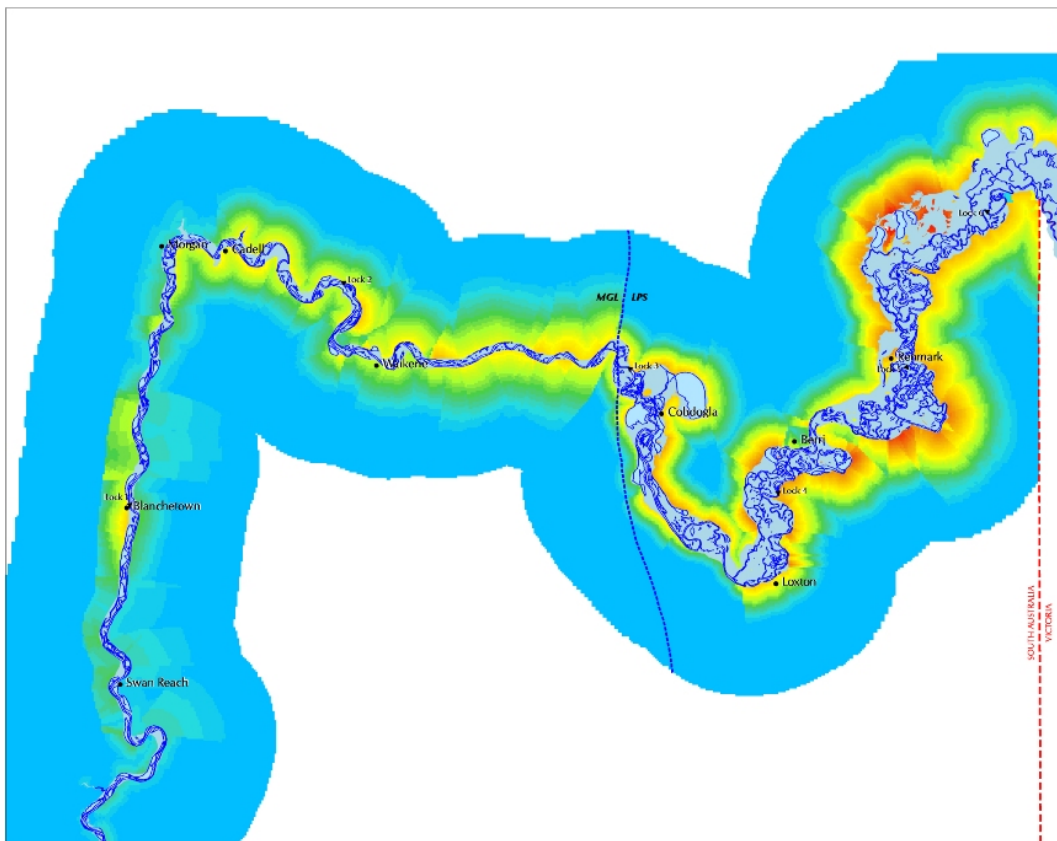
Mapping Salinity Impacts from Irrigation

Mapping of high and low salinity impact locations along the River Murray has been completed and will be used to determine the salinity impacts of irrigation water transfers. Irrigation SIMPACT II has been under development for a number of years, in partnership with Department of Environment and Heritage and CSIRO.

SIMPACT II is a spatial model, which considers the drainage, geology, and distance from the River to predict potential salinity impacts from irrigation developments. The model extends from the South Australian Border to Wellington, for a distance of 15 kilometres from the River itself.

One of the products resulting from this project development has been a predicted salinity impact location map. By considering standard irrigation drainage of 120mm across the landscape, SIMPACT II can predict salinity impacts to the River Murray as a result of irrigation development.

The model can do this for the whole landscape, assuming there is no other land use present. The result of this analysis is shown on the following page.



This map will be used to identify areas of high and low salinity impact. These areas will be used in conjunction with the River Murray Water Allocation Plan for managing irrigation developments and water trade.

Development of policies around this information is part of South Australia's responsibility to meet its obligations under the Murray-Darling Basin Agreements on salinity and the River Murray Salinity Strategy set by South Australia. SIMPACT II has recently been used by the Murray-Darling Basin Commission to consider impacts of interstate water trade for the pilot-trading zone, which runs from Nyah, Victoria, Menindee Lakes New South Wales, through to South Australia. This significant recognition of the development of SIMPACT II highlights the cutting edge applications being developed by South Australia.

Salinity Policy Provisions

The salinity provisions for the River Murray Irrigation Management Zone, as defined in the River Murray Water Allocation Plan, have been the subject of numerous meetings with stakeholders. Options such as salinity zoning, salinity levies and rebates for on-ground action, have been discussed. These discussions have led to some specific provisions in the proposed *River Murray Act* and associated amendments to the *Water Resources Act 1997*, to ensure legal basis exists for a wide range of options to implement these salinity provisions.

The provisions for water transfers are operated by an interim policy which was endorsed by the government in June 2003. The interim policy requires new irrigation developments in high salinity impact locations to offset salinity impacts before a water transfer can be approved. Further policies and procedures to implement the salinity provisions will be developed in the coming year, based on the Water Allocation Plan and the tools available under the proposed River Murray Act.

Bookpurnong and Loxton Salt Interception Schemes

Investigations into the feasibility of constructing a salt interception scheme in the Bookpurnong reach were initiated in 1997 by the Bookpurnong/Lock 4 Environmental Association, as part of their Land and Water Management Planning process, operating under the direction of the community

driven Loxton/Bookpurnong Local Action Planning Group (LAP), and funded through the Natural Heritage Trust (NHT).

More recent investigations into the Loxton region showed similarities to the hydrogeological investigations undertaken in Bookpurnong over the previous four years. The Department developed a joint disposal concept and expedited investigations in the Loxton area in order to progress both the Loxton and Bookpurnong schemes as one infrastructure project for the purposes of design, approvals, procurement, construction and operation.

The schemes have been identified as high priority actions under both the Murray Darling Basin Commission's Basin Salinity Management Strategy (BSMS) and the SA River Murray Salinity Strategy, and will contribute more than half of the BSMS seven year target of a 61 EC units reduction in River Murray salinity, as measured at Morgan.

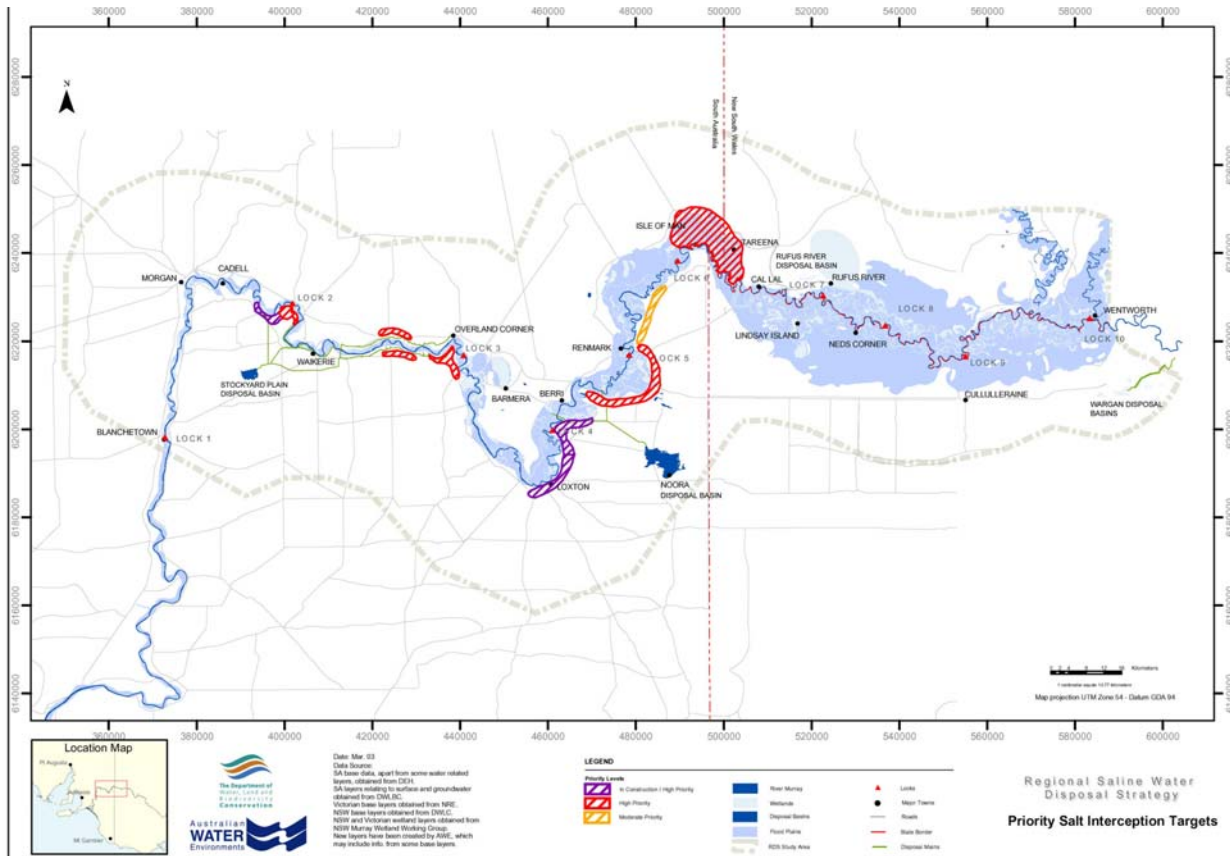
In addition to the salinity benefits, the schemes have also been designed to provide significant floodplain health benefits and to have sufficient capacity to deal with new irrigation developments.

Regional Saline Water Disposal Strategy Project

A comprehensive review of future salt loads into the South Australian portion of the River Murray to 2050, has been completed. The review was used to identify high priority actions for salt interception and, therefore, to determine strategies for disposal of saline water and opportunities for reuse.

Potential high priority areas for salt interception are identified on the map below. The location may vary, depending on the future location of irrigated development.

Assessments will commence shortly to provide a clear indication of the maximum disposal potential provided by existing basins at Noora and Stockyard Plain, and also to consider alternate disposal options.



Irrigation Crop Surveys along the River Murray

For the first time this year, the whole River Murray in South Australia has been surveyed for irrigation development and will provide a critical 1:2,000 GIS based data sets indicating crop types and areas which can be used to meet water licence requirements of reporting on water use efficiency.

This unique initiative has been completed in partnership through a Memorandum of Understanding signed by the River Murray Local Action Planning Groups, the River Murray Catchment Water Management Board, the Department for Environment and Heritage, and the Department of Water, Land and Biodiversity Conservation.

Using aerial photography taken in the 2001-02 irrigation season, the initiative has mapped and recorded irrigated crop types to variety level, with information on irrigation systems, root stock, drainage methods, soil moisture measurement devices and training completed. This detailed information is held by the Local Action Planning Groups on behalf of the irrigators, with detailed colour property plans being printed and returned to irrigators for their use.



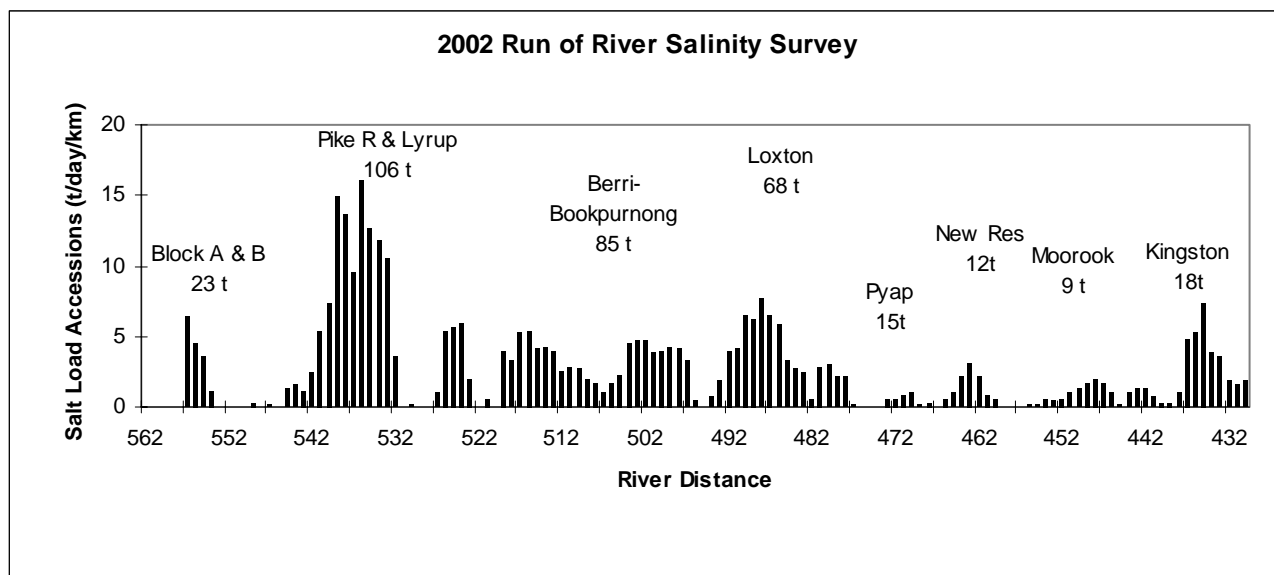
Subject to agreement from irrigators, the crop type, year planted and other information required, as part of the Irrigation Annual Report (IAR) under the River Murray Water Allocation Plan, is being provided by the LAP to the DWLBC for use in the IAR forms. This initiative is part of the implementation of the River Murray Water Allocation Plan (RMWAP) and will ensure accuracy of information provided in the IAR, as well as providing an accurate GIS based data set to improve irrigation management along the River Murray.

River Operations

The Department successfully completed a series of projects during the year, in addition to the routine surface water and groundwater monitoring program. New salinity and water level monitoring stations were installed in Chowilla and the Pike River systems to provide baseline data on the flows through these complexes, and on the salt accessions to the streams.

A Run of River Salinity Survey was carried out from Lock 7 to Wellington during the low flow period in late Autumn, showing the amount of salt added to the river each kilometre. A program to increase the number of water level monitoring sites in the main stem of the River commenced, with the Wellington to Lock 1 section being completed.

Asset Management Plans have been developed for all twelve of the waste disposal stations as well as the Noora Drainage Disposal system.



Murray-Darling Basin Ministerial Council and Murray-Darling Basin Commission

South Australia hosted meetings of both the Murray-Darling Basin Ministerial Council and the Murray-Darling Basin Commission during 2002-03. The Ministerial Council met in Adelaide in November. The meeting was preceded by a visit of Ministers to the Murray Mouth to get a first-hand understanding of the condition of the river mouth and to view the dredge which had been operating for approximately three weeks.

The December meeting of the Murray-Darling Basin Commission was held in Renmark, and included a visit to a managed wetland and a presentation on the actions taken to improve the health of this significant wetland.

Both these meetings and visits provided an excellent opportunity to reinforce the issues being experienced within the South Australian section of the river and to showcase the actions being taken within this state to address these issues.

2.2 Building Community Capacity

Natural Resources Management

The Mount Lofty Ranges Catchment Program, involving the ten councils in the Program area and more than 4,000 property holders, has resulted in the protection of 1,364 hectares of remnant native vegetation and habitat from threats such as weeds and livestock grazing and 1,344 hectares of revegetation using local native species, and other outcomes beneficial to the biodiversity of the State. In 2003-04 the Mount Lofty Ranges Integrated Natural Resources Group will continue to provide guidance through their Plan and Investment Strategy.

Regional communities were provided with technical support and advice in the areas of soil conservation, land management, revegetation and dryland salinity. A series of fact sheets on farm forestry in the Mt Lofty ranges was completed. Local government now have farm forestry development environmental guidelines, which will be used when assessing development applications. With the Murray Mallee District Soil Conservation Board, the agency developed a land management package for drought-affected landholders in the Murray Mallee. Articles on salinity were published in the Stock Journal during December 2003 highlighting the role played by DWLBC and the Dryland and River Murray Salinity Strategies.

The Outback SA office opened in Port Augusta, representing State Government agencies with responsibilities in the rangelands. Outback SA is a joint community and government initiative developed to improve services to meet the special needs of those within the arid zone.

The Pastoral Board has made significant investment on policy designed to mitigate impact on biodiversity caused by the proliferation of watering points in pastoral areas.

Progress has been difficult due to the conflicting and contentious nature of the issue. A joint Pastoral Board / Native Vegetation Council policy will be implemented during 2003 including an extensive communication process with pastoralists, Soil Conservation Boards and Conservation Groups.

Regional groups running projects have been provided with a project management and reporting tool. Services have been provided to non-government revegetation support groups operating from the Pasadena site. The same support will occur next year except for the Natural Heritage Trust Natural Resource Committees as they move into arrangement under new legislation, in which case they will need additional care and attention.

Mungerannie Demonstration Site

A demonstration site was established at Mungerannie on the Birdsville track to demonstrate piped water distribution systems from high pressure and high temperature (89°C) artesian bores which are replacing inefficient open bore drains under the Great Artesian Basin Sustainability Initiative. Highly successful field days were conducted on 18 and 19 September 2002 opened by the Minister for Environment and Conservation, the Hon John Hill, to demonstrate new piping and remote sensing technology.

The demonstration site consisted of display boards, experimental poly piping provided by Vinidex being trialed to handle hot temperatures and pressures, a cooling grid consisting of 100m of copper pipe within a lined pool to cool the water from 89° C to around 50° C, solar powered pumping systems, water storage, piping and stock watering systems.

Forty exhibitors provided displays of solar power pump systems, remote sensing systems, poly tanks and piping systems and associated displays from various agencies including the Department of Water, Land and Biodiversity Conservation, Arid Areas Catchment Water Management Board, Pastoral Branch of DEH, AFFA, Environment Australia and the Queensland Department of Natural Resources and Mines.

Around 320 visitors attended the field days covering all the pastoral properties in the Great Artesian Basin in South Australia and around 25 people covering 10 properties in South-West Queensland. They showed keen interest in the displays and the demonstration site and the latest technology available in remote sensing and solar powered systems.

ABC Radio broadcasted its early morning regional program, its midday Country Hour and the evening Philip Satchell program from 7-10 p.m. on Monday to Wednesday from Mungerannie. This provided exceptional media coverage of the event.

National Water Week

Once again the department managed a high profile calendar of events to celebrate National Water week in South Australia. Hungry Jack's continued its support for water week with the trayliner competition designed to educate students at the primary to lower secondary levels. The Marketing Unit created the puzzle design and met all production costs while Hungry Jacks provided significant prizes for each of its 30 stores. The highlight this year came from the Unit's concept for a "Top Tap tips" competition that was promoted to all state and private schools at both primary and secondary levels. Book vouchers were supplied by DWLBC for major winners of the most innovative suggestions to be placed on taps around the school and home to save water. Hungry Jacks provided some 2000 vouchers as minor prizes and incentive awards.

Enforcement and Compliance

The Department has numerous enforcement and compliance options when dealing with a myriad of issues across the state. Our role is inclusive of compliance, enforcement, investigations, training and intelligence gathering for the DWLBC. The Department also maintains close liaison with other State and Federal Natural Resource Investigations Units (DEH-NPWS, EPA, Fisheries, SAPOL).

The objective is to achieve voluntary compliance, but in cases of a more serious or ongoing nature the options exist to issue a caution or warning - usually in writing, undertake criminal prosecution, civil litigation or both criminal/civil action.

In March 2003 Mohin Shahin and Shahin Estates Pty Ltd attended at the Christies Beach Magistrates Court charged with breaches of Section 9 of the Water Resources Act 1997. They took (underground) water from the McLaren Vale Prescribed Wells Area without a water licence. Illegal Irrigation was occurring on olive groves on Shahins property at Aldinga. They were each fined \$1750 totaling \$3500 with convictions recorded against Shahin and the company.

On 14th May 2003, before the ERD Court, Francesco and Delia Trimboli, Millovara Pty Ltd and Antonio and Caterina Trimboli appeared regarding civil enforcement vide Section 141 of the Water Resources Act, 1997. This matter was the subject of lengthy investigation re unlicensed irrigation of numerous hectares of vegetable crops in the Northern Adelaide Plains Prescribed Wells Area. The court ordered:

- They refrain from permanently taking water from their well except where the taking of water is authorised or permitted (licensed);
- They fit a flow meter to the well;
- That the respondent Francesco Trimboli refrain from being on or within 1 km radius of his property at Angle Vale when departmental authorised officers enter and are present upon his land in their capacity provided that F.Trimboli is given 24 hours written notice;
- All of the respondents pay the sum of \$48,000.00 in exemplary damages in monthly installments of \$4000.00; and
- All of the respondents pay \$2000.00 in costs to the Minister for Environment and Conservation.

The DWLBC investigations unit has many matters which are ongoing and complex investigations, which cannot be commented on as they may result in civil and/or criminal prosecutions in the future.

Many investigations are resolved through means of ongoing negotiation and voluntary compliance with landowners. These matters can be quite lengthy and complex in nature and result in our working directly with landowners, catchment water management boards and local councils to ensure remediation takes place. This work, while often unseen, goes a long way towards achieving the objects of The Act, achieving compliance through consensus and negotiation.

During 2002-03 several letters of caution were issued to landowners who have committed offences deemed to be of a minor nature and the Department is in the process of issuing orders pursuant to Section 13 of the Water Resources Act 1997 to rectify unauthorised activities, mainly pertaining to earthworks in water courses.

Training courses are also run in conjunction with the University of South Australia for all of our authorised officers. These courses aim to train and educate our officers in their roles and responsibilities under the Water Resources Act. The course is run on a needs basis.

The DWLBC investigations unit has a strong liaison with authorised officers (field staff, hydrologists, ecologists) across the state (DWLBC has offices in Murray Bridge, Berri, Pt Lincoln, Mt Gambier, McLaren Vale, Clare, Barossa, Virginia, Naracoorte to name but a few) and supports them on a daily basis in assisting landowners/irrigators to achieve compliance with the Water Resources Act.

2.3 Resource Management Operations, Licensing and Compliance

South Australian Licensed Water Use Metering Policy

The Government had adopted a new policy dealing with the metering of licensed water use in South Australia. The new meter policy reflects the recommendation contained in the State Water Plan 2000 that *all water allocations will be volumetric and all water use will be measured by 2005*.

The Licensed Water Use Metering Policy requires for the first time that all licensed water use must be metered. All new meters will need to be installed at the licensee's expense and existing government owned meters will be offered to the associated licensees at no cost. Some existing Government owned meters may be retained and maintained by the Government on a full cost recovery basis.

Implementation of this policy will not only ensure that all water resources are managed within defined sustainable limits but also provides direct benefits to the licensees by assessing an individual's property right.

Water Trading Web Site

A water trading website was established to facilitate water trading activity in all prescribed areas of South Australia through the provision of up to date water trading market information. This information includes the number of trades, volumes, timeframes and (progressively) water prices and is updated on a daily basis. The website (which forms part of the Department's website) also provides a "noticeboard" facility for potential buyers and sellers to post advertisements to buy or sell water allocations. Potential trading parties are able to contact the details specified in the advertisement to negotiate an appropriate deal. The advertisements remain 'live' for eight weeks and the service is provided free of charge.

The actual trade of the water allocation does not take place on the web site and the Department of Water, Land and Biodiversity Conservation does not participate in any way in negotiations between potential trading parties.

The information is made available for potential buyers and sellers to contact each other and negotiate the terms of the trade. Once this is finalised, "Application for Transfer" forms need to be submitted in the normal way.

Water Information and Licensing Management Application

Development of the Water Information and Licensing Management Application (WILMA) is progressing with a likely implementation during 2003-04.

WILMA incorporates the major business processes which support administration of the *Water Resources Act 1997*, including the processing of water licence and permit applications, transfer of water licences and water allocations, and the calculation and collection of levies, fees and charges.

Data integrity, assessments of the salinity and other impacts on the water resource of water use activities and transfers (spatially) and reporting for planning and other purposes will be vastly improved.

SE Confined Aquifer Well Rehabilitation Scheme

This year has seen the SE Confined Aquifer Well Rehabilitation Scheme continue to progress. All of the well owners have now indicated their intention to participate in the scheme. The total number of wells completed to the end of the financial year is 58.

Although there were some delays with this year's drilling program, 11 of the 19 wells in the works program have been completed, with the remaining eight to be commenced in October subject to

weather conditions. The 2004 works programme will see another 20 wells completed or 72% of the total 120 wells.

Landowners and Departmental monitoring have reported recoveries in aquifer head pressures, with some almost back to levels reported in the early 1960's when monitoring began. Whether this is can be attributed to the rehabilitation work or a combination of other factors, is too early to say.

Branched Broomrape Eradication

The Branched Broomrape program objectives for discovery, containment and eradication were met within the limitations placed on field operations by the dry year. Research into eradication of Branched Broomrape using modified farming systems is providing solutions 12 months earlier than anticipated. However, fumigation was substantially reduced due to seasonal conditions. A national level review of the program supported the retention of the present eradication aims and its continuation in its present form and suggested modifications are being assessed prior to incorporation into the relevant projects. In 2003-04, the program will continue, with significant additional state commitment, enabling the continued delivery of direct support for landowners in the quarantine area and a major fumigation program.

1080 Poison Bait Program

A Quality Assurance Program for 1080 was implemented with Animal and Plant Control Boards. The National Registration Authority approved new labels, directions for use, approval forms and poison laid signs. Changes requiring Chem-Cert accreditation for purchasers of S7 poisons have a significant impact on fox baiting programs using 1080 bait. In 2003-04, the program will continue with the delivery of training programs.

Public Access Routes on Pastoral Land

The Pastoral Board released a Public Access Strategy for landholder and public comment. The Board accepted the report and is now implementing its key recommendations. The Minister for Environment and Conservation opened ten new Public Access Routes in July 2002. A Public Routes Officer, based in Port Augusta, commenced duties in August 2002. The Pastoralists Access Working Group has produced protocols to enable travellers to negotiate access to pastoral lands. In 2003-2004 the Pastoral Board continue working with the Aboriginal Legal Rights Movement and the Pastoral Side Table to secure the future of Aboriginal rights and interests on pastoral land.

Weed Management

The Animal and Plant Control Commission supported the expanded Natural Resource Management reform process with the Commission holding a joint forum with the Soil Conservation Council to discuss issues arising from the amalgamation. The Commission became a partner in the national Cooperative Research Centre for Australian Weed Management and held a workshop on the latest advances in biocontrol and weed management. A regional policy for dodder in the Murray region was developed and Weed Risk Assessment was completed for horticultural weeds.

Rabbit control

Agreement was reached with World Reference Laboratory for Rabbit Hemorrhagic Disease in Brescia, Italy to continue collaborative research. The Commission now has the only laboratory in Australia capable of the full range of Rabbit Hemorrhagic Disease antibody tests, which it provides to rabbit research groups to monitor Rabbit Hemorrhagic Disease /myxomatosis. The Narrung Peninsula Rabbit Eradication Project was completed with 2500 warrens mapped and two-thirds destroyed by ripping, explosives or manual closure. Although rabbits were not eradicated, control has promoted a substantial biodiversity response.

2.4 Management of Infrastructure Assets

Management of Infrastructure Assets

The *Upper South East Dryland Salinity and Flood Management Act 2002* provides certainty of access to land for drain construction and allows for landholder levies that can be offset by environmental initiatives contained in management agreements. In 2002-03, a National Action Plan for Salinity and Water Quality (NAP) funded package for an integrated program of engineering and environmental initiatives was prepared and approved by the regional NRM group. The program will enter the final implementation phase including the completion of construction of drains and the protection of remnant native vegetation.

The Loxton irrigation area upgrade is in its final stages with completion of piping to each area, connection to properties and removal of open channels.

Planning for irrigation and drainage infrastructure in the 24 Lower Murray Reclaimed Irrigation Areas was completed along with trials of new inlets, water meters and irrigation run-off reuse. Responsibility for operation and maintenance of existing government infrastructure was transferred to an irrigator-controlled entity in January 2003. An information package on restructuring and rehabilitation was released to irrigators in February 2003. National Action Plan funding has been approved to provide grants to irrigators for twelve months to encourage restructuring prior to rehabilitation. During 2003-04, irrigation areas will be restructured and formal agreements on rehabilitation will be negotiated, area-by-area.

State Flora became a competitively neutral, self-funded commercial business within government by the 30 June 2003 deadline. A business plan has been initiated to ensure State Flora's commercial success and manage risk to government and a successful independent audit of State Flora's quality systems has been completed. This year revenue and profit from forestry sales has been significantly reduced because of a downturn in the forestry development industry. For 2003-04 State Flora expects to improve business performance in line with the business plan.

Operation of Patawalonga Seawater Circulation and Stormwater Management System (Barcoo Outlet)

This system is owned by the State Government with the Department of Water Land and Biodiversity Conservation being the responsible agency. The system is operated by Baulderstone Hornibrook as part of the contract for the construction of the system.

During 2002-03 there were two significant events in relation to the Barcoo Outlet system.

On 20 February 2003 following widespread rainfall over Adelaide, an area in Glenelg North east of the Sturt River was partially flooded. This resulted from a combination of high water levels behind the Barcoo Outlet weir at the Patawalonga Lake and deficiencies in the local stormwater drainage systems. In the short term, the level at which water is released in the Patawalonga Lake has been lowered to prevent a re-occurrence of flooding pending implementation of a long-term solution. A pumped stormwater drainage system for the area which will provide a long-term solution is expected to be implemented in 2003-04.

On 27 June 2003, heavy rain occurred in the Patawalonga catchment resulting in high flows into the Patawalonga Lake and extensive flooding to the surrounding area in Glenelg North. An investigation into the causes of the event was commenced immediately and the Government also agreed to a scheme for compensating residents for their property losses and some ancillary costs. The compensation scheme is being managed by SAICORP.

The primary cause of the flooding was that the Glenelg barrage gates failed to open to allow the rising water levels in the lake to discharge to the sea. The failure of the gates to open was due to a defect in the control system. Additionally, the alarm dial-out alert system failed to operate.

Investigations are continuing into the circumstances which resulted in the defects in the system and into the changes which are required to operate the system safely and efficiently.

Program 3: Natural Resource Science and Information

Scope: Natural resource science and information services including monitoring the condition of natural resources and the provision of technical advice and information.

3.1 Resource Monitoring and Assessment

Native Vegetation Council

The Native Vegetation Council was appointed for a two-year term with four of the seven members and three of the deputies being first time appointments. Four of the seven members are based in country SA, are nominated by particular interest groups listed within the *Native Vegetation Act* 1991 and bring specific expertise to the Council. Officers of the Department provide administrative and professional support for the Native Vegetation Council.

The Native Vegetation Council provided \$221,000 of funding for research projects into protection, revegetation and management of native vegetation, \$40,000 to continue the Heritage Agreement management grants program, and a further \$300,000 for the provision of fencing to assist in the protection and management of these private conservation reserves. (The two latter programs are administered by the Department for Environment and Heritage).

The Biodiversity Partnerships Initiative secured for South Australia a national forum on conservation on private land with international representation and over 300 delegates.

Mount Lofty Ranges Water Resources

The sustainability of water resources development and use in the area extending from the Southern Fleurieu Peninsula to the Barossa Valley is being assessed in this program. The program has looked at farm dam and groundwater development, their impact on the metropolitan Adelaide water supply systems and the combined impact of these on water dependant ecosystems. In addition, monitoring requirements have been reviewed, rationalised and new monitoring commissioned to fill important gaps.

Detailed surface water hydrological models have been developed for the Onkaparinga, Torrens, South Para and Finniss Rivers to understand the interactions of the various types of development with environmental water requirements. A number of less detailed hydrological assessments have also been completed for the other eastern flowing streams. First order estimates of groundwater sustainable yields have been completed. A study into the impacts of climate change on rainfall patterns in the MLR has also been commissioned with CSIRO.

A project to capture aerial videography of Mount Lofty Ranges streams has been completed. It will enable reaches of high ecological value to be identified and the state of stream ecosystems to be assessed. The first stage of a review of ecological conditions downstream of water supply reservoirs has been completed with macro-invertebrate and native fish surveys. Investigation of the contribution made by groundwater to surface water ecosystems has commenced.

SE Volumetric Conversion

The Volumetric Conversion Project is a four-year project to develop a methodology to convert the 2500 crop area based, licensed water allocations in the South East to volumetric water allocations.

A review of the theoretical crop irrigation water requirements was undertaken with direct input from irrigators through a series of workshops to develop representative crop calendars based on current water irrigation practice coupled with science-based analysis using global standard Food and Agriculture Organisation (FAO) methodology. A report on the theoretical irrigation crop water use

calendars have been drafted to be considered with information from 20 fully instrumented irrigation sites.

One hundred metered irrigation sites were established, with water meters being progressively installed within this area to monitor actual irrigation crop water application and use, and drainage to groundwater. The aim is to develop a comprehensive database of water extraction and irrigated crop management information to verify the theoretical crop irrigation requirements, and to develop delivery factors for each irrigation system within representative management zones. This is seen as essential to producing a sustainable outcome and in gaining broad acceptance from irrigators and the wider community.

Resource Assessment and Management

Water Resource Monitoring

Annual groundwater monitoring reports were published for the following prescribed wells areas and provided to the relevant catchment water management boards.

- McLaren Vale prescribed wells area
- Angas Bremer prescribed wells area
- Noora prescribed wells area
- Northern Adelaide prescribed wells area
- Southern Basins prescribed wells area
- Musgrave prescribed wells area

These will now be prepared on a biannual basis.

To improve monitoring of the impacts of groundwater extraction by SA Water on the Southern Basins on Eyre Peninsula, a review of existing monitoring networks was undertaken to evaluate the condition of the monitoring bores and identify information gaps. Several geophysical surveys were undertaken to establish the position of the saline water interface along the coastline adjoining the basins. Digital instruments to measure water level changes and rainfall intensities were established in order to provide more accurate groundwater storage and recharge information.

The Border Groundwaters Agreement Review Committee recommended some changes to the Border Groundwater Agreement under the Groundwater (Border Agreement) Act 1985 to provide greater flexibility to manage emerging groundwater issues not adequately catered for by the current Agreement.

The Committee recommended to both the South Australian and Victorian governments that the permissible rate of potentiometric surface lowering for zones 1 – 5 be increased to 0.25 metres per annum in response to the recent period of low rainfall-recharge. The Committee has directed further technical analysis to consider the longer term impacts of climate and land use changes on recharge. It will continue to monitor the situation and review the permissible rate in its next five year management review in 2006.

Funding and construction of three streamflow gauging stations in the mid-north and two on Kangaroo Island was obtained from the interim natural resource management committees (INRMCs) following reviews of surface water monitoring requirements. An aerial videography survey has been completed for the Willochra catchment in collaboration with the Northern and Yorke Agricultural Districts INRMC. GIS mapping of ecological and water use features is well advanced.

The hydrostratigraphy of aquifers in the lower south east were reassessed. This identified a more complex system and hydraulic interactions occurring around the groundwater resources of the Blue Lake capture zone. Re-interpretation incorporating seismic and geophysics data identified a number of structural controls impacting on the system. Drilling to confirm the new interpretation was completed.

The Department provides technical information and management strategies to support the development and implementation of water plans and other referrals under the Development Act, Mining Act and Petroleum Act. Technical advice was provided to PIRSA for the Beverley Insitu Uranium Mine regarding monitoring, environmental reporting and analysis of monitoring data. Advice was also provided on revisions to the Environmental Management Program and individual management plans for the Olympic Dam mine.

Departmental officers participated in the Olympic Dam Expansion Task Force established by the Premier to facilitate planning for a possible expansion of the Roxby Downs mine operations from 350,000 tonnes per annum to a projected 600,000 tonnes per annum. Advice on water supplies options was provided to the task force.

Artesian Bore Rehabilitation and Piping

During 2002-03 the Department continued implementation of the Great Artesian Basin Sustainability Initiative as a partnership between the Commonwealth and State Governments Arid Areas Catchment Water Management Board and pastoralists to reduce artesian water wastage and recover artesian pressures across the basin.

Materials for the conversion of 169 Kilometres of bore drains to pipe systems were delivered in this financial year. Total materials delivered to date cover approximately 75% of the total program.

Australian Arid Zone Rivers Project (ARIDFLO)

The target for 2002-03 was to complete the ARIDFLO project to model the relationship between flow and ecological response in the Cooper Creek and Diamantina Rivers.

The Environmental Flow Requirements for Australian Arid Zone Rivers Project (ARIDFLO) is a 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 Natural Heritage Trust funds the project.

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 was due for completion in 2002 but additional funding was secured to allow for further research during the extreme drought conditions of summer of 2002-03.

The project has conducted seven 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 March 2003 have been fortunate in coinciding with a wide range of flow conditions, from 1-in-10 year floods in 2000 to 1-in-100 year drought in 2003. The project will now be completed during late 2003.

Water Information

The Department is responsible for maintaining an information database on water resources and making it available to the public. Systems have been developed and commissioned to make information on groundwater and surface water available over the Internet. Both systems provide map based searching tools and provided for presentation of data in tabular and graphical formats. The information systems are available via the departmental website - facilitating convenient access

to the general public, including landowners, developers, consultants, community groups, students, other agencies and departmental clients.

The groundwater information system, *Obswell*, provides information such as water levels and salinity. Staff can add and validate data whilst also providing analysis tools such as trend lines and the ability to include replacement wells in graphs.

The *Surface Water Archive* provides information about stream flow, rainfall and salinity monitoring sites and records. Useful summaries are provided of annual flows, seasonal patterns and daily records for the last five years.

Building on the 'Report Card' assessment tool developed in 2002, the South Australian Water Resources Council worked closely with the catchment water management boards to develop a tool that provides a snapshot of water quality at a statewide level. Amalgamation of the two tools resulted in the completion of the document 'Report Card and Statewide Indicators', providing, amongst other things, a snapshot of water quality at both a catchment and Statewide level. The 'Report Card and Statewide Indicators' was sent to catchment water management boards in July 2003 requesting that the boards adopt and utilise the indicators.

The resource not only provides the opportunity for boards to look closely at their own performance in catchment management but take a wider perspective, which encompasses the whole state. It is anticipated that the 'Report Card and Statewide Indicators' will be adopted by the boards and be used to provide a snapshot of water quality on a catchment and statewide basis.

A key part of water resources management today is a focus on the protection and management of water-dependent ecosystems including their biodiversity. One of the barriers to improving the management of the ecological side of water resources is that the information needs to be collected from widely dispersed sources. The development of an Aquatic Biota database will bring together 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. Stage 1 of this project has been completed, and scoping work for Stage 2 has been carried out.

The DWLBC Strategic Communications and Marketing Unit works closely with the operational sections of the organisation, providing media advice, design and production of technical fact sheets, preparation of editorial and media releases and content management for both the Department's intranet and internet web sites. With the influx of new topics being established on the organisation's website, NRM reform, salinity advice and water licensing advice being but a few, steps are being taken to move to a new database driven website to more easily manage the vast amounts of information now being stored on the department's site.

3.2 Resource Management Technology and Innovations

Native Vegetation Management

Operation Aegis, a joint initiative with DWLBC, the Native Vegetation Council and DEH, used satellite imagery to detect alleged illegal clearance of native vegetation in the Upper South East. This approach has led to the initiation of a significant number of clearance investigations.

95 native vegetation clearance applications were determined.

24 voluntary applications protecting 2111 hectares were recommended to the Minister for Environment and Conservation for approval to enter into a Heritage Agreement.

A further 3 Heritage Agreements over 521 hectares were entered into as a condition of consent to clear native vegetation.

401 Development Assessment Commission applications received and 249 were commented on.

224 incident reports for breaches of the Native Vegetation Act 1991 were received. This represents an increase over the previous year, however the majority of the increase is attributed to potential breaches identified as a result of Operation Aegis.

State Water Monitoring Review

This program is developing an integrated State Water Monitoring program for surface water, groundwater and water dependent environments through the State Water Monitoring Coordinating Committee. All agency stakeholders are participating in the review process involving DWLBC, catchment water management boards, SA Water, EPA, PIRSA and DEH.

The review of water monitoring for the Torrens, Patawalonga and Onkaparinga catchments was substantially developed for completion during 2003.

A report prepared for the Water Resources Council entitled "Review of Water Resource Management Information in South Australia" was published and released. The report documented and evaluated the adequacy of the State water databases to provide water information for development decisions and to assess the capacity and status of the States' water resources. The report made a number of strategic recommendations supported by the Council for better management and provision of data.

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Human Resources

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*. The agency's progress on disability action planning is described below against each of the five outcomes listed in the Government's policy.

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

Agency procurement policy requires, and our processes ensure, that new capital works meet standards for access and equity. Accommodation planning and refurbishment policies ensure DWLBC meets the relevant Australian standards on access to premises eg *Building Code of Australia*, the *Development Act (Building Rules) (SA) 1993*.

Staff selection processes 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 provided with the opportunity to discuss specific needs prior to the interview and if selected for the position to plan for specific needs in the workplace.

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 is 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.

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.

As it develops its agency wide planning systems, DWLBC will integrate awareness, planning and reporting on Disability Action Plan issues into its corporate planning. The policy *Promoting Independence - Disability Action Plans for South Australia* will be implemented through the agency by integration into the Department's corporate planning framework.

Employment Issues

Department of Water Land and Biodiversity Conservation Executives as at 30 June 2003

Level	Number	Male	Female	Status
ExA	5	5		Five year contract with fall back provisions
ExB	4	4		Five year contract with fall back provisions
ExC	3	3		Five year contract with fall back provisions
Chief Executive	1	1		Five year contract without fall back provisions
EL2	1	1		Ongoing appointment

Non-Executive Employees by Classification by Gender and Tenure Types

	Ongoing			Contract Short Term			Contract Long Term			Casual			Total		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
ADMINISTRATIVE SERVICES															
Administrative Services Officers															
Trainees			0			0			0			0	0	0	0
ASO1	3	8	11	1	7	8		1	1		1	4	17		21
ASO2	4	18	22	1	6	7	1	3	4			0	6	27	33
ASO3	7	19	26	2	5	7	2	1	3			0	11	25	36
ASO4	9	9	18		1	1	2	3	5			0	11	13	24
ASO5	7	5	12		2	2	3	4	7			0	10	11	21
ASO6	17	9	26	4	2	6	4	3	7			0	25	14	39
ASO7	1	2	3	3		3	4	1	5			0	8	3	11
ASO8	8		8	1	1	2		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	1		1			0			0	2	3	5
Total Administrative Services	58	73	131	13	24	37	16	17	33	0	1	1	87	115	202
OPERATIONAL SERVICES															
Trainees			0	1	1	2			0			0	1	1	2
OPS1			0			0		1	1			0	0	1	1
OPS2	4		4	1		1	2		2			0	7	0	7
OPS3	7		7	1		1	3		3			0	11	0	11
OPS4	3	1	4			0			0			0	3	1	4
OPS5	1		1			0			0			0	1	0	1
OPS6			0			0			0			0	0	0	0
OPS7			0			0			0			0	0	0	0
Total Operational Services	15	1	16	3	1	4	5	1	6	0	0	0	23	3	26
PROFESSIONAL SERVICES															
Professional Services Officers															
PSO1	13	6	19	3	8	11	2	2	4			0	18	16	34
PSO2	15	3	18	2	4	6	5	5	10			0	22	12	34
PSO3	23		23	1	1	2	3	3	6			0	27	4	31
PSO4	13		13	1		1	2	1	3			0	16	1	17
PSO5	2		2			0	1		1			0	3	0	3
Managers Professional Services															
MPS1			0			0			0			0	0	0	0
MPS2	1		1			0			0			0	1	0	1
MPS3	4		4		1	1	1		1			0	5	1	6
Total Professional Services	71	9	80	7	14	21	14	11	25	0	0	0	92	34	126
TECHNICAL SERVICES															
TGO0	3	1	4			0			0			0	3	1	4
TGO1	1		1			0			0			0	1	0	1
TGO2	20		20			0	1		1			0	21	0	21
TGO3	3		3			0			0			0	3	0	3
TGO4	4		4			0			0			0	4	0	4
TGO5			0			0			0			0	0	0	0
Total Technical Services	31	1	32	0	0	0	1	0	1	0	0	0	32	1	33

EXECUTIVES																	
Executive Officers																	
EL1			0			0			0			0	0	0			0
EL2	1		1			0	0		1			0	1	0			1
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	1		1			0	1	0			1
Level F			0			0			0			0	0	0			0
Total Executive Services	1	0	1		0	0	0	13	0	13	0	0	0	14	0		14
Other Executives																	
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
Total Executives	1	0	1		0	0	0	13	0	13	0	0	0	14	0		14
Other Legal Officers																	
LEC5			0			0			0			0	0	0			0
TOTAL ALL STREAMS	176	84	260		23	39	62	49	29	78	0	1	1	248	153		401
Weekly Paid	3	10	13		0	0	0	0	0	0	15	0	15	18	10		28

Average number of Sick Leave and Carers Leave Days per Employee

Family Carers Leave	Other Sick Leave	Combined Carers & Sick Leave
0.13 days	4.12 days	4.25 days

Employee Training & Development

DWLBC has recently recruited a Senior HR Consultant to develop and report on Human Resource Development for the agency.

The DWLBC Human Resources Development program for 2002-2003 incorporated staff training and development, including leadership and management development.

The agency has commenced development of a Performance Development Program to roll out across the whole agency in August 2003.

Certificate IV in Government from the Public Services Training Package was made available to 17 DWLBC graduates through OCPE's Graduate Program.

The expenditure benchmark for leadership and management development is 2% of an agency's annual remuneration budget. DWLBC exceeded this benchmark, recording HRD expenditure at 2.13% as illustrated in the following table.

Annual Salary Expenditure (S'000)	2% HRD Benchmark Expenditure (\$'000)	ACTUAL HRD Salary Expenditure (\$'000)	Actual HRD as % of Annual Salary Expenditure
\$24996	\$379	\$534	2.13%

DWLBC Workforce Age Profile

Age Group	Appointment Type														
	Ongoing			Contract - ST			Contract - LT			Other			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-19			0		1	1	0	0	0			0	0	1	1
20-24	6	13	19	2	7	9	1	3	4			0	9	23	32
25-29	15	17	32	7	8	15	4	9	13	3		3	29	34	63
30-34	12	12	24	3	10	13	6	4	10	3		3	24	26	50
35-39	18	12	30	3	3	6	4	1	5	3		3	28	16	44
40-44	26	14	40	4	5	9	4	4	8		1	1	34	24	58
45-49	42	12	54	1	2	3	14	5	19	2		2	59	19	78
50-54	32	8	40	1	1	2	10	1	11	3		3	46	10	56
55-59	22	6	28	2	2	4	6	2	8			0	30	10	40
60-64	5	0	5	0	0	0	0	0	0			0	5	0	5
65+	1	0	1	0	0	0	0	0	0	1		1	2	0	2
TOTAL	179	94	273	23	39	62	49	29	78	15	1	16	266	163	429

Equal Employment Opportunity Programs established by the Minister

There are no EEO programs established under section 67 of the Equal Employment Opportunity Act by the Minister in DWLBC.

DWLBC participated in the following whole of government EEO programs during 2002-03:

1. SA Government Youth Traineeships

Three youth trainees were employed with DWLBC in the last financial year - one being an administrative trainee and two others with an interest in the water industry.

2. SA Public Sector Aboriginal Recruitment and Development Strategy

DWLBC is exploring how the SA Public Sector Aboriginal Recruitment and Development Strategy can be supported and integrated into the department's planning and operations over the next financial year.

3. Strategy for Employment of People with Disabilities

DWLBC has commenced identification of employees defined as having a permanent disability with a view to determining how the department can support them during the next financial year.

DWLBC Workforce Diversity

The department was formed from a combination of functional units from several former agencies during 2002-03. The HR emphasis during this first year of the agency's operations has been on determining the systems required to collect consolidated HR data for 2003-04. This data will inform agency wide HR policy development and monitor policy effectiveness in the following areas

- employees defined as Indigenous employees;
- employees defined as having a permanent disability; and
- cultural and linguistic diversity of employees.

Voluntary Flexible Working Arrangements

DWLBC has scheduled policy development and awareness sessions for implementation during the 2003-04 financial year. The numbers of employees employed on voluntary flexible working arrangements for 2002-03 are illustrated in the following table.

Type of Arrangement	Total Employees	Number of employees using a Voluntary Flexible Working Arrangement			
		Executive		Non-Executive	
		Male	Female	Male	Female
Purchased Leave		0	0	0	0
Flexitime					
Compressed Weeks		0	0	0	0
Part-time and Job					
Share		0	0	6	33
Working from Home		0	0	0	0
TOTAL	401	0	0	6	33

Energy Efficiency Action Plan

Under the Government Energy Efficiency Action Plan approved by Cabinet in November 2001, each Government Department is required to report its energy use and progress in meeting target reductions in its Annual Report. The energy management initiative is an integral part of the National Greenhouse Strategy and incorporates the Government's target of a 15% reduction in the energy use in Government buildings before 2010.

<i>Year</i>	<i>Energy Use (GJ)</i>	<i>Expenditure (\$)</i>	<i>GHG Emissions (tonnes)</i>
<i>2000-01(base line)</i>	3 280	103 000	1 011
<i>2002-03</i>	2 871	130 000	884
<i>Portfolio Target (2002-03)</i>	3.220	NA	993
<i>Portfolio Target (2010) 15% of base line</i>	2 788	NA	859

Note: The baseline data is derived from 2001-02 information as the Department did not exist in 2000-01. There are gaps in coverage where energy consumption data for various areas of the Department have not been separately metered. In addition, some data was unavailable at the time of publication and as a result, part of the energy consumption in 2002-03 has been estimated.

The table shows that there was a reduction in energy use by the Department in 2002-03 although the expenditure increased as a result of the escalation in tariffs. The reduction in energy use was mainly the result of a substantial reduction in pumping irrigation drainage water at the Disher Creek pumping station, near Renmark.

In July 2002, it was agreed that the implementation of the Energy Efficiency Action Plan would be managed on a portfolio basis within the Environment and Conservation portfolio. This aimed to maximise the benefit of the resources available across the portfolio to implement the plan, share knowledge and minimise the duplication of effort in areas such as the collection of energy consumption data. A portfolio wide task force was set up to implement the Action Plan.

The main activity undertaken by the task force during the year was an energy audit of the principal energy users in the portfolio, specifically the Botanic Gardens complex, Chesser House and SA Water House. DWLBC's main office located at 25 Grenfell Street was not included in the energy audit as it had recently been fitted out with up to date energy management measures. The audit of the office buildings aimed to identify specific energy savings opportunities which could also be used in other office locations in the portfolio.

The audit did not identify any options which could be implemented cost effectively to achieve energy savings.

During the year the portfolio commenced work on the preparation a strategic accommodation plan. This is expected to identify opportunities to rationalise the use of office space and, consequently, reduce the energy consumption. It may also identify opportunities to implement energy performance contracts.

Occupational Health, Safety and Injury Management (OHS&IM)

2002-03 was the first of a three-year strategic plan to have a fully implemented and operational OHS&IM Management System across the newly formed agency.

The system has a central framework of eight operational standards supported by various specific policies. The many procedures give effect to the key elements of the program.

The major focus during these 12 months has been to establish and bed down the consultation processes, the hazard management program and integration of the OHS procurement requirements into the department's purchasing system.

The corporate OHS&W Committee was reconstituted to meet the requirements of DWLBC's established standard and the legislation. It consists of eight divisionally elected Health and Safety Representatives (HSRs), eight divisional management representatives and the Chief Executive. Representatives are responsible for informing and relaying back to the OHS&W Committee issues from their constituents.

With the drawing together of three groups from other agencies and their practices, consistency of implementation remains a central issue for the new agency. A key strategy to resolve this issue is to:

- build in to our management system the monitoring of key performance indicators related to the system's implementation and effectiveness, and,
- require regular reporting at divisional and directorate levels emanating from sites and work groups.

To further support this process, a review of all standard operating procedures is underway to rationalise their number and content as agency procedures.

Confined space entry and hazardous materials management are specialist elements of the hazard management programs currently being implemented.

Major OHS training initiatives have included driver education and chemical management. These developments are being coordinated across the portfolio, with trained coordinators developing the relevant divisional databases and risk assessments.

An area of major concern has been the average claims cost within the department, the fourth highest across all agencies of the SA Public Service. We have instituted an Injury Management Team consultative team strategy to better coordinate and support line managers in the management of claims. The Team consists of the relevant human resource divisional consultants, claims and rehabilitation consultants from our service provider, DAIS, and the OHS coordinator for the agency.

The Team develops a planned program for the rehabilitation of the injured employee back to their pre-injury role and location.

The Division's Human Resource Consultant meets with the line manager and they assign responsibilities to implement and monitor the plan. Early intervention strategies are applied to the program if the program does not meet the anticipated milestones on time.

The program for 2003-04 is to develop and implement the next four management system standards of the five remaining to be established.

A major component of this implementation phase is to integrate OHS&W accountability and training programs into the agency's evolving human resources management systems.

An internal audit (self assessment) program will be a major element of our program for the 2004-05 period.

Occupational Health, Safety and Injury Management Report

		2002/03	2001/02	2000/01
1	OHS legislative requirements\			
	Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	1	0	N/A
	Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	0	0	N/A
	Number of notices served pursuant to OHS&W Act s35, s39 and s40.	0	0	N/A
2	Injury Management legislative requirements			
	Total number of employees who participated in the rehabilitation program	9	2	5
	Total number of employees rehabilitated and reassigned to alternative duties	4	0	1
	Total number of employees rehabilitated back to their original work	4	2	4
3	WorkCover Action Limits			
	Number of open claims as at 30 June	16	4	1
	Percentage of workers compensation expenditure over gross remuneration.	0.68%	0.53%	N/A
4	Number of injuries			
	Number of new workers compensation claims in the financial year	28	8	10
	Number of fatalities, lost time injuries, medical treatment only.	0	0	0
	(F)	8	2	5
	(LTI)	12	6	5
	(MTI)			
	Total number of whole working days lost	449	43	33
5	Cost of workers compensation			
	Cost of new claims for financial year	\$218,806	\$13,362	\$13,925
	Cost of all claims excluding lump sum payments	\$245,210	\$75,436	\$13,925
	Amount paid for lump sum payments s42	0	\$9,200	0
	s43	\$82,334		
	s44	\$47,724		
	Total amount recovered from external sources s54	0	0	0
	Budget allocation for workers compensation	\$371,768	\$84,637	\$13,925
6	Trends			
	Injury frequency rate for new lost time injury/disease for each million hours worked	9.7	4.43	11.1

	Most frequent cause (mechanism) of injury	Sprains and strains	Falls	Sprains and strains
	Most expensive cause (mechanism) of injury	Sprains and strains	Falls from height	Hernia
7	Meeting the organisation's strategic targets			
	Compensable injury frequency rate for all new lost time and medically treated injuries for each million hours worked.	24.0	16.9	21.2
		2002/03	2001/02	2000/01
	Duration rate of days lost for all lost time injuries for each million hours worked	566.2	91.4	152.9
	Total of new claims as a percentage of FTE	5%	3.2%	4%
	Percentage of investigation reports signed off by HSR – involvement	36%	N/A*	N/A
	% Attendance of management representatives at OHS&W committee meetings –commitment	62.5%	N/A	N/A
	% Attendance of health and safety representatives at OHS&W committee meetings-commitment	65.6%	N/A	N/A
	Less than 10% of risk assessments from incident reports are referred back to the supervisor-hazard management.	27.3%	N/A	N/A
	% Incidents reported to relevant persons based on risk assessment within 24 hours of event or hazard identification-hazard management.	12.8%	N/A	N/A

NB: * Data unavailable. These targets and performance measures were implemented with the roll out of the new DWLBC OHS&IM Management System from June 2002.

Consultancy

Consultant	Purpose of Consultancy	No	Total \$
Consultants Below \$10,000			
Various	Various Consultancies	22	79,465.15
	Sub-total:	22	79,465.15
Consultants between \$50,000 and \$10,001			
Clear Connection	Communication Specialist. Organises media releases, conferences etc		27,500.00
Marlow Communications	Develop communication strategy for NRM Reform Bill		17,228.00
WBM Oceanics Australia	Murray Mouth Dredging Strategy Advice		16,800.60
Monica Redden Consultancy	Consultation on draft INRM plan		14,900.00
New Focus	Market Research		12,500.00
Australian Water Environments	Loxton Bookpurnong Sis Drilling Specifications		12,428.50
Collins Anderson Management	Shared Portfolio Services Analysis		10,125.00
	Sub-total:	7	111,482.10
Consultants above \$50,001			
Australian Water Environments	Land and Water Management Plan Review		158,970.00
Megan Dyson	River Murray Act		53,287.30
CSIRO	Salinity Accountability		52,000.00
	Sub-total:	3	264,257.30
	Total		455,204.55

Fraud Statement

During the financial year 2002-03 no known instances of fraud were detected within the agency. Risk management and audit requirements are in place to eliminate the opportunities for this to occur.

Overseas Travel

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

Contractual Information

During the financial year ended 30 June 2003 there were no contracts entered into which exceeded the value of \$4 million.

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
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
Kingoonya 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
SA Community Advisory Committee
Technical Advisory Group (TAG) Enviro Flows - River Murray
Lower Murray Water Allocation Advisory Board
South East Confined Aquifer Well Rehabilitation Scheme
Water Resources Council

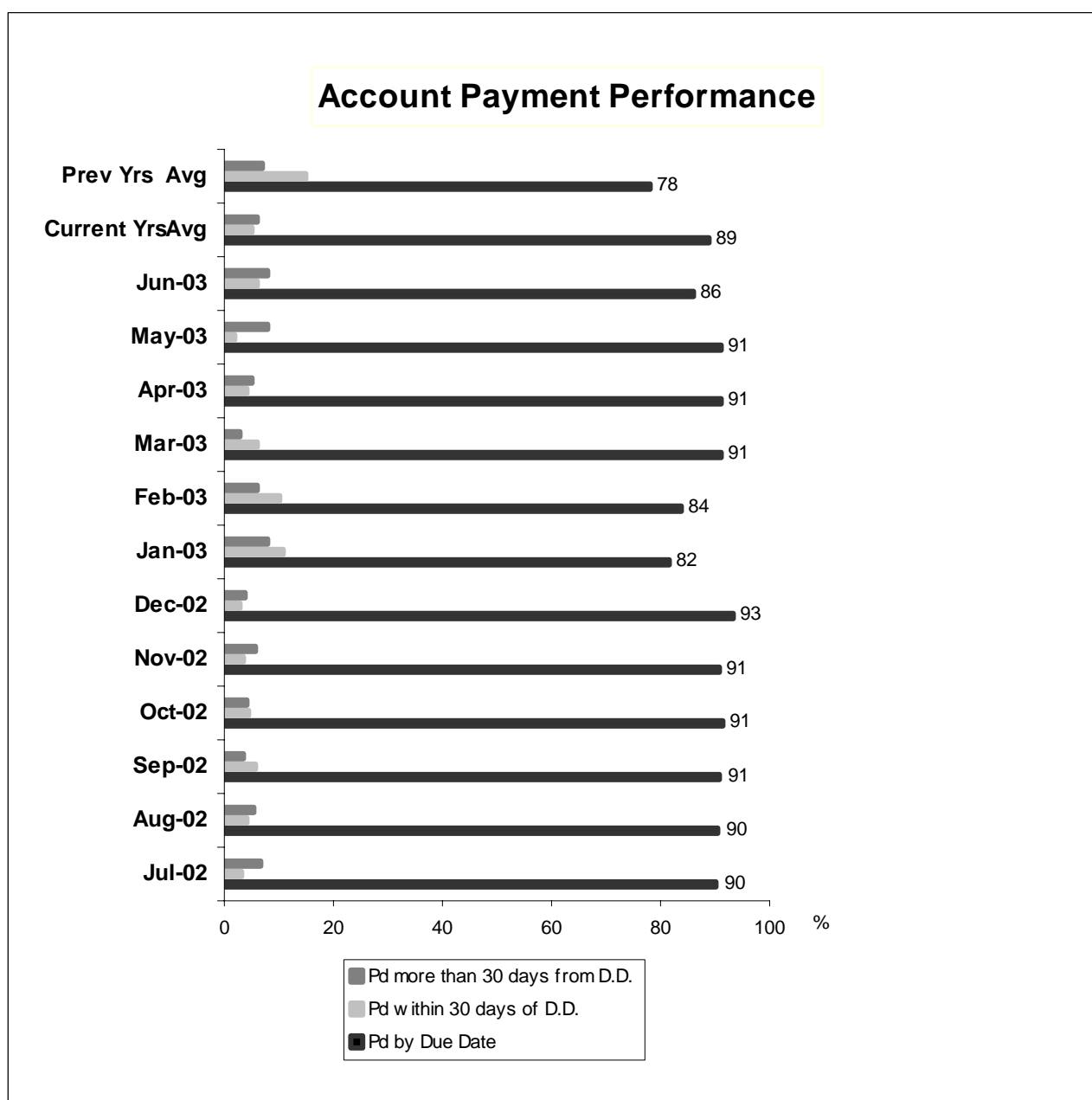
Water Proofing Adelaide Strategy Advisory Committee
Lower Murray Reclaimed Irrigation Areas Advisory Board
Combined Government Irrigation Advisory Board
Environment Management Advisory Group
Mt Lofty Ranges Catchment Program -Board of Management
Mt Lofty Ranges Interim Integrated Natural Resources Management Group
Soil Conservation Appeal Tribunal
Deer Advisory Committee
Exotic Bird Advisory Committee
Exotic Animals Advisory Committee
Fowlers Bay Dog Fence Board
Frome Dog Fence Board
Marree Local Dog Fence Board
Penong Local Dog Fence Board
Pureba Local Dog Fence Board
Central Dog Fence Board
Branched Broomrape Community Focus Group
Ministerial Advisory Committee on Branched Broomrape
SA Landcare Committee
Natural Resources Management Council
Centre for Natural Resources Management Investment Advisory Board
Upper South East Program Board
SA Dryland Salinity Committee

Account 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 contracted to DAIS. DAIS has maintained a satisfactory level of performance in processing transactions and payments, keeping the accounts payable statistics within the Treasurer's instructions.

The SLA was for a two year period, ending 30 June 2003 and is currently being reviewed.

The monthly data is set out in the following chart:



Freedom of Information

Information Statement

Pursuant to the provisions of Section 9 of the *Freedom of Information Act 1991* (the Act), the following details comprise the Information Statement of the Department of Water, Land and Biodiversity Conservation (DWLBC).

Freedom of Information

The Freedom of Information Act gives all South Australians a legally enforceable right of access to documents held by the Government, making the business of government open and accountable to all. Under freedom of information, there are provisions to allow South Australians to apply to have documents relating to themselves corrected if they are incomplete, incorrect, misleading or out of date. While freedom of information aims to provide access to the maximum amount of information possible, provisions exist that protect legitimate agency, public and private interests.

Agency's Structure and Functions

The Department of Water, Land and Biodiversity Conservation consists of a number of divisions, the role and functions of which are set out elsewhere in this annual report (refer "Roles and functions by Division").

Ways in Which the Functions of the Agency Affect Members of the Public

The agency has a direct and indirect effect on the general public through the delivery of a range of policies, programs and advice on practices relating to the integrated management of South Australia's land and water resources (including water licensing and metering and well permits). The focus of the agency is the development and management of practices and policies that allow economic development without adverse impacts on the sustainability of the natural resources of the State. The divisions of the agency providing those services are listed below and their roles are described elsewhere in this annual report (refer "Roles and Functions by Division").

- Murray-Darling Division
- Water Policy Division
- Resource Management Division
- Resource Assessment Division
- Sustainable Resources Division
- Biodiversity Division
- Corporate Strategy and Business Services Division

An integral and important part of delivering these services is the relationship that the agency has with various Boards and Committees involved in managing the State's natural resources.

Arrangements Enabling the Public to Participate in the Formulation of the Agency's Policies

Officers from the agency are members of various committees (described elsewhere in this annual report, see Boards and Committees) on which community and/or industry members also participate. An underlying philosophy in the agency's management of natural resources is the involvement of local communities in the policy formulation and decision-making processes. This philosophy is supported by legislation that requires consultation (eg Water Resources Act).

Documents Held by the Agency

Documents held by DWLBC are mainly in hard copy format, although some are stored on computer, and are listed in broad groupings below. The listing of these documents does not necessarily mean all documents are accessible in full or in part under the Act.

- Departmental Files – official files containing correspondence and operational records.
- Accounting Records
- Personnel files
- Policy and procedure manuals
- Departmental publications, plans and reports

Documents Available for Purchase from the Agency

The following document is available for purchase from the Communications and Marketing Unit on (08) 8463 7935:

- State Water Plan

Documents Available from the Agency Free of Charge

The following documents are available free of charge from the agency by contacting the Communications and Marketing Unit, (08) 8463 7935 or from the DWLBC website at <http://www.dwlbc.sa.gov.au/>

- Annual Report
- Information Bulletins
- Fact Sheets and Brochures
- Reports
- Maps
- Water Allocation Plans
- Water Resources Journal
- Selected Technical Reports

Accessing Agency Documents

Application forms and details on freedom of information processes in South Australia can be obtained from the DWLBC Freedom of Information Officer (at the address listed below) or State Records via phone (08)8343 6800 or internet

<http://www.archives.sa.gov.au/services/public/index.html>

Making a Freedom of Information Application

Applications relating to requests for access to documents or amendment of personal records in the possession of DWLBC under the *Freedom of Information Act 1991* for should be directed in writing to:

Freedom of Information Officer

Department of Water, Land and Biodiversity Conservation

GPO Box 2834

ADELAIDE SA 5001

Phone: (08) 8463 7918



**Auditor-General's
Department**

Our Ref: A03/093

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

26 September 2003

Mr R Freeman
Chief Executive
Department of Water, Land and Biodiversity Conservation
GPO BOX 2343
ADELAIDE SA 5001

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Dear Mr Freeman

2002-03 Audit

The audit of the Department of Water, Land and Biodiversity Conservation for the year ended 30 June 2003 has been completed.

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

- fixed assets
- water licensing transactions
- expenditure
- grants
- payroll
- development of Water Information and Licensing Management Application (WILMA)

Matters arising from the audit were reported to you in July and August 2003 and satisfactory responses were provided. The matters reported, together with action proposed by the Department, will be subject to follow up by Audit in 2003-04.

Please note that financial reporting matters relating to fixed assets were resolved satisfactorily during the year. My Independent Audit Report is, however, qualified in relation to the comparative information for 2001-02. No qualification is expected for 2003-04 in relation to this matter.

The financial report of the Department of Water, Land and Biodiversity Conservation for the year ended 30 June 2003 is returned herewith together with my qualified Independent Audit Report.

Yours faithfully

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

K I MacPherson
AUDITOR-GENERAL

Enc



INDEPENDENT AUDIT REPORT

TO THE CHIEF EXECUTIVE

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 financial year ended 30 June 2003. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- A Program Schedule of Expenses and Revenues;
- A Schedule of Administered Items;
- Notes to and forming part of the Financial Statements;
- Certificate by the Chief Executive and the Acting Chief Finance Officer.

The Chief Executive and the Acting Chief Finance Officer 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 Chief Executive.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing and Assurance 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

With respect to 2001-02 I issued a qualified Independent Audit Report for the Department of Water, Land and Biodiversity Conservation. The qualification related to certain non-current assets which had not been brought to account as at 30 June 2002. Due to the potential significance of those assets, I was unable to form an opinion on the completeness of values ascribed to assets included in the Statement of Financial Position as at 30 June 2002 and the resultant depreciation that would have impacted on the operating result.

QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial report of the matter 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 2003, its financial performance and its cash flows for the year then ended.

26 September 2003

K I MacPHERSON
AUDITOR-GENERAL

Financial Performance

Statement of Cash Flows for the Year Ended 30 June 2003

	Note	2002/2003	2001/2002
CASH FLOWS FROM OPERATING ACTIVITIES:		\$000	\$000
PAYMENTS			
Employee Costs		(24,996)	(4,915)
Goods & Services		(34,928)	(14,134)
Grants & Subsidies		(35,287)	(5,452)
GST Paid on Purchases		(2,442)	(781)
GST Paid to the ATO		(47)	-
Total Payments		(97,700)	(25,282)
RECEIPTS			
User Fees & Charges		8,838	1,669
Grants		28,913	8,520
Interest		467	272
Other receipts		942	180
GST receipts on Sales		977	297
GST receipts from the taxation authority		1,017	368
Total Receipts		41,154	11,306
CASH FLOWS FROM GOVERNMENT:			
Appropriation		54,838	5,268
Transfers from other Government agencies		8,663	14,251
Total Receipts from Government		63,501	19,519
NET CASH PROVIDED BY OPERATING ACTIVITIES	21	6,955	5,543
CASH FLOWS FROM INVESTING ACTIVITIES			
PAYMENTS			
Property, plant and equipment		(2,538)	(1,108)
NET CASH USED IN INVESTING ACTIVITIES:		(2,538)	(1,108)
NET INCREASE IN CASH HELD		4,417	4,435
CASH AT 1 JULY	13	4,435	-
CASH AT 30 JUNE		8,852	4,435

Program Schedule of expenses and revenues for the Year Ended 30 June 2003

	Policy, Planning and Coordination	Natural Resource Mgt	Natural Resource Science and Information	2003 TOTAL
EXPENSES FROM ORDINARY ACTIVITIES:	\$000	\$000	\$000	\$000
Employee Costs	4,877	13,860	6,930	25,667
Goods & Services	5,710	22,838	7,137	35,685
Grants & Subsidies	1,411	33,876	-	35,287
Depreciation	-	1,653	-	1,653
Bad and Doubtful Debts	182	-	121	303
Net Loss on Disposal of Non-current assets	-	745	-	745
Total Expenses	12,180	72,972	14,188	99,340
REVENUES FROM ORDINARY ACTIVITIES:				
Appropriation	6,581	40,580	7,677	54,838
User Fees & Charges	4,604	-	3,070	7,674
Grants	1,446	26,310	1,157	28,913
Interest and other revenues	69	1,255	55	1,379
Total Revenues	12,700	68,145	11,959	92,804
GAIN (LOSS) RESULTING FROM ORDINARY ACTIVITIES	520	(4,827)	(2,229)	(6,536)
Fundamental error - assets recognised for the first time	-	18,910	-	18,910
TRANSFERS				
Transfers from the Department for Environment and Heritage	(31)	(190)	(36)	(257)
Transfers from the Department of Primary Industries and Resources	-	8,650	-	8,650
Total	(31)	8,460	(36)	8,393
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES	489	22,543	(2,265)	20,767

Schedule of Administered Items for the year ended 30 June 2003

	Catchment Water Management Board Levies \$'000	Qualco Sunlands \$'000	Penalty Charges \$'000	Arid Areas Catchment Water Management Board \$'000	Water Resources Levy Fund \$'000	South Eastern Water Conservation Drainage Board \$'000	Upper Sth East WC&DAC \$'000
ADMINISTERED ASSETS AND LIABILITIES:							
ASSETS:							
Cash on hand and on deposit	1,695	446	590	630	-	(213)	(18)
Accruals and Prepayments	3	2	-	2	-	-	-
Current receivables	532	18	2,327	7	3	183	18
Non-current assets	-	-	-	-	-	-	-
Total	2,230	466	2,917	639	3	(30)	-
LIABILITIES:							
Current creditors and accruals	1,575	509	379	13	-	32	-
Current provision for employee benefits	-	-	-	43	-	55	-
Non-Current creditors and accruals	-	-	-	-	-	-	-
Non-Current provision for employee benefits	-	-	-	25	-	153	-
Total	1,575	509	379	81	-	240	-
NET ADMINISTERED ASSETS	655	(43)	2,538	558	3	(270)	-

	Catchment Water Management Board Levies \$'000	Qualco Sunlands \$'000	Penalty Charges \$'000	Arid Areas Catchment Water Management Board \$'000	Water Resources Levy Fund \$'000	South Eastern Water Conservation Drainage Board \$'000	Upper Sth East WC&DAC \$'000
ADMINISTERED REVENUES AND EXPENSES:							
EXPENSES FROM ORDINARY ACTIVITIES:							
Employee costs	-	-	-	319	-	813	-
Goods and services	-	188	-	194	-	16	-
Grants and Subsidies	-	125	-	1	-	-	-
Amounts remitted to and due to Consolidated Account	-	446	379	-	-	-	-
Amounts remitted and due to Catchment Water Management Boards	7,128	-	-	-	-	-	-
Amounts remitted to SE Water Cons. Drainage Board	-	-	-	-	-	1,586	-
Total	7,128	759	379	514	-	2,415	-
REVENUES FROM ORDINARY ACTIVITIES:							
Appropriations	-	250	-	400	-	1,586	-
Grants	-	-	-	-	-	-	-
User charges and fees	5,755	188	379	6	-	-	-
Other revenues	20	22	-	33	-	982	-
Total	5,775	460	379	439	-	2,568	-
NET REVENUES/(EXPENSES) FROM ORDINARY ACTIVITIES	(1,353)	(299)	-	(75)	-	153	-

	Native Vegetation Fund \$'000	Pastoral Board \$'000	Heritage Trust Grants \$'000	National Action Natural Plan for Salinity and Water Quality \$'000	Soil Conservation and Landcare \$'000	2003 Total \$'000	2002 Total \$'000
ADMINISTERED ASSETS AND LIABILITIES:							
ASSETS:							
Cash on hand and on deposit	510	-	11,949	13,289	25	28,903	14,825
Accruals and Prepayments	1	-	-	-	-	8	-
Current receivables	816	-	-	-	-	3,904	3,109
Non-current assets	-	28,600*	-	-	-	28,600	23,583
Total	1,327	28,600	11,949	13,289	25	61,415	41,517
LIABILITIES:							
Current creditors and accruals	342	-	-	-	-	2,850	2,373
Current provision for employee benefits	-	-	-	-	-	98	61
Non-Current creditors and accruals	-	-	-	-	-	-	23
Non-Current provision for employee benefits	-	-	-	-	-	178	173
Total	342	-	-	-	-	3,126	2,630
NET ADMINISTERED ASSETS	985	28,600	11,949	13,289	25	58,289	38,887

* Pastoral Land increased by \$5 million as a result of revaluation

	Native Vegetation Fund \$'000	Pastoral Board \$'000	Heritage Trust Grants \$'000	National Action Natural Plan for Salinity and Water Quality \$'000	Soil Conservation and Landcare \$'000	2003 Total \$'000	2002 Total \$'000
ADMINISTERED REVENUES AND EXPENSES:							
EXPENSES FROM ORDINARY ACTIVITIES:							
Employee costs	-	-	-	-	-	1,132	1,366
Goods and services	2	-	-	2	-	402	422
Grants and Subsidies	1,206	-	10,397	17,308	-	29,037	27,237
Amounts remitted to and due to Consolidated Account	-	-	-	-	-	825	774
Amounts remitted and due to Catchment Water Management Boards	-	-	-	-	-	7,128	5,141
Amounts remitted to SE Water Cons. Drainage Board	-	-	-	-	-	1,586	1,551
Total	1,208	-	10,397	17,310	-	40,110	36,491
REVENUES FROM ORDINARY ACTIVITIES:							
Appropriations	825	9	-	8,554	-	11,624	9,529
Grants	36	-	16,313	16,248	-	32,597	28,549
User charges and fees	85	-	-	-	-	6,413	7,992
Other revenues	86	-	-	172	1	1,316	887
Total	1,032	9	16,313	24,974	1	51,950	46,957
NET REVENUES/(EXPENSES) FROM ORDINARY ACTIVITIES	(176)	9	5,916	7,664	1	11,840	10,466

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. 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 the State's 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 fair value.

The Statement of Financial Performance, Statement of Cash Flows and the Program Schedule report the financial activities from 1 July 2002 to 30 June 2003. The Statement of Financial Position and the Schedule of Administered Items reports financial activity for the twelve months ending 30 June 2003.

(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 Activities

The Department administers, but does not control, certain activities 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 activities, the Department acts 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.

(c) *Income Recognition*

All revenue is recognised when the Department obtains control over the cash. 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.

(d) *Non-Current Assets*

The Statement of Financial Position includes those non-current assets where identification, ownership, control and valuations can be reliably determined. The scope of assets owned or under the control of the Department was reviewed during 2002-03. The review identified certain assets under the Department's control which were not previously recognised. These assets have been valued and are now included in the Statement of Financial Position. This has resulted in the recognition of a fundamental error of \$18.9 million in the Statement of Financial Performance for the year ended 30 June 2003.

The Department has adopted an asset capitalisation threshold of \$5,000. Minor assets with an individual value of less than \$5,000 are expensed in the Statement of Financial Performance at the time they are acquired. The capitalisation threshold has not been applied to the Groundwater Monitoring Wells and the Hydrometric Stations due to the significant number and long useful lives of the assets contained within these classes. All assets for these classes have been recognised in the Statement of Financial Position regardless of their initial cost of acquisition.

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 fair value.

Fair 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.

Assets Recognised for the first time and Asset Revaluations

Patawalonga Seawater Circulation & Barcoo

The Glenelg barrage gates, Weir No 1 and the floating boom have been recognised at construction cost as at 30 June 2003 (\$9,272,000). The Barcoo asset component was recognised in 2001-02. Refer to note 20.

Salinity Disposal Schemes

The Noora Drainage Disposal Scheme has been recognised for the first time at fair value as at 30 June 2003 (\$8,400,000). Refer to note 20.

Hydrometric Gauging Stations

A complete assessment of Hydrometric Gauging Stations was undertaken as at 30 June 2003. This assessment was performed using technically qualified DWLBC personnel and this resulted in no change to the assets fair value. Some Hydrometric gauging stations were recognised for the first time. Refer to note 20.

Land and Buildings

Land and Buildings have been independently valued by Valcorp Pty Ltd as at 30 June 2003. The Department has commenced a cyclical valuation process for valuing all Land and Buildings.

Groundwater Monitoring Wells

A revaluation of the Groundwater Monitoring Wells (formerly known as the Borehole Network) was undertaken as at 30 June 2003. These assets were valued internally using technically qualified DWLBC personnel.

Waste Disposal Stations

The houseboat waste disposal stations were independently valued by Valcorp Pty Ltd as at 30 June 2003.

Plant and Equipment

Plant and equipment are brought to account at cost or at officers' valuation for initial recognition purposes. As a result of a review conducted by Departmental staff some Plant and Equipment were recognised for the first time (\$234,000).

Assets not recognised

Murray Darling Basin Commission (MDBC)

Under the *Murray Darling Basin Act 1993*, the MDBC controls the assets in South Australia including Locks 1 to 9 on the River Murray, the barrages at the Murray Mouth, the Lake Victoria works, Woolpunda and Waikerie Salinity Interception Works and the associated drainage basin. The South Australian Government has an interest in these assets (and all of the assets controlled by the MDBC) through the funding provided to the Commission for the construction of the assets and through its involvement in the operation of the Commission.

Lower Murray Government Irrigation Scheme (LMGIS)

The LMGIS consists of irrigation and drainage infrastructure which enable dairy farmers in the Lower Murray region to use swamps along the river productively. The River Murray Water Allocation Plan provides for the implementation of new water entitlements and environmental standards which can only be achieved by the rehabilitation of the existing infrastructure.

A scheme to rehabilitate the infrastructure is currently being negotiated with the affected landholders. The rehabilitation work is expected to occur over the next four years. As each swamp is rehabilitated, it is intended the infrastructure will be handed over to a private irrigation trust for management and operation.

Given the restricted life of the existing infrastructure, the future economic benefit is likely to be relatively low. Accordingly a value has not been assigned for the purpose of financial reporting.

(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.

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

	Years
Buildings	40-60
Groundwater Monitoring Wells	30
Patawalonga Seawater Circulation & Barcoo	25-50
Hydrometric gauging stations	4-95
Waste disposal stations	50
Salinity Disposal Schemes	40
Plant and equipment	3-30

(f) Inventories

Inventories are measured at the lower of cost or net market value. Inventories include plants and materials held by State Flora.

(g) Employee Benefits

(i) Sick Leave

The Department's employees' entitlement to sick leave is non-vesting. Sick leave is only recognised as a liability at reporting date to the extent it is probable that sick leave expected to be taken in future periods will be greater than entitlements which are expected to accrue in those periods. No sick leave liability has been recorded as it is probable that sick leave taken in future periods will be less than the sick leave benefits accrued in those periods.

(ii) Annual Leave

In accordance with Accounting Standard AASB 1028 "Employee Benefits", on 1 July 2002 DWLBC changed its policy for recognising provisions for annual leave. Under the new policy the amount of the provision is calculated using the remuneration rate expected to apply at the time of settlement, rather than the remuneration that applies at reporting date. The estimated rate of inflation is 4%.

(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 seven or more years of service and the current rate of remuneration for each of these employees respectively. The seven 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 Benefit 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. The Department made contributions of \$2.3 million for the 2002-03 financial year.

(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.

(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 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 (\$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 Sustainable Resources Group of the Department is a member of a GST group. Under these grouping arrangements, one group member, Primary Industries and Resources SA, is responsible for the collection of GST on sales and payment of GST on purchases and received/paid monies relating to the Australian Taxation Office for all members. The Department does not recognise an asset or liability relating to GST on Sustainable Resources Group transactions in its Statement of Financial Position (or GST received/paid in the Statement of Cash Flows) as they are recognised by PIRSA.

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*

DWLBC was established on April 8 2002. Therefore, comparative information for the 2001-2002 reporting period is for the period April 8 to June 30, 2002 only.

(m) *Rounding*

All amounts are rounded to the nearest thousand dollars.

3. Programs of the Department

The Department has specified 3 major Programs that it delivers to the community and the Minister for Environment and Conservation. The identity and description of each major Program of the Department are summarised below (refer to the Program Schedule of expenses and revenues for the year ended 30 June 2003).

PROGRAM 1: POLICY, PLANNING AND COORDINATION

Natural resource planning: coordination of whole of government initiatives or services as well as policy advice and development for and on behalf of the Minister.

PROGRAM 2: NATURAL RESOURCE MANAGEMENT

Natural resource management services including the administration of natural resources legislation, restoration and maintenance of ecosystems and resource licensing.

PROGRAM 3: NATURAL RESOURCE SCIENCE AND INFORMATION

Natural resource science and information services including monitoring the condition of natural resources and the provision of technical advice and information.

	2003 \$'000	2002 \$'000
(a) Employee Costs		
Wages, salaries and other employee related expenses	23,249	4,855
Workers compensation	98	-
Superannuation	2,320	400
	25,667	5,255
(b) Employee Benefits Liability		
Current Liability:		
Long service leave	206	183
Annual leave	1,384	1,069
Workers Compensation	36	28
	1,626	1,280
Non-Current Liability:		
Long service leave	4,943	4,399
Workers Compensation	96	92
	5,039	4,491

(c) Employee Benefits and related on-cost liabilities

In accordance with the requirements of AASB 1028 employee on-costs are required to be reported as payables whilst leave liability amounts are reported separately as "Employee Benefits". Below is a composite note disclosure showing the total liabilities the Department has at 30 June 2003 relating to Employee Benefits:

Annual Leave:		
On-costs (note 17)	185	142
Provision for employee benefits (note 4b)	1,385	1,069
	1,570	1,211
Long Service Leave		
On-costs - current (note 17)	22	20
Long service leave - current (note 4b)	206	183
	228	203
On-costs - non-current (note 17)	661	604
Long service leave - non-current (note 4b)	4,943	4,399
	5,604	5,003
	7,402	6,417

4. **Employee Benefits**
5. **Goods and Services**

Goods and services expenses for the reporting period comprised of:

Contractor expenses	20,335	6,038
Accommodation and service expenses	1,750	413
Travel and accommodation	1,173	247
Materials and consumables	1,294	408
Computing expenses	1,271	593
Service Level Agreement	1,372	663
Minor plant and equipment purchases	1,057	447
Vehicle operating expenses	1,660	290
Printing, publishing and stationery	847	113
Telephones	619	85
Equipment repairs and maintenance	546	125
Consultancies	455	122
Legal fees	221	36
Chemical Analysis	179	79
Advertising, Exhibition and Promotional expenses	417	187
Audit remuneration	105	10
Maps, photographs and plans	114	153
Other	2,270	53
	35,685	10,062

6. Grants and Subsidies

	2003	2002
	\$'000	\$'000
Grants and subsidies for the reporting period comprised:		
Transfer to Murray Darling Basin Commission	16,376	-
Animal & Plant Control Commission	3,565	-
Agriculture, Fisheries, Forestry Australia (AFFA)	2,005	-
GH Michell Trade Waste Subsidy	1,670	265
Grants - Mt Lofty Ranges Catchment Program	1,615	-
Great Artesian Basin Bore drain*	1,431	408
Catchment Management Subsidy Scheme	1,302	1,591
Loxton Irrigation Trust	964	452
Lower Murray Reclaimed Irrigation Area	694	-
Murray Darling 2001 Grants	500	-
Dog Fence Board	382	-
Mount Lofty Ranges Investigation	339	-
Regional Flood Mitigation Program	218	163
CSIRO	141	-
Lake Eyre Basin - Environment Australia	125	-
Centre for Groundwater Studies	100	50
Gawler River Flood Mitigation	-	278
Miscellaneous grants	3,860	2,245
	35,287	5,452

* 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	35	5
Groundwater Monitoring Wells	289	72
Hydrometric gauging stations	76	20
Waste disposal stations	60	15
Patawalonga Seawater Circulation & Barcoo	534	87
Salinity Disposal Schemes	141	-
Plant and equipment	518	91
	1,653	290

8. User Charges and Fees

User charges and fees for the reporting period comprised:

Sale of goods and services	5,113	3,649
Fees, levies and licences	1,811	235
Pastoral Rents	674	-
Other Revenue	76	-
	7,674	3,884

9. Grants

Grant revenue for the reporting period comprised:

National Action Plan	13,934	1,885
Natural Heritage Trust	3,856	-
Loxton District Irrigation Rehabilitation	3,495	4,596
Branched Broomrape Eradication Program	2,097	-
SA Murray Darling Basin INRM Group Inc	1,045	-
Environmental Flows (Environment Australia)	389	421
Great Artesian Basin (AFFA)	550	400
Padathaway: Salt Accession Investigations (SENRCC)	250	-
Regional Flood Mitigation Program	-	146
Sundry grants and contributions received	3,297	1,072
	28,913	8,520

10. Interest and Other Revenues

2003	2002
\$'000	\$'000

Interest and other revenues for the reporting period comprised:

Salaries and wages recouped	447	87
Interest income	436	210
Other revenue	496	93
	1,379	390

11. Revenues from Government

Recurrent appropriation	54,826	4,895
Accrual appropriation	-	62
Contingency provision grants	12	311
	54,838	5,268

12. Transfers as a result of restructure

Transfers from the Department for Environment and Heritage

Net assets transferred to the Department:

Cash	13	-
Receivables	1	-
Property, plant and equipment	56	-
	<u>70</u>	<u>-</u>

Net liabilities transferred to the Department:

Payables	(59)	-
Provision for employee benefits	(268)	-
	<u>(327)</u>	<u>-</u>

Net transfers from the Department for Environment and Heritage (i)

	<u>(257)</u>	<u>-</u>
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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>-</u>	<u>40,553</u>

Net liabilities transferred to the Department:

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

Net transfers from the Department for Water Resources (ii)

	<u>-</u>	<u>28,788</u>
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Transfers from the Department of Primary Industries and Resources

Net assets transferred to the Department:

Cash	8,650	-
Inventory	-	598
Property, plant and equipment	-	2,387
	<u>8,650</u>	<u>2,985</u>

Net liabilities transferred to the Department:

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

Net transfers from the Department of Primary Industries & Resources (iii)

	<u>8,650</u>	<u>1,278</u>
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Total transfers

	<u>8,393</u>	<u>30,066</u>
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- i) In 2002/03 the assets and liabilities transferred from the Department for Environment and Heritage (DEH) represents amounts agreed to between the two agencies. The transfer related to the Biodiversity function of DEH.
- ii) DWLBC was established as an administrative unit under the Public Sector Management Act 1995 by proclamation in the Government Gazette dated 8 April 2002. The department was created from the functions transferred from the former Department for Water Resources and the Sustainable Resources Group from the Department of Primary Industries and Resources (PIRSA).
- iii) During 2002-03 negotiations between PIRSA and the Department were finalised with respect to the transfer of the functions of the Sustainable Resources Group into DWLBC. This resulted in a cash transfer of \$8.65 million.

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 Instruments

	2002/03			Weighted Average Effective Interest Rate Percent	2001/02			Weighted Average Effective Interest Rate Percent
	Floating Interest Rate \$'000	Non-Interest Bearing \$'000	Total Carrying Amount \$'000		Floating Interest Rate \$'000	Non-Interest Bearing \$'000	Total Carrying Amount \$'000	
Financial Instrument								
Financial Assets:								
Cash on hand and deposits	8,852	-	8,852	4.6	4,435	-	4,435	4.9
Receivables	-	2,560	2,560	-	-	3,841	3,841	-
	<u>8,852</u>	<u>2,560</u>	<u>11,412</u>		<u>4,435</u>	<u>3,841</u>	<u>8,276</u>	
Financial Liabilities:								
Trade creditors	-	(3,522)	(3,522)	-	-	2,738	2,738	-
	<u>-</u>	<u>(3,522)</u>	<u>(3,522)</u>		<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, 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

	2003 \$'000	2002 \$'000
Current:		
User charges and fees receivable	2,558	3,808
Accrued interest	2	33
Workers Compensation recoveries	1	-
Goods and services tax receivable	788	293
Less: Provision for doubtful debts	(250)	(34)
	<u>3,099</u>	<u>4,100</u>

15. Property, Plant and Equipment

Non-Current Assets	Cost \$'000	Valuation \$'000	2003 Accumulated Depreciation	Written Down Value
			\$'000	\$'000
Land and buildings	62	2,996	10	3,048
Groundwater Monitoring Wells	-	3,276	-	3,276
Hydrometric Gauging Stations	-	4,576	1,119	3,457
Waste Disposal Stations	-	1,633	-	1,633
Patawalonga Seawater Circulation & Barcoo	16,184	9,420	737	24,867
Plant & Equipment	5,631	687	4,637	1,681
Salinity Disposal Schemes	8,400	-	141	8,259
Work In Progress	2,966	-	-	2,966
	<u>33,243</u>	<u>22,588</u>	<u>6,644</u>	<u>49,187</u>

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

16. Property, Plant and Equipment Movement Schedule

	Land & Buildings \$'000	Groundwater Monitoring Wells \$'000	Hydrometric Gauging Stations \$'000	Waste Disposal Stations \$'000	Patawalonga Seawater Circulation \$'000	Plant & Equipment \$'000	Salinity Disposal Schemes \$'000	Work In Progress \$'000	Total \$'000
Gross Carrying Amount:									
Balance as at 1 July 2002	2,744	8,691	3,883	2,996	16,312	6,726	-	1,184	42,536
Additions	-	-	1,005	250	9,292	753	8,400	1,782	21,482
Disposals	-	-	(312)	-	-	(1,473)	-	-	(1,785)
Net Revaluation increments (decrements)	626	(5,415)	-	(1,613)	-	-	-	-	(6,402)
Transfer from Works In Progress	-	-	-	-	-	-	-	-	-
Transfers between classes	(312)	-	-	-	-	312	-	-	-
Balance as at 30 June 2003	3,058	3,276	4,576	1,633	25,604	6,318	8,400	2,966	55,831
Accumulated Depreciation:									
Balance as at 30 June 2002	(640)	(6,282)	(1,164)	(1,588)	(203)	(5,015)	-	-	(14,892)
Disposals	-	-	121	-	-	896	-	-	1,017
Net Adjustments from revaluation increments (decrements)	665	6,571	-	1,648	-	-	-	-	8,884
Depreciation expense	(35)	(289)	(76)	(60)	(534)	(518)	(141)	-	(1,653)
Balance as at 30 June 2003	(10)	-	(1,119)	-	(737)	(4,637)	(141)	-	(6,644)
Net Book Value:									
As at 30 June 2003	3,048	3,276	3,457	1,633	24,867	1,681	8,259	2,966	49,187

17. Payables

	2003 \$'000	2002 \$'000
Current:		
Employee costs	504	517
Trade creditors	3,522	2,738
	4,026	3,255
Non-Current:		
Employee costs	661	604
	661	604

18. Accumulated Surplus

Accumulated Surplus:		
Opening Balance	27,069	-
Surplus from ordinary activities	20,767	27,069
	47,836	27,069
Asset Revaluation Reserve:		
Groundwater Monitoring Wells	1,156	-
Land and Buildings	1,291	-
Waste Disposal Stations	35	-
	2,482	-
Balance as at 30 June	50,318	27,069

19. Net Loss from Disposal of Non-Current Assets

Proceeds from Disposal of non-current assets	-	-
less: Written down value of non-current assets	745	-
	745	-

20. Fundamental Error - Assets recognised for the first time

Patawalonga Seawater Circulation & Barcoo	9,272	-
Salinity Disposal Schemes	8,400	-
Hydrometric Gauging Stations	1,004	-
Plant & Equipment	234	-
	18,910	-

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

	2003 \$'000	2002 \$'000
Net cash provided by operating activities	6,955	5,543
Net transfers of assets to the Department	(270)	26,826
Fundamental Error - Assets recognised for the first time	18,910	-
Loss on disposal of Non current assets	(745)	-
Depreciation expense	(1,653)	(290)
Change in operating assets and liabilities		
Increase/(decrease) in receivables	(1,001)	4,100
Increase/(decrease) in other assets	(5)	45
Increase/(decrease) in Inventory	17	475
Decrease/(increase) in creditors and accruals	(813)	(3,859)
(Increase) in employee benefits	(628)	(5,771)
Surplus Ordinary Activities	20,767	27,069

22. Lease Commitments

As at 30 June 2003, the Department of Water, Land and Biodiversity Conservation has the following obligations under non-cancellable operating leases:

Not later than one year	1,600	1,000
Later than one year but not later than five years	4,459	3,419
Later than five years	2,892	2,691
	8,951	7,110

These operating Leases are not recognised in the Statement of Financial Position as liabilities. The non-cancellable leases are mainly accommodation leases with penalty clauses equal to the amount of the residual payments remaining for the term of the lease. Options exist to renew the leases at the end of the term of the leases. Leases are payable one month in advance.

23. Remuneration of Employees

For the period 1 July 2002 to 30 June 2003 there were 14 employees whose remuneration received or receivable exceeded \$100,000. The number of employees whose remuneration was equal to or exceeded \$100,000 fell within the following bands:

	Number of Employees as at 30 June 2003	Number of Employees as at 30 June 2002
\$100,001 - \$110,000	4	4
\$110,000 - \$120,000	3	-
\$120,001 - \$130,000	1	4
\$130,001 - \$140,000	2	-
\$140,001 - \$150,000	1	1
\$150,001 - \$160,000	1	2
\$160,001 - \$170,000	1	-
\$170,001 - \$180,000	1	1
\$200,001 - \$210,000	-	1
	14	13

Total remuneration paid was \$1,798,000 (\$1,745,000).

24. Payments to Consultants

Payments to consultants fell within the following bands:

	Number of Consultants	Number of Consultants
\$0 - \$10,000	22	23
\$10,001 - \$50,000	7	7
\$50,001 and above	3	-

25. Remuneration to Auditors

Audit fees for the period 1 July 2002 to 30 June 2003 are \$105,000.

26. Enhanced Targeted Voluntary Separation Package Scheme

There were no Enhanced Targeted Voluntary Separation Packages paid to employees between 1 July 2002 and 30 June 2003.

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 2003 \$7,200,000 (\$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 1 July 2002 to 30 June 2003, and state of affairs as at 30 June 2003. 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.

Robert Freeman
CHIEF EXECUTIVE

Bill Cagialis
A/CHIEF FINANCE OFFICER

Abbreviations and Acronyms

AHD	Australian Height Datum
ARIDFLO	Australian Arid Zone Rivers Projects
BSMS	Basin Salinity Management Strategy
CMSS	Catchment Management Subsidy Scheme
COAG	Council of Australian Governments
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CWMB	Catchment Water Management Board
DAFF	Department of Agriculture, Fisheries and Forestry Australia
DAIS	Department for Administrative and Information Services
DEH	Department for Environment and Heritage
DWLBC	Department of Water, Land and Biodiversity Conservation
EPA	Environmental Protection Authority
ERD	Environmental Resources and Development (Court)
ESD	Ecologically Sustainable Development
FAO	Food and Agriculture Organisation
HR	Human Resources
HSR	Health and Safety Representative
IAR	Irrigation Annual Report
INRM	Integrated Natural Resource Management
LAP	Local Action Planning (Group)
LEB	Lake Eyre Basin
MDBC	Murray-Darling Basin Commission
MLR	Mount Lofty Ranges
NAP	National Action Plan
NHT	National Heritage Trust
NRM	Natural Resource Management
OHS&IM	Occupational Health, Safety and Injury Management
PIRSA	Primary Industries and Resources SA
RMWAP	River Murray Water Allocation Plan
SAFF	South Australian Farmers Federation
SAICORP	South Australian Government Captive Insurance Corporation
SAPOL	South Australian Police
SIWM	Salinity Impacts of Wetland Management
WILMA	Water Information and Licensing Management Application