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**Government
of South Australia**

Department of Water,
Land and Biodiversity
Conservation

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Introduction

The Department of Water, Land and Biodiversity Conservation has pleasure in submitting to the Minister for Environment and Conservation and the Minister for the River Murray its Annual Report covering the financial year ending 30 June 2005.

Rob Freeman
Chief Executive

Chief Executive's Overview

This has been a very busy, and successful, year for the Department of Water, Land and Biodiversity Conservation (DWLBC). The Department's broad role is reflected through the breadth of its contribution to South Australia's Strategic Plan, particularly through attaining sustainability, growing prosperity and building communities in South Australia.

During 2004-05 the Department's work contributed to our responsibility to **attain sustainability**. This was demonstrated by our contribution to The Living Murray Initiative, which aims to return 500 billion litres of water to the River Murray over five years. It was also highlighted by our work which underpins the continued integration of natural resources management in South Australia which saw the formation of a NRM Council and eight regional NRM boards. DWLBC also enhanced the native vegetation clearance process to ensure that any such clearances include remedial measures that provide a clear net benefit for the environment.

The Department's efforts to **grow prosperity** across the State are reflected in the following impressive numbers. During 2004-05, DWLBC issued 5950 water authorisations, 3263 well construction permits and oversaw 2405 water transfers. It managed \$1.8 billion worth of water licences, the trading of 126 billion litres of River Murray water, and assessed 840 River Murray development referrals. DWLBC also administered 330 pastoral leases, covering almost half of South Australia, and issued approvals which permitted more than 300 hectares of native vegetation to be cleared.

These administrative actions have supported South Australia's growing economy by providing sustainable irrigation, assisting development for housing and industry, and supporting tourism.

In going about its business DWLBC continues to be a major contributor to building robust **communities**, forging strong and lasting partnerships and relationships with individuals and communities across the State. More than 90,000 volunteers across the State participate in Landcare and other programs operated through the Department. These "grass roots" programs allow people to achieve very real and visible natural resources management results in their local communities. DWLBC is implementing a project to combat dryland salinity which will allow continued farming operations in the Upper South East, as well as projects to boost the irrigation industry along the Lower Murray. The Department strives to achieve sustainable communities as well as sustainable natural resources.

While we have been working hard to achieve these visible natural resources management goals throughout the State, we have also been working hard to improve how we operate as an organisation.

DWLBC is working to become a more flexible and 'nimble' organisation that can adjust as required to meet the changing needs of the government and our clients. We are dedicated to constantly strengthening our customer service - not only for customers in the traditional sense but also for future generations.

We have continued to value and foster the strong working relationships we have with communities and industry groups, as well as local, state and Australian government agencies. DWLBC recognises that local communities who live and work in an area have an intimate knowledge of their local area that should be drawn upon when considering

policy or programs for that region. The contribution of these strong partnerships to our achievements during the year cannot be overstated.

The Department's highly professional staff continued their hard work throughout the year. Our people are passionate about the sustainable management of the State's natural resources, and this passion is evident in many innovative and outstanding efforts. This hard work was recognised at the annual Wallaby Awards for staff achievement. Major awards were presented to Kevin Gogler, and the Mount Lofty Ranges Water Resources Management Initiative Team.

DWLBC is making a real difference to natural resources management and communities in South Australia. During the past year our efforts ranged from helping Eyre Peninsula communities ravaged by the January bushfires to helping dying red gums on the Chowilla floodplains near Renmark. We developed a new policy for the more effective management of urban stormwater and associated flooding, and introduced measures to protect the ancient water supplies of the Great Artesian Basin in the State's Far North. During 2005-06 we will continue to responsibly manage South Australia's precious and unique natural resources.

Rob Freeman
Chief Executive

Highlights and Achievements

Natural Resources Management in South Australia

At 30 June 2005, South Australia was on the verge of moving into a new era of integrated natural resources management. The new *Natural Resources Management Act 2004* is scheduled to come into operation on 1 July 2005.

The new legislation changes the way that natural resources are managed in SA, with an NRM Council and eight regional NRM boards managing work previously undertaken by three peak bodies and more than 70 individual boards and groups.

In 2004-05, DWLBC developed institutional, governance, workforce and business arrangements to ensure that the NRM reforms become operational. Members of the new NRM Council and eight NRM Boards were appointed and inducted. Prior to these appointments, arrangements were made for on-ground operational activities to continue under existing regional bodies.

A consultation document titled *Towards South Australia's State Natural Resources Management Plan 2005-2010* was prepared for the NRM Council. This document outlined a series of themes to encourage debate and inform readers about the development of a State NRM Plan. On 31 May 2005, the Minister for Environment and Conservation launched the document for public consultation.

Australian and State Government Ministers accredited Integrated NRM plans for the Eyre Peninsula, Rangelands, and Aboriginal Lands regions on 1 July 2004, resulting in all eight of the State's NRM regions having accredited INRM plans.

Also during the year, Australian and State Government Ministers approved the investment strategies for all NRM regions for 2004-05, and all eight NRM Regions submitted their 2005-06 Regional Investment Strategies in February 2005.

Further information about these NRM achievements can be found from page 26.

Water Management in the Mt Lofty Ranges

Water resources in the Mt Lofty Ranges are of critical social, economic and ecological importance to South Australia. About 75% of the State's population relies on the Mt Lofty Ranges to supply a major component of their water requirements. However, water resources in the region are under pressure and demand for water for agriculture, industry and domestic use and for the environment is increasing.

Steps are currently underway to improve ground and surface water management in the Eastern Mt Lofty Ranges (EMLR) and the Western Mt Lofty Ranges (WMLR) catchments.

These steps include assessment to determine whether to 'prescribe' the water resources in those regions. Prescription permits management of water resources in a sustainable manner while providing security of access to all water users. In the EMLR and WMLR catchments more than 6000 irrigation developments have been, or will be, surveyed as part of this assessment.

These initiatives are crucial to the long-term sustainability of water resources in the Mt Lofty Ranges. Further detail on EMLR and WMLR water management can be found on page 29.

The Living Murray

The Living Murray Initiative was established by the Murray-Darling Basin Ministerial Council in mid-2002 in response to substantial evidence that the health of the River Murray system was in decline. The Council's concern was that the decline would threaten the Basin's industries, communities, and natural and cultural values.

In November 2003, the Council decided on a 'First Step' for The Living Murray, with a focus on achieving environmental benefits for six significant ecological assets, including three within South Australia.

In 2004-05, DWLBC recorded several significant achievements in relation to The Living Murray Initiative:

- The Living Murray Business Plan was agreed to by the Murray-Darling Basin Ministerial Council in November 2004 and activated on 1 April 2005.
- A South Australian Asset Manager was appointed for the Chowilla Significant Ecological Asset and the Lower Lakes/Coorong/Murray Mouth Significant Ecological Asset.
- Draft Asset Environmental Management Plans were developed for the Significant Ecological Assets and forwarded to the MDBC.
- Jurisdictions provided expressions of interest to invest in approved water recovery projects to collectively recover 240 GL (gigalitres) of water over five years at a cost of \$179 million.
- Successful watering projects were undertaken on the Chowilla Floodplain, with 13 sites watered during 2004-05.

Further information about The Living Murray Initiative can be found on page 40.

Urban Stormwater Management Policy for SA

The Urban Stormwater Management Policy for South Australia was released in May 2005. This policy set out the complementary responsibilities of State and Local Government in relation to stormwater management.

The policy recognised that stormwater management objectives had diversified from the traditional emphasis on flood mitigation by incorporating multiple objectives for stormwater management (including flood management, reuse and water quality) into planning and decision-making.

Information about the Urban Stormwater Management Policy can be found on page 43.

Draft Water Allocation Plan for the Far North Prescribed Wells Area

The draft Water Allocation Plan (WAP) for the Far North Prescribed Wells Area was released for public consultation in June 2005. The Far North Prescribed Wells Area was prescribed under the *Water Resources Act 1997*. The intent of prescription was to ensure the sustainable use of the underground water resources of the Great Artesian Basin (GAB) in South Australia by eliminating wasteful practices and to clarify the rights and responsibilities of users.

The draft WAP has adopted a management regime that relies on harvesting the large volume of water that is currently lost from the GAB system to evaporation and leakage to saline aquifers. The key principle associated with this management regime is to manage by pressure and allocate by volume.

The various pastoral, mining, petroleum and tourism industries that operate in the prescribed area are almost entirely dependent on the underground water resources of the GAB. The development of the draft WAP has involved considerable consultation with key groups from these industries, and other organisations including the Conservation Council of SA, the South Australian Farmers Federation and various State and Australian Government agencies.

Further detail of this draft WAP can be found on page 43.

Salinity Register/Salinity Zoning Policy

Each year South Australia submits a report to the Murray-Darling Basin Commission (MDBC) as part of its obligations under the Basin Salinity Management Strategy.

South Australia has remained salinity neutral with a credit of +5.6EC, a result that reflects the continued commitment within South Australia to the implementation of the Basin Salinity Management Strategy.

The Salinity Zoning Policy was adopted in 2004-05 to ensure a linkage between the approval of licence transactions (that generate salinity debits) and the salinity credits available to South Australia.

The policy was approved in May 2005 and will be implemented from 1 July 2005. It establishes salinity impact zones along the River Murray that describe areas of varying salinity impact. These zones will aid in identifying sustainable irrigation development opportunities by directing future development into lower salinity impact zones. The salinity zoning policy introduces rules for the approval of licence transactions in each zone to which the policy applies. Further information about the Salinity Zoning Policy can be found on page 49.

River Murray Environmental Flows Strategy

A draft strategy *Environmental Flows for the River Murray – South Australia’s framework for collective action to restore river health 2005-2010* was released for public consultation in October 2004. The draft strategy proposed a framework for collective action to source, deliver and manage environmental flows in South Australia.

The strategy responds to the “Living Murray First Step Decision” and provided a catalyst for discussion and debate to inform policies and actions beyond the First Step.

Feedback was sought in relation to the strategy and meetings were held in Adelaide, Berri and Murray Bridge to provide information and gain further comment. A total of 53 submissions were received. These submissions will be considered in developing the final strategy and implementation plan, which is planned for release in 2005-06.

Further detail of the River Murray Environmental Flows Strategy can be found on page 48.

Patawalonga Lake System

Substantial improvements to infrastructure, together with new communication initiatives, have boosted community confidence in the Patawalonga Lake System.

In February the Patawalonga Community Day was held on the banks of the Patawalonga Lake. At this event the Minister for Environment and Conservation announced numerous measures to improve the management of the system. These measures are listed on page 50 of this report.

Also during the year a new web page was developed to allow water levels in the system to be monitored online. This web page can be viewed at:

<http://www.dwlbc.sa.gov.au/urban/patawalonga/system/index.html>

Upper South East Program - Infrastructure

The infrastructure component of the Upper South East Dryland Salinity and Flood Management Program (USE Program) consists of the construction of 665km of open drains.

Construction of the Northern Catchment Drainage System commenced in April 2004 and was completed in early December 2004. The tender for construction of the Kercoonda Upstream Extension Drain, S-Bend Drain and Taratap Drain closed in February 2005. The S-Bend Drain will join the existing Tilley Swamp and Kercoonda Drains. Construction works commenced in 2005 and at 30 June were 90% complete.

More information about USE Project infrastructure can be found from page 50.

Biodiversity Offset Scheme (USE Program)

DWLBC has carried out extensive consultation with local landholders to develop an USE Program Levy/Biodiversity Offset Scheme.

The function of the Scheme is to conserve biodiversity values through management agreements and incentives and to offer landholders the opportunity to meet their required contribution to the USE Program in kind rather than in cash.

Individual levy assessment notices covering 4400 parcels of land were posted to 1340 landholders in September 2004. This also included a call for expressions of interest in biodiversity offsets. At 30 June 2005, about 260 expressions of interest had been received from landholders.

Further detail about this Biodiversity Offset Scheme can be found from page 44.

Lower Murray Reclaimed Irrigation Areas Project

The Lower Murray Reclaimed Irrigation Areas (LMRIA) Project aims to restore the health of the River Murray while also providing the base for a sustainable irrigation industry.

The project includes works that will ensure that water use is metered and water efficiency targets are met, while also preventing the return of polluted run-off to the River.

During 2004-05 there was strong progress with the signing of Rehabilitation Funding Deeds and the conversion of six Government-managed Lower Murray Irrigation Areas to self-management. Further detail of LMRIA achievements can be found on page 53.

Rural Solutions SA

Rural Solutions SA is a South Australian Government-owned business that combines economic, environmental and social dimensions into an integrated service package. It has two shareholders, the Chief Executive of DWLBC and the Chief Executive of Primary Industries and Resources South Australia (PIRSA). Rural Solutions SA fulfils a key service delivery role for both agencies. This governance arrangement was formalised on 19 April 2005 when the Chief Executives of the two agencies signed a Memorandum of Understanding describing the roles and responsibilities of the agencies and Rural Solutions SA.

Rural Solutions SA also provides consultancy services for other government agencies, NRM bodies, agricultural industry development organisations, food, wine, forestry and resources companies, regional bodies, primary producers and community groups. It is currently a \$22 million business employing about 260 consultants across 30 locations throughout South Australia.

Rural Solutions SA is well positioned to be a significant contributor to South Australia's Strategic Plan, with customer-funded services having the potential to enhance South Australia's rural economy, environment and society.

Some of Rural Solutions SA's key achievements from 2004-05 can be found from page 30 of this report.

Improvements to Native Vegetation Clearance Process

During 2004-05 strategies were developed for the implementation of the *Native Vegetation Regulations 2003*, including procedures to reduce the time taken to assess clearance applications.

The *Native Vegetation Act 1991* provides for the protection and management of native vegetation in South Australia. Significant amendments to that Act in 2002 and 2004, and the introduction of the *Native Vegetation Regulations 2003*, have further strengthened the controls as well as supporting the objective of the Act to encourage landholders to support positive biodiversity outcomes on their properties.

A new direction in the implementation of clearance controls was developed. It focuses on improving relationships with landholders and developers so that they value - and can afford to improve - biodiversity conservation. More information about the Native Vegetation Council and native vegetation clearance can be found from page 34.

Statement of Purpose

To ensure that South Australia's natural resources are managed in an ecologically sustainable manner that supports the wellbeing of present and future generations.

This chapter outlines the Department's vision, mission, roles, values and strategic priorities during 2004-05.

Our Vision

Natural resources used sustainably to enhance quality of life

This vision incorporates an enhanced quality of life that depends on a well-managed balance of social, economic and environmental outcomes. Achieving this balance involves strong stewardship responsibilities that need to be fulfilled through partnerships between the Department of Water, Land and Biodiversity Conservation (DWLBC), broader Government, the community, and stakeholders.

Success will ensure that the community is committed to achieving sustainable natural resources management as a way of life.

Our Mission

- Integrated management of all of South Australia's natural resources.
- Improved health and productivity of our biodiversity, water, land and marine resources.
- Community, industry, governments and other stakeholders working together to achieve high quality natural resources management outcomes.
- There is greater capability and willingness to invest in natural resources management to provide a sustained funding base.
- Wise resource allocation provides for the best environmental, social and economic outcomes.

Our Role

The Department of Water, Land and Biodiversity Conservation has three overarching roles, these being:

- To contribute to the achievement of goals and targets identified within South Australia's Strategic Plan;
- To provide advice and regulatory support to Government and the community regarding the management of South Australia's natural resources; and
- To facilitate the sustainable allocation and use of the State's natural resources.

Our Values

The *Code of Conduct for South Australian Public Sector Employees* is based on the core values of:

- **Integrity**, which is about honesty and the intent or meaning of our actions;
- **Respect** for oneself and each other; and
- **Accountability**, which refers to our responsibility as public sector employees to the elected Government, the community and the agency.

DWLBC is committed to these core values and ensuring that they are expressed through all actions that the Department undertakes.

The Way We Work

In many respects the way the Department works toward achieving its vision and mission is as important as the actual outcome. In this regard DWLBC staff are committed to:

Achieving Results

- Making a difference as an individual and as an organisation
- Following through and delivering on commitments
- Being innovative and creative
- Maintaining fiscal responsibility
- Ensuring timeliness of response

Collaborative Partnerships

- Engaging with key stakeholders and the community

Effective Communication

- Engaging in open and honest communication
- Involving others in decision-making

Healthy and Safe Workplaces

- Ensuring a healthy and safe workplace
- Taking responsibility for our own health, safety and wellbeing

People

- Training and development
- Increasing opportunity
- Fostering talent

Working Together

- Teamwork
- Valuing individual differences and diversity

Strategic Priorities

South Australia's Strategic Plan was launched by the Premier on 31 March 2004. As a consequence, the Department has developed five strategic priorities to focus the Department's planning and business on the achievement of the appropriate goals and targets in South Australia's Strategic Plan and to contribute most importantly to the realisation of the agency's vision and mission.

- **Restore the Health of the River Murray**

It is well recognised that reduced flow and increasing salinity in the River Murray are seriously affecting the ecological health of the river system. If this decline is allowed to continue, it will seriously impact on the viability of the industries and communities that depend upon it.

- **Implement NRM Reforms**

It is widely agreed that significant landscape scale change is urgently required across the State for South Australia to maintain and improve its economic, social, and environmental wellbeing. To achieve this level of required change, the next phase of natural resources management initiatives will need to involve large-scale rehabilitation programs and significant institutional reform.

- **Halt the Decline in Both the Quality and Extent of Native Vegetation**

South Australia has over-cleared its native vegetation and much of the remaining vegetation is not being managed appropriately. This is contributing significantly to biodiversity decline, land degradation, and loss of ecosystem services.

- **Protect and Enhance the Natural Resources of the Mount Lofty Ranges**

The Mount Lofty Ranges is the State's most important natural, social and economic region. The region supplies over 60 per cent of Adelaide's water, contributes 31 per cent of the State's total primary production farm gate revenue, and supports a \$50 million tourist industry. Continuing development, pollution and increasing competition for water are placing the region's natural resources under stress.

- **Deliver Effective Reporting on the State and Condition of the State's Natural Resources**

An integrated, whole-of-government approach will be required if Government is to receive the type and quality of information necessary for it to confidently make policy and investment decisions to secure the integrity of our natural resources.

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 organisations;
- Landholders;

- Regional natural resource management groups;
- Conservation bodies and other special interest groups; and
- The general community.

Statutory bodies including:

- Natural Resources Management Council and Boards;
- Animal and Plant Control Commission;
- Animal and Plant Control Boards;
- Water Resources Council;
- 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; and
- Water Well Drilling Committee.

Standing Committees:

- Natural Resource Management Standing Committee
- Primary Industries Standing Committee

Roles and Functions by Division

Strategic Policy Division

Role

The Strategic Policy Division focuses on the development of policy to ensure that natural resources management allows development to occur within an integrated framework, informed by and inclusive of all relevant parties. It is the custodian for natural resources management policy developed across the Department and facilitates implementation of key policy initiatives.

Functions:

- Provides policy leadership within DWLBC to deliver integrated policy advice to the Minister for Environment and Conservation, the Minister for the River Murray and to the Government.
- Coordinates policy advice for South Australia's interests in natural resources management initiatives at the national level.
- Reviews, monitors and develops legislation.
- Develops state-wide NRM plans and strategies.
- Provides the focal point for South Australia's engagement with partner jurisdictions in managing shared resources, in particular of the Murray-Darling Basin, the Lake Eyre Basin, the Great Artesian Basin and the surface and groundwater resources shared with Victoria.
- Coordinates strategies for achieving best outcomes from SA's River Murray resources and assets.
- Ensures policy, strategy and operations are in alignment.
- Ensures a consistent policy interface and intergovernmental relations.

Knowledge and Information Division

The Knowledge and Information Division has a key role in natural resource information collection, management and provision. This includes information relating to the state and condition of natural resources, potential impacts of proposed management actions and monitoring and evaluation.

The Division also plays a key role in brokering between researchers, Government agencies, industry and the community to ensure that the State's highest priority NRM research and development needs are addressed.

The work undertaken by the Knowledge and Information Division fosters integrated and informed decision-making and underpins the achievement of economic, social and environmental outcomes for the State, including targets identified in South Australia's Strategic Plan.

Functions

- Identifies the needs and priorities for knowledge and information required for natural resources management.
- Knowledge creation and management through leading the Department's applied scientific and technical initiatives and natural resources information management.
- Monitors, assesses and advises on the state and condition of natural resources and levels of sustainable resource allocation.
- Ensures that effective knowledge and information partnerships are formed across Government, the community and industry to underpin sustainable natural resources management.
- Ensures that scientific information is available for decision-making within Government to support industry and the community and that any associated limitations are understood.
- Promote research and innovation and practical applications in partnership with Government, research organisations, industry and the community.

Infrastructure and Business Division

Role

The Infrastructure and Business Division leads the development and delivery of infrastructure and remediation programs and commercial businesses, and to manage NRM assets, to achieve sustainable natural resources use.

Functions

- Manages, maintains and develops infrastructure assets.
- Coordinates and facilitates the State's investment in these assets.
- Project manages natural resource-based infrastructure and remediation projects, including:
 - Upper South East Dryland Salinity and Flood Program;
 - Riverland Salt Interception Schemes,
 - Lower Murray Reclaimed Irrigation Area Rehabilitation; and
 - River Murray structures and works.
- Manages and develops the State Flora business.

Corporate Services Division

Role

The Corporate Services Division provides strategic corporate and business services to the Chief Executive, all work groups in the Department, and the Office of the Minister for the River Murray, Regional Development, Small Business, Consumer Affairs and Science and Information Economy. These services support the delivery of the Department's business through the ongoing development and support of its people, built infrastructure, work processes and systems.

Functions

- Financial services
- Human resources
- Business services, including records management and coordination of responses to ministerial correspondence and ministerial briefing notes
- Strategic information technology
- Strategic communications and marketing
- Prudential management, including risk management, procurement and internal audit
- Facilities management, including management of accommodation, vehicles, telephones and energy audits

NRM Support Division

Role

The NRM Support Division facilitates the implementation of the *Natural Resources Management Act 2004* including the operational transition of administrative systems from the former *Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986*, the *Soil Conservation and Land Care Act 1989* and the *Water Resources Act 1997*. The Division also provides program management support for the implementation of the NHT/NAP/NLP Bilaterals with the Australian Government and acts as the “one stop shop” for planning and development control advice for the agency.

Functions

- To facilitate efficient, effective and professional business support to Regional NRM Boards, the NRM Support Division and externally funded NRM programs.
- To facilitate linkages between the development planning system and resource management and planning, and act as the primary point of reference for DWLBC on all development planning related matters including along the River Murray.
- To support the NRM Council as well as provide advice to the Minister on the operation of the NRM Act, NRM Boards (including membership, plan adoption, levy establishment and annual reporting) and co-ordinate the development of advice and recommendations on the prescription and/or restriction of water resources.
- To provide guidance and support to NRM Boards in the preparation, review and amendment of Natural Resources Management and Water Allocation Plans, and to support NRM Boards and community networks in the development, promotion and coordination of NRM programs.

Land and Biodiversity Services Division

Role

The Land and Biodiversity Services Division is responsible for technical advice, project management, and support within DWLBC for NRM issues focusing on land management and biodiversity conservation, specifically native vegetation management, pastoral land management, pest animal and plant control, land management, revegetation, and irrigation.

Functions

- Supports the administration of the following legislation: Animal and Plant Control, Dog Fence, Native Vegetation, Pastoral Land Management and Conservation, Soil Conservation and Land Care, and in future the Natural Resources Management Act.
- Manages and coordinates state-wide land and pastoral management, revegetation, pest animal and plant, pest control and biodiversity programs.
- Provides specialist advice to natural resources management bodies, which include the Animal Plant Commission, Soil Conservation Council, Pastoral Board, the Native Vegetation Council, local authorities and communities.
- Develops innovative resource management in irrigation, native vegetation, animal and plant pest control, soil, land and pastoral management.
- Manages the detection and response to adverse events and emergencies (eg: Branched Broomrape).

Resource Allocation Division

Role

The Resource Allocation Division has a number of key roles within the Department including the implementation of Water Allocation Plans across South Australia, the management of water licensing and water trading functions within the State; the operation, maintenance and rehabilitation of drains under the control of the South East Water Conservation and Drainage Board; the introduction of a stronger water management regime in the Mount Lofty Ranges; and the investigation of breaches of various natural resources management Acts across South Australia.

Functions

- Leads and manages resource allocation, water licensing, regulation and compliance and regional service arrangements.
- Communicates with and supports NRM Boards, Local authorities and communities with respect to water allocation, licences and permits.
- Administers the regulatory requirements of the NRM Act and other related natural resources management Acts.
- Manages NRM allocation processes.
- Develops and monitors effective regional service delivery.
- Develops and implements nationally acceptable natural resources trading systems.
- Operates and maintains South East Drainage Infrastructure
- Implements a stronger water management regime in the Mount Lofty Ranges.

National Water Initiative Division

Role

The National Water Initiative Division coordinates and drives the implementation of the NWI reforms in South Australia to ensure they are completed to the extent envisaged and within agreed timeframes. This will necessitate the cooperation of most Divisions within DWLBC as well as a number of other South Australian Government agencies.

Functions

- Communicate with key stakeholders
- Develop partnerships with Australian Government agencies
- Liaise with other jurisdictions
- Develop South Australian NWI Implementation Plan
- Negotiate accreditation of this plan with National Water Commission
- Negotiate funding arrangements for strategic Government projects as well as community/industry projects
- Provide regular progress reports to the National Water Commission, the Natural Resources Management Ministerial Council and the Department of the Prime Minister and Cabinet.

Legislation

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

Animal and Plant Control (Agricultural Protection & Other Purposes) 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.

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.

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.

Natural Resources Management Act 2004

An Act to promote sustainable and integrated management of the State's natural resources and to make provision for the protection of the State's natural resources.

Pastoral Land Management and Conservation Act 1989

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

River Torrens Acquisition Act 1970

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

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.

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.

Water Conservation Act 1936

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

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:

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.

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 for the provision of irrigation and related drainage services.

River Murray Act 2003

An Act to provide for the protection and enhancement of the River Murray and related areas and ecosystems.

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.

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.

Relationship to Other Agencies

In 2004-05, the Department of Water, Land and Biodiversity Conservation (DWLBC) reported to the Minister for Environment and Conservation, the Hon John Hill MP, and the Minister for the River Murray, the Hon Karlene Maywald MP.

The Department is one of four agencies in the Environment and Conservation and the River Murray Portfolio, the others being the Department for Environment and Heritage (DEH), the Environment Protection Authority (EPA), and Zero Waste SA.

In performing its roles the Department works closely with other agencies including DEH, EPA, Primary Industries and Resources SA, Planning SA, Premier and Cabinet, Office of Regional Development, Department of Administrative and Information Services, Department of Further Education, Employment, Science and Technology, SA Water (a government business enterprise), Transport SA and Forestry SA.

DWLBC has extensive shared programs with the Australian Government through the Federal Department of Agriculture, Fisheries and Forestry, Federal Department of Environment and Heritage, and the National Water Commission. It also has a number of significant programs with Local Government, particularly through the Animal and Plant Control Commission, the Urban Stormwater Initiative, and the Catchment Management Subsidy Scheme.

The Chief Executive of DWLBC is Deputy President and one of four State Government appointees on the Murray-Darling Basin Commission, which oversees the management of the major river systems in the Murray-Darling Basin. He is also a member of the Primary Industries Standing Committee and the Natural Resources Management Standing Committee, which advise State and Commonwealth Ministers.

The Department fosters strong partnerships with the community and non-government organisations such as the Local Government Association of SA, Conservation Council of SA, SA Farmers Federation, and industry representative groups.

Programs, Objectives and Achievements in 2004-05

The Department of Water, Land and Biodiversity Conservation had two programs during the 2004-2005 year:

- Natural Resources Management
- Natural Resources Management (River Murray)

The Natural Resources Management Program incorporates three sub-programs:

- Natural Resources Management Services
- Policy, Science and Information
- Infrastructure Services

The Natural Resources Management (River Murray) Program incorporates three sub-programs:

- Natural Resources Management Services (River Murray)
- Policy, Science and Information (River Murray)
- Infrastructure Services (River Murray)

The following pages provide detail of the Department's achievements during 2004-05. These achievements have been presented in three sections:

1. Natural Resources Management Services
2. Policy, Science and Information
3. Infrastructure Services

Each of these sections includes a separate part for the River Murray, which details achievements directly relating to the river. A fourth section "Statistics" provides key operational statistics from 2004-05.

1. Natural Resources Management Services

Description/Objective: The management of natural resources in South Australia, including the provision of advice and regulatory support for Government and community, and facilitating the allocation and sustainable use of natural resources. This includes: resource planning; the administration of natural resources legislation; restoration and maintenance of ecosystems; community capacity building; resource management operations; licensing and compliance; and Commonwealth-State joint programs.

National Water Initiative

In early July 2004, just two weeks after the National Water Initiative (NWI) was signed, the South Australian Government sought \$149 million of matching funding from the Australian Government to facilitate a number of key South Australian project proposals that aligned with the objectives and key elements of the NWI.

The Prime Minister responded to this request in September 2004 with an election commitment to provide South Australia with \$200 million over five years from the Australian Government Water Fund (AGWF) to support these projects, subject to viable business plans and matching state funding.

As a result of these negotiations, the Department prepared and submitted an initial program of six SA Government strategic project proposals to the National Water Commission (NWC) seeking \$95 million from the AGWF. When combined with matching State funding and other contributors, these projects total \$217 million worth of outcomes in SA. Further state projects are being developed for joint funding from the AGWF.

The NWC called for public submissions in April for funding under the Water Smart Australia component of the AGWF. DWLBC has worked with a number of industry and community groups to explain the objectives of the NWI and the associated AGWF, and in some cases assisted with the development of their funding submissions. The NWC received a total of 27 funding submissions from South Australia at the close of Water Smart Australia's first round of funding on 30 June 2005.

In addition, five demonstration projects have received funding of approximately \$175,000 in South Australia under the Community Water Grants component of the AGWF. (The Community Water Grants program offers up to \$50,000 to community groups for water use and reuse projects as well as river care and riverbank repair works.)

A major NWI policy reform is the reduction of barriers to trade in water access entitlements. A specific aspect of this reform is the establishment of "*an interim threshold limit on the level of permanent trade out of all water irrigation areas [on the River Murray] of 4% per annum of the total water access entitlement by June 2005*". Cooperative negotiations with South Australia's two largest irrigation trusts have resulted in both trusts agreeing to the reform, eliminating any need to implement any immediate legislative changes. South Australia is therefore compliant with this first important milestone of the NWI.

Draft NRM Document Released For Community Consultation

During 2004-05 the Natural Resources Management (NRM) Council prepared a consultation document titled '*Towards South Australia's State Natural Resources Management Plan 2005-2010*'. The document outlined a series of themes to encourage debate and inform readers about the development of a State NRM Plan. On 31 May 2005 the Minister for Environment and Conservation, John Hill, launched the document for eight weeks of public consultation.

Consultation workshops were held with regional boards and communities across the state, and briefings were conducted for bodies such as the South Australian Farmers Federation, the Conservation Council and the Local Government Association. Briefings were also conducted for relevant State, Local and Federal Government agencies.

Comments raised at workshops and in written submissions will help shape the development of a State NRM Plan under the *Natural Resources Management Act 2004*. Once adopted by Government, the State NRM Plan will set strategic, state-level policy for the management of natural resources in South Australia for the next five years.

A map outlining the boundaries of the State's eight NRM regions can be found on the following page.

Administrative Arrangements for the NRM Council and Boards

Administrative arrangements for the NRM Council and eight regional NRM boards were established for implementation on 1 July 2005.

Since the NRM legislation was enacted in August 2004, DWLBC has been developing institutional, governance, workforce and business arrangements to ensure that the NRM Act and its associated reforms become operational on 1 July 2005.

Major achievements during the year included:

- The new NRM Council was appointed and inducted. It commenced meeting and was actively supported by DWLBC staff.
- Members of eight new regional NRM Boards were appointed and inducted. These groups were supported within their regions by executive support staff pending the appointment of general managers for each board.
- Arrangements were made for on-ground operational activities to be delivered by existing regional bodies acting under delegation until regional NRM Board staff could be appointed, and pending a human resource and industrial relations transitional process.
- A new compliance framework was developed. Training of authorised officers was well underway, and compliance and enforcement under the new Act was scheduled to commence on 1 July 2005.

The below map shows the boundaries of the State's eight Natural Resources Management (NRM) Regions



Integrated NRM Plans Accredited for All Regions

Australian and State Government Ministers accredited Integrated NRM plans for the Eyre Peninsula, Rangelands, and Aboriginal Lands regions on 1 July 2004, resulting in all eight of the State's NRM regions having accredited INRM plans.

The Department supported the eight regional INRM Groups during 2004-05 in processes to deliver the NAP and NHT funds for on-ground programs in the regions. This included assistance with contracting of funds, meeting performance-reporting requirements, and developing Regional Investment Strategies for 2005-06. The Department's Tracker Database was rolled out to all regions as a tool for performance reporting of outputs against targets.

Investment Strategies for NRM Regions

Commonwealth and State Government Ministers approved the investment strategies for all NRM regions for 2004-05.

Annual Investment Strategies prepared from the Integrated Natural Resources Management (INRM) plans guide the investment of the Natural Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) funding in the Regions.

NHT and NAP funding of \$17.9 million was announced under the SA Murray-Darling Basin's Regional Investment Strategy on 29 June 2004. On July 1 2004, NHT funding of \$2.6 million to Eyre Peninsula, \$2.61 million to Aboriginal Lands and \$2.01 million to the Rangelands was announced under the respective Regional Investment Strategies. All NHT and NAP funds were provided to the relevant regional INRM Groups to undertake priority activities in the Region that had been identified in their investment strategy.

The remaining four NRM Regions (Mt Lofty Ranges and Greater Adelaide, Northern and Yorke Agricultural District, Kangaroo Island and the South East) had previously received their NAP and NHT funds for 2004-05 on 1 January 2004 as part of an 18-month funding allocation.

All eight NRM Regions submitted their 2005-06 Regional Investment Strategies on 28 February 2005. The strategies were presented to the State Assessment Panel in March 2005 for its endorsement. The strategies were then assessed by the State/Commonwealth Joint Steering Committee to determine the 2005-06 funding recommendations. State and Australian Government Ministers will announce funding approvals for all regions in early 2005-06. The new regional NRM Boards will administer this funding.

The eight regional INRM groups have now largely completed their interim duties in regard to regional NRM planning. Development of annual investment strategies and program management of the NHT and NAP funding will pass to the regional NRM Boards on 1 July 2005. It is anticipated that all INRM Groups will cease operations during 2005-06.

Aboriginal Involvement in Natural Resources Management

The Department has continued to support meaningful participation and partnerships with Aboriginal communities in natural resources management in South Australia. DWLBC

acknowledges that Aboriginal people connect NRM outcomes with social, cultural and economic development outcomes that cannot be separated or managed in isolation.

With encouragement and involvement from Aboriginal communities throughout SA, some of the Department's significant achievements for 2004-05 included:

- Provision of facilitation support to the Aboriginal Lands INRM Group for transition and implementation requirements of the Alinytjara Wilurara regional NRM Board under the *NRM Act 2004*.
- Provision of governance and induction training for nominees of the Alinytjara Wilurara regional NRM Board.
- Establishment of the state-wide Aboriginal Advisory Committee (ASAC) to NRM Council.
- Support of engagement processes facilitating Aboriginal ownership and participation in NRM at the regional level.

Improved Water Management in the Mt Lofty Ranges

Eastern Mt Lofty Ranges (EMLR)

The surface and ground water resources of the EMLR support a range of important industries, communities and aquatic environments. Assessments undertaken by DWLBC and the River Murray Catchment Water Management Board (RMCWMB) have indicated that levels of farm dam development and surface and ground water extraction pose a significant risk to water resources and water dependent ecosystems in the region.

A Notice of Intent to Prescribe was issued on 13 October 2003, flagging the Government's intention to implement formal water management arrangements in the region. At the same time a Notice of Prohibition was issued to temporarily prohibit the taking of ground and surface water for new uses while existing water use (and the capacity of the resource to support future needs) was assessed. Extensive public consultation regarding the proposal was undertaken.

During 2004-05, DWLBC completed an assessment of stakeholder feedback and the regulatory impact of the proposal to prescribe. A detailed land and water use survey was underway across the region. At the commencement of the project 1,209 irrigation developments were identified for survey. At 30 June 2005, 653 irrigation developments had been surveyed. Technical investigations into surface and ground water resources were completed with the support of the RMCWMB in key catchments including the Marne, Finniss, Tookayerta, Angas, Bremer and Currency Creeks.

Western Mt Lofty Ranges (WMLR)

The water resources of the WMLR are of critical social, economic and ecological importance. In South Australia, 75% of the population relies on the Mt Lofty Ranges to supply the majority of their water requirements. The region supports 14,000 hectares of irrigated agriculture with a farm gate value of \$230 million annually. Rivers, wetlands and swamps in the region are of high conservation significance.

Water resources in the region are under pressure and demands for agriculture, industry and domestic supply are increasing. Primary producers, industry and domestic water users require secure access to water to plan for the future. At the same time, the need to provide environmental flows for rivers, streams and wetlands in the area must be recognised. The need to better manage these resources has been outlined in a number of recent reports

including the *State of the Environment Report 2003, Integrated Natural Resource Management Plan for the Mount Lofty Ranges and Greater Adelaide Region*, the *National Land and Water Audit, 2000* and the recommendations of Thinker in Residence, Professor Peter Cullen.

A Notice of Intent to Prescribe the region's water resources issued on 14 October 2004 flagged the Government's intention to implement formal water management arrangements in the region. At the same time a Notice of Prohibition was issued to temporarily prohibit the taking of ground and surface water for new uses while existing water use (and the capacity of the resource to support future needs) was assessed.

The Department completed extensive consultation on the proposal to prescribe. This consultation included mail-outs to 16,000 landholders in the area, and 20 public meetings (which were attended by more than 1,700 people). A total of 125 written submissions were received regarding the proposal. A detailed land and water use survey began across the region.

Of the 4,824 irrigation developments identified for survey at the start of the project, 567 had been surveyed by 30 June 2005. Technical investigations of surface and ground water resources commenced in key catchments throughout the region with the support of the Onkaparinga, Torrens and Northern Adelaide and Barossa CWMBs.

Rural Solutions SA

Rural Solutions SA is a South Australian Government-owned business that combines economic, environmental and social dimensions into an integrated service package. It has two shareholders: the Chief Executive of DWLBC and the Chief Executive of Primary Industries and Resources South Australia (PIRSA). Rural Solutions SA fulfils a key service delivery role for both agencies. This governance arrangement was formalised on 19 April 2005 when the Chief Executives of the two agencies signed a Memorandum of Understanding describing the roles and responsibilities of the agencies and Rural Solutions SA.

Consultancy services are also provided for other government agencies, natural resources management bodies, agricultural industry development organisations, food, wine, forestry and resources companies, regional bodies, primary producers and community groups. It is currently a \$22 million business employing about 260 consultants across 30 locations throughout South Australia.

Rural Solutions SA is well positioned to be a significant contributor to South Australia's Strategic Plan, with customer-funded services having the potential to enhance the State's rural economy, environment and society.

Key achievements during 2004-05 included:

- Influenced South Australia's NRM reform agenda through the provision of services to DWLBC and the interim NRM groups.
- Provided technical services for regional NRM programs that are funded by the State and Australian Governments.
- Contributed to sustainable production within South Australia by managing State, Commonwealth and private sector projects in land management, environmental management systems, salt mapping, water use efficiency, water recycling and property assessment and planning.

- Played a significant role in the State Government's initial response to the Lower Eyre Peninsula bushfires and the re-establishment phase. Provided program coordination for revegetation and water catchment rehabilitation and property management planning.
- Provided support to Indigenous communities with training programs in committee management, executive officer support for the Aboriginal Lands (Alinytjara Wilurara) Interim NRM Group and development of cultural awareness programs for non-Indigenous organisations.
- Promoted the safe and rational use of farm chemicals and pesticides to industry and the general public through delivery of consultancy, advisory and educational services.
- Provided a network of service delivery outlets in regional areas throughout South Australia.
- Increased business revenue by 10% compared with 2003-04, demonstrating cost effectiveness of the services and continuing demand.
- Enhanced the international competitiveness of local primary producers through quality assurance programs for the grain and wine industries.
- Expanded areas of national and international expertise in livestock and field crop services, providing primary producers with access to world-class, local consultancy services.

Eyre Peninsula Bushfire Response

On 11 January a bushfire on lower Eyre Peninsula burnt 83,000 hectares of land, including 135 commercial properties and about 100 small holdings. The fire burnt 14,500 hectares of native vegetation (excluding road reserves), and left paddocks bare and exposed to erosion.

DWLBC provided the following support to landholders affected by the fire:

- Provided advice and expertise to assist compliance with the Native Vegetation Act while boundary fences were rebuilt;
- The Native Vegetation Council provided additional funds to support the rebuilding of burnt Heritage Agreement fences;
- The District Soil Conservation Board, in partnership with the Eyre Peninsula INRM Group, supported clay spreading and delving on suitable soil types to reduce the risk of erosion on sandy paddocks; and
- The local Animal and Plant Control Board coordinated the mapping of rabbit warrens as part of a major control program to reduce the threat posed by surviving rabbits to regenerating native vegetation.

The State Government has approved a long-term recovery program to assist farmers re-establish their businesses while addressing priority natural resources management issues. The \$5.3 million program is funded through matching contributions from the State and Australian Governments. Project agreements have been signed and planning is well advanced.

Water Information and Licence Management Application (WILMA) System

The Water Information and Licence Management Application (WILMA) System was implemented state-wide in July 2004.

WILMA automates many manual processes resulting in shorter processing times, introduces auditable financial controls and the more effective recovery of revenue. The system also provides accurate and timely information on permits, water licences, water allocations, water use and levies to meet legislative requirements.

Ongoing internal refinements to WILMA to meet business requirements and enhancements to improve customer service delivery continued during 2004-05.

Development of Internet access to licence, permit, water allocation transfer and legal interest information via the Public Register is progressing and will be finalised by December 2005. Further enhancements to enable payment of fees and the submission of application forms via the Internet are to be progressed during 2005-06.

River Murray Water Delivered into Clare

During 2004-05, DWLBC finalised conditions for the importation of River Murray water into the Clare region. These conditions will promote irrigation development and minimise environmental impact. Of the 16 sub-catchments in the Clare region, 10 were open to imported water, while six remained closed because of environmental concerns.

At 30 June 2005, a total of 111 applications had been received for a total of 2,302 ML (megalitres) of imported River Murray water into the Clare Valley as part of the new pipeline scheme. There had been 61 approvals issued (for 1,097 ML), including six that were issued as temporary permits to 30 November 2005 awaiting the completion of Irrigation Salinity Management Plans.

The majority of outstanding applications were in the sub-catchments of Hutt River (16 outstanding applications) and Eyre Creek (22). These sub-catchments have been heavily capped in the amount of imported water allowed. As such, the importation of additional River Murray water over the capped amount into these sub-catchments is conditional on the ability to demonstrate an environmental gain. This has required community consultation and the establishment of a mechanism to trade existing native water for less saline, imported River Murray water.

The Eyre Creek sub-catchment community consultation process has been completed. Five permits were issued as a result of exchanging native water for imported water, and one trade of water between parties occurred. Of the 22 outstanding applications in the Eyre Creek sub-catchment there were eight "Variation of Licence Applications" lodged for the exchange of native water for imported water. Community consultation for the Hutt River sub-catchment was underway at 30 June 2005.

Investigations began into the possibility of exchanging native water for imported River Murray water in other "closed" sub-catchments.

At 30 June 2005 there were eight outstanding applications in the open sub-catchments awaiting completion of Irrigation Salinity Management Plans. Three Irrigation Salinity Management Plans had been lodged. There were four applications for off-peak imported River Murray water awaiting processing.

Branched Broomrape Eradication Program

The Department continues in its goal to eradicate the branched broomrape weed, which remains a major threat to agriculture and the environment in South Australia. Efforts to eradicate branched broomrape continued this year with 51 hectares of farmland fumigated (compared to 19 hectares in 2003-04). A total of 3,700 approvals were issued for the movement of product and equipment (compared to 1,300 in 2003-04).

New infestations were reduced with an area increase of just 0.4% last year. This indicates that eradication strategies are beginning to show benefits as growers adopt effective control methods to prevent emergence and seed set.

Farm Plans assisting landholders to develop specific strategies to eliminate branched broomrape have been developed for 131,000 hectares (69% of the quarantine area). A total of 300 hectares was treated with pine oil and Basamid® in June 2005 to destroy seed banks. The effectiveness of the pine oil and Basamid® treatments will be assessed in 2005-06.

The branched broomrape program receives state, national and industry support. In 2004-05 the State Government contributed almost \$2 million to the program, in addition to national funding of \$2.1 million. Industry contributed 5% of the total budget to support research. The South Australian Government has committed to support the program until 2012.

Deer Management Program

A management program to prevent deer escapes and the subsequent establishment of feral populations was developed for implementation in a state-wide animal and plant control program.

Significant actions were taken to improve landholder compliance with Animal and Plant Control Regulations relating to deer. These actions included:

- An aerial survey in the Upper South East of the State to assess changes in distribution of feral deer;
- Two training workshops to improve the skills and knowledge of local authorised officers about deer fencing and husbandry;
- The development of guidelines to help local officers enforce regulations where required;
- Inspections by Animal and Plant Control Boards of all registered deer farms to ensure compliance with regulations;
- The notification of all registered deer farmers of their responsibilities under the Animal and Plant Control Regulations, and of inspections by local animal and plant control boards. These requirements are retained under the NRM Act; and
- The ratification of a State Deer Strategy by the Animal and Plant Control Commission at its June meeting.

Sustainable Agricultural Landscapes

Although substantial improvements have been made in farming practices in recent decades, significant challenges remain in order to achieve sustainable agricultural landscapes. There are several key issues of concern, including the continuing loss of native species and ecosystem function, soil acidification, soil erosion and climate change.

DWLBC is working closely with PIRSA and other agencies in the development of specific project directions to stimulate and accelerate land use and land management changes. The aim is to significantly enhance natural resource protection and increase environmental services produced by agricultural landscapes, while substantially increasing agricultural productivity.

DWLBC has completed a project assessing options for reducing salt flows and improving natural resource and biodiversity management in the Murray River Corridor. A project was also initiated to assess the biophysical and economic potential for development of industries based on woody biomass, focused in the lower rainfall zones of the Murray Mallee. The Florasearch project is continuing to research opportunities for commercially viable woody perennial plant systems in medium and lower rainfall areas. A partnership project is also under development with research organisations to identify and assess perennial fodder plant systems, particularly with potential in low rainfall areas.

Networks and support materials were further developed to ensure that climate change is adequately included in NRM planning and strategy development. A partnership project with DEH is being prepared to develop the methodology, prioritisation criteria and maps for biodiversity restoration across South Australia. Several partnership projects have been developed with DEH to research and trial biodiversity restoration technologies on relatively large scales.

Pastoral and Land Assessment Program

The *Pastoral Land Management and Conservation Act 1989* requires that all land held under pastoral lease be subject to a scientific assessment of the condition of the land at least every 14 years. The first round of assessments commenced in 1990 and took 10 years to complete.

In May 2005 the Pastoral Board commenced the second assessment of pastoral leases in the Kingoonya Soil Conservation District, with each pastoral lease to be re-assessed by 2014.

Early results from the second assessment show an encouraging improvement in land condition in the Kingoonya district, principally resulting from a general increase in perennial shrub cover.

Native Vegetation Council

As well as assessing and making decisions on applications to clear vegetation, the Native Vegetation Council (NVC) also plays an important role in the management of native vegetation and the ongoing monitoring of vegetation across the State.

During 2004-05 the NVC committed funding to expand the use of satellite imagery to assist in the monitoring of vegetation cover across the State. The project expands on

earlier trials on Kangaroo Island and the Upper South East and will establish a program to map vegetation change across the State every two years.

The NVC also continued its program of travelling to regional areas, with visits to Port Lincoln and Streaky Bay. NVC members met with the Eyre Peninsula Catchment Water Management Board and local councils to examine a range of issues including the expansion of Aleppo Pine into areas of native vegetation on Port Lincoln's underground water catchment, and the impact of coastal development on remnant coastal vegetation.

Following the Eyre Peninsula fires of January 2005, the NVC committed an additional \$190,000 for the replacement of fences protecting Heritage Agreement scrub blocks burnt in the fires. The funding commitment recognised the importance of minimising the impact of stock grazing to encourage the post fire regeneration of native vegetation.

Implementation of the Native Vegetation Regulations 2003

During 2004-05 strategies were developed for the implementation of the *Native Vegetation Regulations 2003*, including procedures to reduce the time taken to assess clearance applications.

The *Native Vegetation Act 1991* provides for the protection and management of native vegetation in South Australia. Significant amendments to that Act, and the introduction of the *Native Vegetation Regulations 2003*, have further strengthened the controls as well as supporting the objective of the Act to encourage landholders to support positive biodiversity outcomes on their properties.

A new direction in the implementation of clearance controls was developed. It focuses on improving relationships with landholders and developers so that they value - and can afford to improve - biodiversity conservation.

To facilitate this a number of changes have been progressively implemented including:

- Landholders may be able to clear native vegetation (scattered trees) on the condition they replant, or manage other native vegetation that will result in a better outcome for the environment.
- Faster processing of clearance applications, with an aim for landholders to receive a decision within eight weeks of the application (including the appropriate data) being submitted. A rapid approval process for trivial or minor clearance is also being developed.
- Landholders will be able to fast-track a normal clearance application by contracting locally based consultants, accredited by the Native Vegetation Council, to collect the vegetation data required and help the landholder prepare a clearance application.
- Assisting landholders with a property planning based approach to pasture renovation programs that involve the clearance of native vegetation.

Impact of Sub-Division on Native Vegetation

A mechanism has been developed to ensure that the impact of proposed sub-divisions on native vegetation is taken into account in the development approval process.

While broadacre clearance of native vegetation for agricultural purposes is not permitted by the *Native Vegetation Act 1991*, there is an ongoing loss of habitat to accommodate housing developments, particularly in the higher rainfall urban fringes, coastal zones and along the River Murray.

During 2004-05 officers from Planning SA and DWLBC continued to discuss options available to the Native Vegetation Council to reduce this loss of habitat, including the capacity for the Council to be listed as a prescribed body under the *Development Act 1983*. As a prescribed body the Council would have the authority to identify those areas of remnant vegetation that should be protected from degradation associated with subdivision and housing construction.

While these options are yet to be finalised, amendments to the Native Vegetation Regulations in 2003 require landowners to position houses in locations where the impact on significant remnant areas of native vegetation is minimised. Where it is not possible to avoid the clearance of native vegetation, landowners are, since the amendments, required to ensure that any clearance is conditional upon an environmental gain.

Since the regulations were changed 64 housing site applications/enquiries involving native vegetation have been considered by the Native Vegetation Group. Processing of those applications has resulted in the ongoing protection and management of 17 hectares of native vegetation.

Compliance and Enforcement

The compliance and enforcement responsibilities of DWLBC were extended in 2004-05 with the commencement of the *Natural Resources Management Act 2004*.

Training of NRM regional board and departmental authorised officers for compliance, enforcement and investigation began, with two courses completed. These courses are run in conjunction with the University of SA. In 2005-06 a comprehensive program of new NRM Investigations and Enforcement Certificate Courses for NRM authorised officers will be implemented.

During the year, the DWLBC Investigations Unit undertook several court actions within the Environment Resources and Development (ERD) Court.

The Department ensured effective compliance with – and enforcement of - the following Acts under DWLBC administrative control.

Native Vegetation Act 1991

Investigation of compliance with the *Native Vegetation Act 1991* is carried out by DWLBC in conjunction with the Department for Environment and Heritage (DEH), and the Native Vegetation Council (NVC).

Intelligence regarding alleged breaches of the act comes from a variety of sources, including members of the public and satellite imagery. During the year DWLBC received 165 reports of alleged breaches.

The management of compliance has been improved in the following ways:

- Establishment of a high level interdepartmental Native Vegetation Compliance Steering Committee.
- Creation of a new Intelligence and Prosecution Liaison Officer position.
- Development of a bi-annual monitoring program using remote sensing to identify change in land cover across the agricultural regions of the State.
- Establishment of a specialist investigation team in the Native Vegetation Group (DWLBC) dedicated to manage scientific evidence collection.

Animal and Plant Control Act 1986

During the year 34 permits were issued to allow the entry, movement and keeping of exotic vertebrate animals.

For the first time permits were issued to Adelaide Zoo and Monarto Zoo following the hand-over of responsibility from the Australian Government to the State for the keeping of exotic animals in statutory zoos.

The Animal and Plant Control Commission (APCC) served a legal notice on a landholder for failure to control rabbits. This followed non-compliance with a Warning Notice issued by the Fleurieu Animal and Plant Control Board. Action pending from this notice carried through to 2005-06.

Advice and statements were supplied to SA Police for the prosecution of an alleged offence relating to the theft of a Squirrel Monkey from the Adelaide Zoo.

Pastoral Land Management and Conservation Act 1991

The Pastoral Board is supported by three pastoral inspectors who are responsible for compliance with pastoral lease conditions and the *Pastoral Land Management and Conservation Act 1991*.

A total of 28 pastoral inspections were carried out in 2004-05. These inspections led to numerous agreements with pastoralist to remove stock or change management practices. At 30 June, the Pastoral Board had formal de-stocking orders pursuant to Section 43 of the Act applying to two pastoral leases.

The Pastoral Board also worked with the APCC to control feral animals on pastoral leases, particularly camels in the Far North and feral goats in the Flinders and Olary Ranges.

Water Resources Act 1997

The *Water Resources Act 1997* provides for the management of the State's water resources. During 2004-05, two breaches of this Act (both relating to the unlawful taking of water) were resolved in the Environment and Resources Development (ERD) Court. In both cases the court action was a result of investigations by DWLBC.

In January 2005, landholders from the South East agreed in the ERD Court to pay \$35,000 in exemplary damages for illegal water use during two irrigation seasons. In October 2004, a vineyard operator who illegally drew between five and six million litres of water for use on two Kangarilla properties was ordered by the ERD Court to pay more than \$80,000 in penalties and investigation fees. The penalty was the largest ever handed out in South Australia for illegal water use.

New Watering Points Installed on Pastoral Leases

This year a process was finalised for assessing the installation of new watering points on pastoral leases to meet Native Vegetation Council (NVC) “clearance by grazing” requirements.

Introduction of domestic stock grazing of native pastures that leads to damage (or potential damage) of native vegetation has implications under the *Native Vegetation Act 1991*. The NVC has delegated the responsibility for managing clearance by grazing on pastoral leases to the Pastoral Board.

The Pastoral Board considers the installation of new watering points in previously unwatered country as the trigger for its responsibilities to the NVC. The board has adopted Waterpoint Management Plans as the most appropriate mechanism to deal with this issue. These approved plans provide pastoralists with an exemption to the *Native Vegetation Act 1991* for the purposes of grazing.

Waterpoint Management Plans are currently being prepared in far northern cattle districts on properties where pastoralists are wishing to install waterpoints in previously unwatered country. In considering such plans, the Pastoral Board weighs up a number of criteria to demonstrate environmental and enterprise benefits.

Water Allocation Plans

Throughout the year the Department provided input and advice to Catchment Water Management Boards (CWMBs) and water allocation planning committees in relation to the development and review of water allocation plans for prescribed water resources throughout South Australia.

Under the *Water Resources Act 1997*, all CWMBs must prepare draft water allocation plans in relation to each prescribed water resource in its area. The same legislation requires water allocation planning committees to prepare draft water allocation plans in relation to its water resources. After adoption, water allocation plans are required to be reviewed every five years.

DWLBC was also involved in the development of the Queensland Government’s Water Resource Plan and Water Operations Plan for the Georgina and Diamantina Rivers. The Department is also currently involved in the Queensland Government’s water resource planning process for the Great Artesian Basin.

State Flora

State Flora is a specialist Australian plant nursery with production nurseries and retail outlets at Murray Bridge and Belair. It operates as a commercial business unit according to the principles of competitive neutrality.

This year State Flora focused on promoting local indigenous and low water use South Australian plants. Sales exceeded the previous year despite the dry and warm autumn.

Plant sales were complemented by the release of an updated nursery catalogue that listed the details of more than 850 species of plant, including the natural distribution of each SA

species listed. During the year the State Flora website (www.stateflora.com.au) was commissioned. It contains details about State Flora's history, its role, products, catalogue and fact sheets.

An open day was held at Belair Nursery with the theme of Australian Native Grasses. The South Australian Native Grasses Resource group presented displays and fielded inquiries from the public. Presentations were conducted to highlight alternatives to using chemicals in the garden.

State Flora staff conducted many other presentations promoting SA flora to different community groups throughout the year.

State Flora was involved with several regional groups propagating local species for habitat and biodiversity revegetation projects. The project at Point Sturt on Lake Alexandrina was part of Greenfleet's Save The Murray Program, where 700 Scouts planted 27,000 plants in June. State Flora propagated the plants from seeds and cuttings collected from the indigenous flora of the area.

Volumetric Conversion and Metering in the South East

The process to convert all water licences in the South East to volumetric allocations continued in 2004-05. The collection of field data on irrigation practices and water use under different systems and crops continued. The objective of this was to determine accurately the amount of water needed by licensees so that the volumetric allocations will allow most irrigators to continue with existing enterprises.

The development policy framework for volumetric conversion also continued, with considerable input from stakeholders. Irrigator workshops held across the region in August 2004 and May 2005 attracted almost 600 irrigators. These workshops formed part of the comprehensive consultation and change management process involved with volumetric conversion.

The implementation of volumetric conversion will occur through amendment of the water allocation plans in the region. These plans are due to be reviewed and amended by June 2006, after which time licences will be converted.

The implementation of the South Australian Licensed Water Use Metering Policy in the South East also continued in 2004-05. All licensees were advised that they are required to install meters by mid-2006. About 1,700 meters (of a total of about 4,500) had been installed by 30 June 2005. A scheme to negotiate bulk discount prices for licensees for water meters was implemented through the Limestone Coast Irrigators Association, and this has resulted in substantial reductions in the cost of meters.

Natural Resources Management Services (River Murray)

The Living Murray

The Living Murray Initiative was established by the Murray-Darling Basin Commission (MDBC) in mid-2002 in response to substantial evidence that the health of the River Murray system was in decline. The Council's concern was that the decline would threaten the Basin's industries, communities, and natural and cultural values.

In November 2003, the Council decided on a 'First Step' for The Living Murray, with a focus on achieving environmental benefits for six significant ecological assets.

During 2004-05, DWLBC made significant progress in relation to The Living Murray Initiative. The Living Murray Business Plan was agreed to by the Murray-Darling Basin Ministerial Council in November 2004 and activated on 1 April 2005. The Plan describes how the actions and milestones in the Intergovernmental Agreement on Addressing Water Overallocation and Achieving Environmental Objectives in the Murray-Darling Basin are to be achieved. The Plan also provides the detail as to how the *Living Murray First Step Decision* will be implemented.

Consistent with the requirements of the Living Murray Business Plan, a South Australian Asset Manager was appointed for the Chowilla asset and the Lower Lakes/Coorong/Murray Mouth Significant Ecological Asset (SEA). South Australia has been appointed the Lead Asset Manager for the tri-State Chowilla/Lindsay-Walpolla SEA.

Draft Asset Environmental Management Plans have been developed for the SEAs and were forwarded to the MDBC. Targeted consultation has been undertaken during development of the plans, including Indigenous and cross-border consultation.

Jurisdictions have provided expressions of interest to invest in approved water recovery projects. Collectively these projects will recover 240 GL (gigalitres) of water over five years at a cost of \$179 million. Other potential water recovery projects are being investigated.

Successful watering projects have been undertaken on the Chowilla Floodplain using interim prioritisation criteria, with 13 sites watered during 2004-05. An annual watering plan is currently being developed for 2005-06.

River Murray Improvement Program

The River Murray Improvement Program is a program of works and measures to address the declining health of the River Murray in South Australia, and increased community demands for a high security of good quality water for urban and irrigation purposes. The program is integrated within a larger program of works and measures formulated with the Murray-Darling Basin Initiative.

Funds for the River Murray Improvement Program are raised via the *Save the River Murray Levy*, introduced on 1 October 2003 under the *Waterworks Act 1932*. It established the *Save the River Murray Fund*, which is held by the Minister for the River Murray. DWLBC is responsible for administering the fund on behalf of the Minister for the River Murray. The levy is charged to all SA Water customers across the State.

In 2004-05, the River Murray Improvement Program contributed to the construction of salt interceptions schemes (at Loxton and Bookpurnong), the construction of fishways, dredging at the Murray Mouth and watering trials on the Chowilla Floodplain through the state's contribution to the MDBC. Negotiations were underway to secure additional environmental flows through water recovery packages as part of South Australia's commitment to the Council of Australian Governments (COAG) agreement to address over-allocation in the Murray-Darling Basin.

The program has also contributed to the recovery of the River through the following activities:

- Implementation of the River Murray water allocation plan
- Salinity accountability
- Scientific research and information
- Environmental flows and wetland management
- Water quality improvement
- Conserving the River Murray's ecology
- Upgrading the River's waste disposal stations and drainage disposal system

River Murray Drought Response

In 2004-05, the Murray-Darling Basin entered its third year of drought conditions. Inflows to the River Murray were below average, and the flow to South Australia was 1,880 GL. This figure included trade and a small amount of surplus flow, and was well below the median flow of 4,800 GL per year.

In response to ongoing drought conditions, the draft River Murray Water Restriction policy was implemented for the second consecutive year. This framework applies to periods of reduced water availability and/or impaired water quality.

In July 2004, water restrictions started at 70% of licensed allocation for authorised River Murray water users. This was relaxed to 90% (in September 2004) and later to 95% (January 2005) due to improved water resource availability to South Australia.

The Department kept water users informed with the latest information about the River Murray and Murray-Darling Basin by providing regular printed Drought Bulletins, hosting regional information meetings, maintaining a drought advice section on the DWLBC website, and providing technical support and advice to the River Murray Drought Liaison Group.

River Red Gum Watering Projects on Chowilla Floodplain

In recent years, ongoing drought conditions and reduced flooding have left many areas of River Red Gum woodland on Chowilla floodplain severely stressed. In response to this threat, 13 sites of high conservation significance on the Chowilla floodplain have received emergency watering.

During 2004-05, the sites were watered and left to dry out over a number of months. Watering has involved either pumping water from an adjacent permanent waterway or gravity feeding water from the weir pool upstream of Lock and Weir 6.

These watering projects followed the encouraging results of a preliminary watering trial at Monoman Island on the Chowilla Floodplain, which showed that River Red Gums responded very rapidly to receiving fresh water, with new leaves being produced in less than two weeks.

Monitoring of red gums before and after watering has been an essential part of these projects. Results have been very positive, with River Red Gums responding well at all sites. At Werta Wert (a temporary freshwater wetland) 93% of the trees around the wetland were classified as stressed prior to watering. After watering, 90% of these stressed trees developed new leaves and are now classified as healthy.

Waterbirds also responded to the new water with up to 1,000 returning to the wetlands. These included the vulnerable Freckled duck, the rare Musk duck and the uncommon Red-kneed dotterel. These watering trials have provided important habitat at a time when there is little water in the wetlands of inland Australia and waterbird numbers are reported as very low.

The watering also had a positive impact on frog and tadpole numbers, including the vulnerable Southern bell frog.

Lock 6 Weir Pool Manipulation Trial

Using weirs to deliver environmental benefits to wetlands and floodplain habitats will contribute significantly to restoring the health of the River Murray.

From late March 2005, the weir pool upstream of Lock and Weir 6 was slowly raised by 15cm, and held at the higher level until early May. Raising the level increased the amount of water flowing through the Chowilla anabranch, driving water into creeks and inundating about 50 hectares of low-lying floodplain and wetlands.

The main focus of the weir pool raising was to water stressed River Red Gums. Improvements were also observed in other vegetation communities such as grasslands and Lignum shrublands. DWLBC and SA Water monitored the environmental responses and salinity levels, as well as the condition of the banks and regulators throughout the anabranch.

The trial signalled the beginning of a longer-term commitment to use River Murray infrastructure to deliver environmental benefits that will complement other coordinated activities to maintain and improve the Chowilla floodplain.

2. Policy, Science and Information

Description/Objective: Policy advice and development for and on behalf of the Minister for Environment and Conservation and the Minister for the River Murray on the management of natural resources; representation of the Government on State and national groups; development, monitoring and review of legislation, and legal advice; natural resource science and information services including: monitoring and assessing the condition of natural resources; resource management technology and innovation; and the provision of technical advice and information.

Draft Water Allocation Plan for the Far North Prescribed Wells Area

The draft Water Allocation Plan (WAP) for the Far North Prescribed Wells Area was released for public consultation in June. The Far North Prescribed wells Area was prescribed under the *Water Resources Act 1997*. The intent of prescription was to ensure the sustainable use of the underground water resources of the Great Artesian Basin (GAB) in South Australia by eliminating wasteful practices, and to clarify the rights and responsibilities of users.

The various pastoral, mining, petroleum and tourism industries that operate in the prescribed area are almost entirely dependent on the underground water resources of the GAB. The development of the draft WAP involved considerable consultation with key groups from these industries, as well as other organisations including the Conservation Council, the South Australian Farmers Federation and various State and Australian agencies.

The draft WAP has adopted a management regime that relies on harvesting the large volume of water that is currently lost from the GAB system to evaporation and leakage to saline aquifers. The key principle associated with this management regime is to manage by pressure and allocate by volume.

The overall capacity of the underground water resources in the Far North Prescribed Wells Area is considered to be sufficient to meet all existing demands. There is capacity within the system to meet future additional demands for underground water. This will be assessed in accordance with water allocation criteria set out in the draft plan.

One of the key objectives of the draft WAP is to protect environmental assets (such as groundwater dependent spring and mound spring ecosystems) by ensuring that the taking of water does not have unacceptable impacts on spring ecology.

Urban Stormwater Management Policy for SA

The Urban Stormwater Management Policy for South Australia was released in May 2005. The policy sets out the complementary responsibilities of State and Local Government in relation to stormwater management. It recognised that stormwater management objectives have diversified from the traditional emphasis on flood mitigation by incorporating multiple objectives for stormwater management, including flood management, reuse, water quality and amenity, into planning and decision-making.

Stormwater management is the key issue for the Minister's Local Government Forum, as a result of the risk of flood damage to urban areas in metropolitan Adelaide. The Urban

Stormwater Initiative Executive Group (comprising high-level representation from State and Local Government and chaired by the Chief Executive of DWLBC) is managing the preparation of new models for stormwater management that better reflect the broader stormwater management objectives.

Managing Stormwater in Metropolitan Adelaide

In September 2004, the Minister for Environment and Conservation and the Vice-President of the Local Government Association jointly released the KBR study report on the Metropolitan Adelaide Stormwater Management Study.

The study provided an audit of existing information about the adequacy of stormwater infrastructure in metropolitan Adelaide. It also recommended:

- Opportunities for reducing stormwater discharges;
- Policy options;
- Information gaps that should be filled;
- Potential projects for reuse of stormwater; and
- Apportionment of council costs for stormwater management.

The KBR report provided important information for councils relevant to the development of flood mitigation studies in their catchments.

Water Proofing Adelaide - A Thirst for Change

In November 2004, the draft strategy 'Water Proofing Adelaide - A Thirst for Change' was released for public comment. It was the product of extensive research and community consultation undertaken in 2003-04 to identify potential options for the management, conservation and development of Adelaide's water resources to 2025.

The draft strategy identified two significant water resource issues facing Adelaide. These were the environmental risk to rivers and catchments and the increased demand for water. It proposed an integrated approach to manage Adelaide's water resources and catchments. It outlined 60 proposed strategies to improve the way that existing water resources are managed, to encourage responsible water use by all users, and to increase the innovative use of alternative supplies such as roof run-off, stormwater and recycled water.

The public consultation phase ended in February 2005. At 30 June 2005 a draft final strategy was being developed.

Biodiversity Offset Scheme – Upper South East

In 2003, the State and Australian Governments jointly agreed to the allocation of \$38.3 million under the National Action Plan for Salinity and Water Quality (NAP) to fund completion of Phase III of the Upper South East Dryland Salinity and Flood Management (USE) Program. The landholder contribution to the cost is \$11 million.

Although supportive of the Phase III program, regional landholders were resistant to any requirement for a further regional landholder contribution by way of a levy to raise the \$11 million contribution.

Consultation with USE landholders and the South East Natural Resource Consultative Committee (SENRCC) led to the development of an USE Project Levy/Biodiversity Offset Scheme.

The function of this scheme is twofold:

- To conserve biodiversity values through management agreements and incentives; and
- To offer landholders the opportunity to meet their required contribution to the USE Program in kind rather than in cash.

The scheme aims to encourage landholders with biodiversity assets within their properties to place these assets under a management agreement and to raise the standard of management of these areas, specifically for biodiversity conservation outcomes, as an offset against their levy obligation.

Individual levy assessment notices covering 4,400 parcels of land were posted to 1,340 landholders in September 2004. This also included a call for expressions of interest in biodiversity offsets. At 30 June 2005, about 260 expressions of interest had been received from landholders.

DWLBC has partnered with the South Australian Farmers Federation (SAFF) in this project. SAFF environmental officers worked with landholders to undertake biodiversity assessments on their properties and to develop management agreements.

The USE Project Levy invoices were posted in May 2005 to those landholders who had not submitted an expression of interest. Landholders have the option to pay the levy in eight annual installments.

Draft State Estuaries Policy and Action Plan

DWLBC developed a draft State Estuaries Policy and Action Plan in partnership with the Department for Environment and Heritage and with assistance from the Environment Protection Authority, Planning SA, Local Government Association and Primary Industries and Resources SA.

The draft policy and action plan aimed to improve the health of South Australia's estuaries through better coordination and targeting of the efforts of all estuaries managers. The *Natural Resources Management Act 2004* has a key role in this approach.

A series of public information sessions were conducted and the public was invited to provide comment. Comments raised at workshops and in submissions will be considered in the development of a State Estuaries Policy and Action Plan.

Impact of Plantation Forests on South East Water Resources

During 2004-05, a management system was implemented to ensure that the impacts of plantation forestry on groundwater recharge in the Lower South East is both transparent and accountable.

Under the adopted management system commercial forestry in the Lower South East is prescribed as a *water affecting activity* requiring a permit. The management system is based on a dedicated minimum area of commercial forest expansion within each water resources management area. This is calculated to ensure that the impact of that development on reduced recharge to the groundwater system does not affect existing water users, whilst securing sustainable management of the water resource.

Provision has been made within this dedicated minimum area of commercial forest for approximately 59,000 hectares of plantation expansion, without the need to secure water allocations to offset the impact of forest expansion.

Further expansion beyond the 59,000 hectares (or in water resources management areas where the area set aside for forest development has been reached) may be accommodated by the forest proponent securing and quarantining an appropriate water allocation to offset the impact on the water budget.

Tables detailing the forest threshold area for pines and blue gums in each groundwater management area where expansion potential may occur have been prepared and are available to the public. They can be obtained by contacting DWLBC.

Cooperative Research Centres

DWLBC is currently a participant in five Cooperative Research Centres (CRC) and a further two research and education bodies to provide the science for natural resources management.

Research partnerships enable the Department to leverage its investment in research, and so develop new and innovative solutions to natural resources management issues. Examples include research into salinity impact on Lower Murray horticulture, advancing weed risk management capabilities, and floodplain health on the River Murray.

The Department (through the Animal and Plant Control Commission) received an Excellence in Innovation Award in 2004 from the CRC Association for the "Weed Warriors" weed management program. This program educates school children in weed management by involving them in producing biological control agents for specific weeds, and encouraging them to take responsibility for eradicating those weeds in their local area.

Reporting the State and Condition of the State's Natural Resources

The *NRM Act 2004* gives a legislative drive for reporting on the state and condition of natural resources in South Australia. The Act also establishes a regional approach to the management of natural resources.

An inter-agency Monitoring, Evaluating and Reporting Steering Committee was formed to establish the roles and responsibilities for reporting the state and condition of natural resources among other reporting responsibilities.

Contact and participation with the National Land and Water Resources Audit has continued. Projects this year related to reporting native vegetation extent and reporting the requirements for monitoring land condition.

Encouragement and support of regional Monitoring and Evaluation officers continued, with a view to establishing long-term relationships for reporting regional state and condition as an input into statewide state and condition.

Centre for Natural Resource Management

The Centre for Natural Resource Management brokers productive partnerships and co-investment to address NRM information gaps and develop innovative solutions to resource management issues. Key clients include regional NRM Boards, research provider organisations, scientists, the business/industry sector and Government agencies. A Board, appointed by the Minister for Environment and Conservation, oversees the business of the Centre and a Technical Working Group provides technical support.

The Centre was independently reviewed in November 2004 and the management team has been implementing the recommendations made.

Contracts for existing research projects have been finalised and as of 30 June 2005 another seven research projects had been recommended for funding from the National Action Plan for Salinity and Water Quality.

Processes have been established to set a direction for NRM research in South Australia and to review the Research and Innovation section of the consultation document *Towards South Australia's State Natural Resources Management Plan*. Further work is required to develop regional research priorities and increase the collaboration between different research funding providers and researchers.

Policy, Science and Information (River Murray)

Environmental Flows for the River Murray

A draft strategy 'Environmental Flows for the River Murray – South Australia's framework for collective action to restore river health 2005-2010' was released for public consultation in October 2004.

The draft strategy proposed a framework for collective action to source, deliver and manage environmental flows in South Australia. The strategy responded to The Living Murray First Step Decision, and provided a catalyst for discussion and debate to inform policies and actions beyond the First Step.

Adverts were placed in SA newspapers advising the public about the release of the draft strategy and calling for comments. A series of targeted meetings in Adelaide, Berri and Murray Bridge focused on obtaining detailed feedback to assist in the development of the strategy and implementation plan.

Additional meetings were arranged with the South Australian Murray-Darling Regional Indigenous Partnership Steering Committee (Nunkeri Kungullun Yannun) to engage Indigenous communities.

Outcomes of the targeted meetings were treated as submissions, and a total of 53 submissions were received. All submissions were considered in developing a final strategy and implementation plan, which is planned for release in 2005-06.

South Australian Salinity Register

Each year South Australia submits an annual report to the Murray-Darling Basin Commission (MDBC) as part of the obligations under the Basin Salinity Management System.

The 2003-04 Annual Report not only reported on the accountable actions for 2003-04, but also summarised the accountable actions for the period 1988-2003. These included:

- Irrigation development for all permanent and specified temporary water trade 1988-2003 (debit)
- Departure and transitional water trade credits (credit)
- Salt interception schemes (credit)
- Groundwater control schemes (credit)
- Improved irrigation practice (credit)
- Rehabilitation of irrigation infrastructure (credit)

South Australia has remained salinity neutral with a credit of +5.6EC. This result reflects the continued commitment within South Australia to the implementation of the Basin Salinity Management Strategy.

Adoption of the Salinity Zoning Policy

The Salinity Zoning Policy was adopted in 2004-05 to ensure a linkage between the approval of licence transactions (that generate salinity debits) and the salinity credits available to South Australia.

The policy was approved in May 2005 and will be implemented from 1 July 2005. It establishes salinity impact zones along the River Murray that describe areas of varying salinity impact. These zones will aid in identifying sustainable irrigation development opportunities by directing future development into lower salinity impact zones. The salinity zoning policy introduces rules for the approval of licence transactions in each zone to which the policy applies.

A detailed draft Salinity Zoning Policy process manual has been developed. This manual will assist DWLBC in administering the policy in a consistent and transparent manner. Systems have been developed to ensure that the availability of salinity credits can be tracked with the approval of each licence transaction.

A comprehensive communication and training strategy has been developed to ensure all stakeholders understand the policy.

Triennial Review of the River Murray Act 2003

The *River Murray Act 2003* provides special protection for the River Murray, its environment and the communities that rely upon it. The Act requires that every three years the Minister for the River Murray conduct a review that includes an assessment of the interaction between the Act and related operational Acts, and an assessment of the condition of the River Murray.

The first triennial review began in 2004-05 in collaboration with relevant agencies. The cross-agency contact group met in April and agreed on a reporting framework. At 30 June 2005, data collection was underway in each agency.

Draft Implementation Strategy Developed for the *River Murray Act 2003*

A draft Implementation Strategy for the *River Murray Act 2003* has been developed and was being considered by the Minister for the River Murray prior to the commencement of consultation.

This draft strategy sets out the priorities that the Minister will pursue to achieve the objects of the Act, and to further the implementation of the *Objectives for a Healthy River Murray*.

3. Infrastructure Services

Description/Objective: Development and delivery of infrastructure and remediation programs and commercial businesses; and management of natural resources management infrastructure assets.

Patawalonga Lake System – Metropolitan Adelaide

Substantial improvements to infrastructure, together with new communication initiatives, have boosted community confidence in the Patawalonga Lake System.

In February, a Patawalonga Community Day was held on the banks of the Patawalonga Lake. At this event the Minister for Environment and Conservation announced the following measures to improve management of the system:

- Formation of PatWatch, a volunteer group to engage the local community in the management of the system.
- Setting of the Northern gates to a maximum level of 2m AHD to reduce the likelihood of stormwater spillages into the lake.
- Construction of a levee bank on the eastern side of the lake to reduce the potential for any spillage from the lake.
- Commencement of a pump station near Shannon Avenue to mitigate spillage from the Sturt River.
- Establishment of a new website about the operation and upkeep of the lake system.

The Patawalonga Lake System is now operating at full capacity, reducing flood risk in the Glenelg North area.

Also during the year a new web page was developed to allow water levels in the system to be monitored online. This web page can be viewed at:

<http://www.dwlbc.sa.gov.au/urban/patawalonga/system/index.html>

Northern Catchment Drains – Upper South East

The infrastructure component of the Upper South East Dryland Salinity and Flood Management Program (USE Program) consists of the construction of 665km of open drains, of which 255km of drains were previously constructed under the Natural Heritage Trust. In October 2003, the Public Works Committee supported the program's \$20.9 million proposal for the construction of the remaining 410km of drains.

Construction of the Northern Catchment Drainage System (146km) commenced in April 2004 and was completed in early December 2004. This system consists of the Mt Charles (66km), Taunta Hut (30km) and Bunbury (50km) drains. The construction of this drainage system required the removal of 1.3 million cubic metres of material, and the construction of 91 crossings and 170km of fencing.

In December 2004, the Northern Catchment Drainage System was officially opened by the Minister for Environment and Conservation.

Maximum flow volumes of the Northern Catchment drains are as follows:

- Mount Charles Drain – 225ML/day
- Bunbury Drain (Lower) – 250ML/day
- Bunbury Drain (Upper) – 75ML/day
- Taunta Hut Drain – 140ML/day

Central Catchment Drains – Upper South East

The tender for construction of the Kercoonda Upstream Extension Drain, S-Bend Drain and Taratap Drain closed in February 2005. The S-Bend Drain will join the existing Tilley Swamp and Kercoonda Drains. Construction works commenced in 2005 and at 30 June 2005 were 90% complete.

Negotiations with stakeholders regarding the design of the Didicoolum Drain and Bald Hill Drain (including the Winpinmerit Drain) were progressed during 2004-05.

Asset Management

The Department's capacity to manage its assets has been improved by the appointment of an Asset Manager and the adoption of an overarching plan. This Asset Management Strategic Plan deals with two major groups of physical (fixed) assets:

1. Assets controlled by DWLBC
2. Other assets in which DWLBC has an interest

Consistent with this plan, a system specification has been developed for an integrated Asset Management Information System for the Department.

During the year reviews were undertaken to clarify ownership, control arrangements and risks for the Drainage Disposal Scheme basins and Patawalonga Lake System.

Great Artesian Basin Bore Rehabilitation

Bore rehabilitation and bore drain replacement programs continued across the Great Artesian Basin (GAB) in 2004-05. In addition, a bore audit of all artesian bores was completed during the year.

The bore rehabilitation program included:

- The rehabilitation of one well - and the commencement of rehabilitation of a second - on Murnpeowie Station;
- The drilling of a replacement well on Peake Station; and
- Commencement of drilling of a well to replace Snake Creek Bore, on Macumba Station.

The majority of properties drawing on the resources of the GAB have completed the installation of pipes and tanks on wells that are not in need of rehabilitation. The remaining wells will be piped following their rehabilitation.

The bore audit completed in 2004-05 involved inspections and the determination of risk profiles for artesian bores. An inspection of 300 wells was conducted to determine their status, to assess the condition and operational ability of the well headworks, and to confirm well coordinates.

South Eastern Water Conservation Drainage Board

The South Eastern Water Conservation and Drainage Board (SEWCDB) was formed under the *South Eastern Water Conservation and Drainage Act 1992*. The main role of the Board is to manage surface water flows in the State's South East.

In August 2004, the Lower South East experienced a one-in-50-year rainfall event. Although this event occurred when the catchments were already saturated due to previous rainfall, the SEWCDB was still able to efficiently operate and maintain the drainage infrastructure.

During 2004-05 the SEWCDB commenced a major review of the value of its assets and the condition of its structures in order to formulate a new asset management program.

South East Artesian Well Rehabilitation Scheme

The South East Confined Aquifer Well Rehabilitation Scheme continued to replace leaking confined aquifer wells in the Kingston-Robe-Lucindale area of the South East.

The scheme pays the full cost of plugging the bores and up to 30% of the cost of a replacement bore. The remainder of costs are met by landholders, who may be eligible for a low-interest loan.

At 30 June 2005, 77 of the 120 wells in the area had been rehabilitated, with the remainder to be completed by June 2010. In 2004-05 six new wells were drilled and 21 backfills were undertaken for a total investment in subsidies of \$203,000. Loans to the value of \$51,000 were granted.

Well monitoring has indicated recovering trends in both ground water level and pressure. Several sites have displayed increases in water level of more than 0.5m per year. Others are almost back to levels recorded in the early 1960s.

The scheme has also contributed to improving irrigation practices and productivity by establishing four demonstration sites. These sites have been operated with significant support and sponsorship from trade representatives. A field day has been held each year for the past three years, attracting more than 400 participants from across the region.

Infrastructure Services (River Murray)

Lower Murray Reclaimed Irrigation Areas (LMRIA) Program

The Lower Murray Reclaimed Irrigation Areas (LMRIA) Project aims to restore the health of the River Murray while also providing the base for a sustainable irrigation industry.

The project includes works to ensure water use is metered and water use efficiency targets are met, while also preventing the return of polluted run-off to the River.

During 2004-05 the process to convert the nine Government-managed Irrigation Districts to self-management proceeded as planned. At 30 June 2005, six of the districts had converted to Private Irrigation Districts. One district had been retired, and two remaining districts were expected to convert later in 2005.

Private Irrigation Districts and Private Irrigators are required to sign a Deed with the Minister for the River Murray to receive funds for on-ground rehabilitation works. Progress with the signing of Rehabilitation Funding Deeds was better than anticipated in 2004-05. At 30 June 2005, 10 of the 22 Deeds had been signed and on-ground works had commenced in four districts.

Fish Passages on the River Murray

A new fish passage to allow fish movement on the River Murray was commissioned at Lock and Weir 9 (located downstream of Mildura) in May 2005. Fish passages are now operational at Locks and Weir 7, 8 and 9.

In June 2005, the Department completed the installation of equipment for the remote operation of 12 radial gates at Ewe Island (in Lake Alexandrina) and a further 12 units at the Tauwichee Barrages.

These fish passages allow native fish species to move up the River Murray to breed. A trial conducted during 2004-05 at the Tauwichee Barrage revealed that up to 4000 fish (including 12 different species) used two fishways to migrate between the Lower Lakes and the Coorong during a three-week period.

Salt Interception Infrastructure Program

At 30 June 2005, the \$11.1 million Bookpurnong salt interception scheme (SIS) was 80% complete and on schedule for completion by the end of 2005. The scheme comprises of a series of strategically placed highland and floodplain bores connected to a pipeline that will discharge the intercepted saline water to the existing Noora disposal basin. When totally commissioned in late 2005, the scheme will prevent about 70 tonnes of salt per day from entering the River Murray. This will progressively increase to about 87 tonnes per day over the next 35 years.

The other significant salt interception project under construction during 2004-05 was the \$21.4 million Loxton SIS. At 30 June 2005, 75% of the vertical bores had been constructed and major pipe contracts had been awarded. This project initiated the trial of a directional

bore, which, if successful, will significantly reduce the number of vertical bores required, providing an overall cost saving to the project.

Once complete, the Loxton scheme will intercept about 60 tonnes of salt per day, increasing to 75 tonnes over the next 35 years. The intercepted water will be disposed to the Noora basin through a joint pipeline that also serves the Bookpurnong SIS.

During 2004-05 salt interception investigations continued for Chowilla, Pike River, Murtho and Waikerie Stage 2.

The development of a Regional Saline Water Disposal Strategy continued throughout the year. This strategy aims to secure long-term disposal solutions for the salt interception program.

Murray Mouth

More than three million tonnes of sand have been cleared from the Murray Mouth since dredging operations began in October 2002.

The project continued in 2004-05, with two dredges operating 24 hours a day. It has ensured the Mouth has remained open, providing great ecological, social and environmental benefits to the Coorong and its surrounds.

A Dredging Plan for the remainder of 2005 was developed through the Murray Mouth Sand Pumping Technical Committee. This plan will ensure maximum connectivity between the sea and the Coorong by October 2005 to coincide with spring breeding cycles of estuarine species and the arrival of migratory birds.

For safety reasons, exclusion zones exist around the two dredges while they are operating. This has restricted boating access between Goolwa and the Coorong Channels. However, during 2004-05 the Department coordinated stoppages of the dredges to allow boating access on three occasions: the October long-weekend 2004; the Christmas-New Year period; and Easter 2005.

The Department has also investigated possible measures to allow either temporary weekend access, or ongoing access, to the area. These investigations will continue in 2005-06.

4. Statistics/Figures

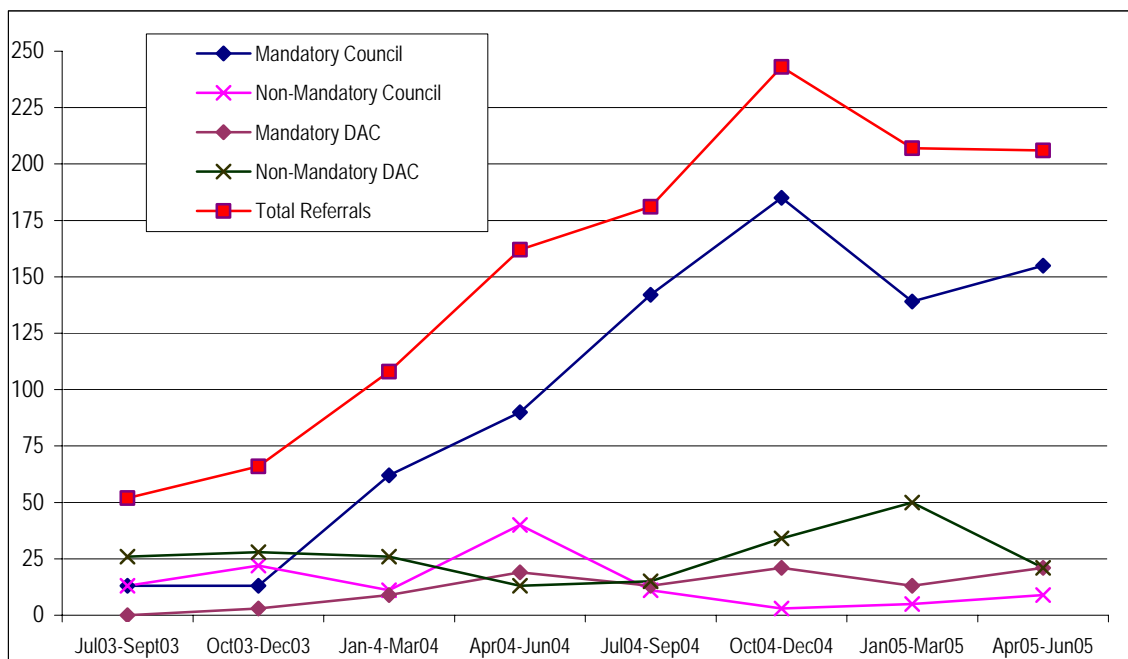
a) Water Licensing Applications

Water Licensing – All application types 1/7/04 to 30/6/05			
Area*	Applications Approved	Applications Refused	Total
Angas Bremer Prescribed Wells Area (PWA)	15		15
Baroota Resource Area (RA)	4		4
Barossa Prescribed Water Resource Area (PWRA)	81	1	82
Clare Valley PWRA	100	4	104
Comaum Caroline PWA	321	2	323
Eastern Mt Lofty Ranges RA	144	3	147
Eyre	71		71
Far North PWA	38		38
Lacepede Kongorong PWA	703	4	707
Mallee PWA	116	11	127
Marne River & Saunders Creek PWRA	21		21
McLaren Vale PWA	180		180
Metropolitan	931	1	932
Murray Mallee	16		16
Musgrave PWA	10		10
Naracoorte PWA	284	2	286
Northern	456		456
Northern Adelaide Plains PWA	454	8	462
Padthaway PWA	40	1	41
Padthaway RA	7		7
River Murray Prescribed Water Course (PWC)	1213		1213
Riverland	284		284
South East	4		4
Southern Basins PWA	12		12
Tatiara PWA	254	2	256
Tintinara Coonapyn PWA	65		65
Western Mt Lofty Ranges RA	124	3	127
Total	5948	42	5990

* PWA = Prescribed Wells Area; PWRA = Prescribed Water Resource Area; RA = Resource Area; PWC = Prescribed Water Course

b) Development Application Referrals

Number of Mandatory / Non Mandatory Referrals 2003-2005



Number of Responses Issues Within Statutory Timeframes				
	Total Mandatory	Late	On Time	On Time %
Jul 04- Sep 04	155	70	85	55
Oct 04 – Dec 04	206	64	142	69
Jan 05 – Mar 05	152	36	116	76
Apr 05 – Jun 05	176	41	135	77

Despite continued increases in development application referrals to DWLBC for assessment, steady progress has been made to improve the number of assessments completed on time, as well as improving the quality of the information provided.

This improvement has been possible due to new system improvements in document receipt, tracking, access to GIS databases, as well as an increase in staff levels. The Department anticipates it will complete 98% of assessments on time in 2005-06.

Further refinements to the system are planned to improve responsiveness for the community and shorten overall assessment timeframes.

c) Native Vegetation Assessments

Significant Environmental Benefit (SEB) Compared to Clearance Area

The tables below provide a comparison of clearance approvals granted by the Native Vegetation Council (NVC) over the last four financial years. Amendments to the *Native Vegetation Regulations in 2003* now extend to clearance for mining operations and government agencies such as Transport SA. These categories of vegetation clearance were previously excluded from the earlier clearance legislation and not subject to an SEB requirement. While these changes are reflected in an increase in the area granted consent, there is a similar increase in the area protected under the requirements for the establishment of a SEB.

The figures do not provide a detailed understanding of the SEB requirements. The SEB requirement is dependant on both the area of clearance and or the number of trees, and the biodiversity value of the vegetation. Higher value vegetation proposed for clearance requires an increase in SEB requirements (and vice versa). Where it is not possible to achieve an SEB on a property the landowner has an option of making a payment into the Native Vegetation Fund. The NVC must use those payments to achieve an environmental gain within the region where the clearance was approved.

Clearance						
Financial Year	Clearance Applications				Mining/TSA house sites (ha)	Total Clearance Area (ha)
	Area of degraded scrub (ha)	Scattered trees	Canopy of trees (ha)	Total (ha)		
2001-02	148	933	18.7	166.7	0	166.7
2002-03	386	241	4.8	390.8	0	390.8
2003-04	254	271	5.4	259.4	7.2	266.2
2004-05	296	379	7.6	303.6	495.1	798.1

Significant Environmental Benefit				
Financial Year	Clearance Applications (ha)	Mining/TSA House Sites (ha)	Total Benefit (ha)	Financial Off-set (\$)
2001-02	1124	0	1124	0
2002-03	739	0	739	0
2003-04	944	36	980	10 125
2004-05	508	4442.8	4935.8	26 273

These figures do not include approvals where the vegetation is expected to regenerate: eg brushcutting, burning of areas of scrub to assist germination and regeneration. Nor do they include applications where an application was required, but impact was considered minimal (for example, introduction of 30 horses into 380 hectares). Tree area was generated by multiplying numbers of trees by the average tree canopy area of 0.02 hectares.

d) Compliance

Formal Warnings

During 2004-05 DWLCB issued three formal warnings.

Civil Proceedings

Two matters were resolved in the Environment and Resources Development Court as civil proceedings. In one case, \$35,000 in exemplary damages was awarded. In the second case, \$81,000 in exemplary damages was awarded. Both cases related to unlawfully taking water.

Courses

DWLBC conducted one water compliance course and two new NRM Act compliance courses.

Matters Pending

DWLBC currently has four matters with the crown solicitor for civil enforcement action.

e) Pastoral Land Assessments

A total of 28 pastoral inspections were carried out in the 2004-05 financial year. These inspections led to numerous agreements with pastoralist to remove stock or change management practices. At 30 June 2005, the Pastoral Board had formal de-stocking orders pursuant to Section 43 of the Act applying to two pastoral leases.

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Human Resources

Disability Action Plans

The SA Government policy statement, *Promoting Independence – Disability Action Plans for South Australia*, provides a framework for action for agencies to ensure their programs and services are inclusive of people with disabilities and hence meet the requirements of the Commonwealth *Disability Discrimination Act 1992* and the South Australian *Equal Opportunity Act 1984*. DWLBC's progress on disability action planning is described below against each of the five outcomes in the Government's policy.

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

As required by its draft Disability Action Plan, DWLBC, with assistance from DAIS, developed a strategy in 2004-05 for auditing worksites with respect to physical access and inclusiveness. The strategy entails a representative from each worksite being trained in worksite audits. Facilities Management Group staff and OHSW site representatives will also be included in the training program, which is to commence in late August 2005.

In 2004-05, a checklist was also prepared to ensure the needs of people with disabilities are taken into account in any new building leases and renovations. The checklist is based on the DAIS 'Disability Access Guide'.

Outcome 2: Portfolios and their agencies ensure information about their services and programs is inclusive of people with disabilities.

DWLBC's main focus during 2004-05 in relation to this outcome has been to ensure its Internet and Intranet sites were accessible and compliant with W3C government requirements. These sites are among the most important means for DWLBC to convey information to a wide range of internal and external customers, groups and individuals.

Careful consideration was given to accessibility issues during construction of the DWLBC website. The site was built to a 'Grade A' standard (the minimum for Government sites). Since then, further enhancements have been made to the site, which was launched in early 2004-05. An external multimedia organisation, V Media, which built and supports the site, has recently reviewed the site for accessibility against government requirements and W3C guidelines. V Media found the site to be compliant (and easy to navigate and access information). However, with some modifications to the cascading style sheets and HTML templates throughout the site, V Media believes it would be possible to reach 'AA' or even 'AAA' standard of accessibility. These enhancements will be made during 2005-06.

DWLBC's Intranet site was also recently revised and subsequently tested for accessibility by V Media. The site was found to be accessible and compliant, but further enhancements to the site have been recommended. These enhancements will be made during 2005-06.

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

DWLBC developed and implemented the first stage of its disability awareness and training program during 2004-05. This focused on raising the knowledge and awareness of:

- The disability Action Steering Committee;
- Senior staff within the organisation, including the Chief Executive, Executive Directors and Directors; and
- New staff as part of the Department's induction program.

The training has increased both the awareness of the needs of people with disabilities and the commitment to disability action within the organisation in key areas. This is already facilitating the mainstreaming of disability action and implementation of required changes and enhancements.

In 2005-06 the program will focus on:

- Training workplace representatives, OHSW representatives and Facilities Management staff in how to conduct worksite audits;
- Managers throughout the agency;
- Communications staff; and
- Staff providing front line customer services.

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.

Consultation with disability organisations commenced in 2004-05. In particular, a strategy for auditing workplaces was developed with DAIS and involves the training of workplace representatives. Advice has been provided by the Executive Officer of the Promoting Independence Reference Group on a range of issues being considered by DWLBC's Disability Action Steering Committee. This has included advice on which disability organisations to approach and how to most effectively consult with them.

Consultation with disability organisations will be progressed significantly in 2005-06 as further actions in DWLBC's draft Disability Action Plan are implemented.

DWLBC already has well-established complaints and grievance mechanisms within the agency, namely the Grievance Resolution procedures and the Discrimination, Bullying and Harassment Policy and Guidelines. The procedures, policy and guidelines have been promulgated to all staff and are located on the Department's Intranet site. Contact officers have been trained to support implementation of the policy and guidelines.

In 2004-05, DWLBC commenced a review of its delivery of services to internal and external clients as part of its integrated customer service delivery project. This will include the completion of a Customer Service Charter, staff training and appropriate systems to support improved customer services, including processes for receiving feedback and dealing with complaints from customers. Physical access and other needs of people with disabilities will be taken into account as part of this important initiative.

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

Disability action within DWLBC gained important momentum during 2004-05, reflecting the heightened awareness of the importance of effective disability action as a part of embracing diversity in its fullest sense.

DWLBC's draft Disability Action Plan for 2005-08 was refined significantly during 2004-05 as a result of the growing awareness and maturity of the Department's very committed Disability Action Steering Committee. A draft Strategic Disability Action Policy was also prepared. Both documents will be released to DWLBC staff in early 2005-06 for comment.

Significant progress was made in 2004-05 in implementing the draft Disability Action Plan. Examples include development and implementation of the first stage of the disability awareness and training program, development of a workplace audit strategy and further enhancements to the Department's Internet and Intranet sites.

A central budget for disability action within DWLBC was allocated as part of the Corporate Services Division budget for 2004-05. In addition, members of the Disability Action Steering Committee continued to participate in the Committee's monthly meetings. DWLBC also regularly attended the whole of government Promoting Independence Reference Group. Disability action has also been built into the responsibilities of relevant officers in Facilities Management, Strategic Communications and Marketing and Human Resources (including Training and Development and OHSW).

Employee Numbers, Gender and Status

Persons	510.0
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FTEs	490.4
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Gender	% Persons	% FTE
Male	57.25	58.88
Female	42.75	41.12

Number of Persons Separated from the agency during 04-05	102
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Number of Persons Recruited to the agency during 04-05	128
---	-----

Number of Persons on Leave without Pay at 30 June 2005	10
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NUMBER OF EMPLOYEES BY SALARY BRACKET			
Salary Bracket	Male	Female	Total
\$0 - \$38,599	38	56	94
\$38,600 - \$49,999	80	89	169
\$50,000 - \$65,999	103	56	159
\$66,000 - \$85,999	55	17	72
\$86,000+	16	0	16
Total	292	218	510

STATUS OF EMPLOYEES IN CURRENT POSITION					
<i>FTE's</i>					
	Ongoing	Short-term contract	Long-term contract	Casual	Total
Male	163.4	46	68.6	10.76	288.76
Female	115.37	42.59	38.2	5.51	201.67
Total	278.77	88.59	106.8	16.27	490.43
<i>Persons</i>					
	Ongoing	Short-term contract	Long-term contract	Casual	Total
Male	164	46	69	13	292
Female	124	44	41	9	218
Total	288	90	110	22	510

Executives

NUMBER OF EXECUTIVES BY STATUS IN CURRENT POSITION, GENDER AND CLASSIFICATION									
Classification	Ongoing		Contract Tenured		Contract Untenured		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Total
EXEEOA	0	0	2	0	3	0	5	0	5
EXEEOB	1	0	4	0	1	0	6	0	6
EXEEOC	0	0	4	0	0	0	4	0	4
EXEEOE	0	0	0	0	1	0	1	0	1
TOTAL	1	0	10	0	5	0	16	0	16

Note: The ongoing employee at Exec B level represents a non-executive employee who was assigned into an executive position as at the reporting date for the purpose of backfilling an executive who was on paid leave

Leave Management

AVERAGE DAYS LEAVE TAKEN PER FULL TIME EQUIVALENT EMPLOYEE		
Leave Type	2004-2005	2003-2004
Sick Leave Taken	4.81	5.07
Family Carer's Leave Taken	0.41	0.47
Special Leave with Pay	0.54	0.46

Note: Special Leave with Pay is outlined in Commissioner's Standard 3.4 Leave. It includes leave for unscheduled absences other than for the following reasons: Sick Leave, Industrial Disputes, Workers Compensation, Maternity Paid Leave, Adoption Leave, and Family Carers Leave.

Workforce Diversity

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER					
Age Bracket	Male	Female	Total	% of Total	South Australian Workforce Benchmark*
15 - 19	1	2	3	0.59	7.4
20 - 24	13	23	36	7.06	11.3
25 - 29	32	47	79	15.49	10
30 - 34	26	33	59	11.57	10.7
35 - 39	30	30	60	11.76	11.1
40 - 44	41	25	66	12.94	12.2
45 - 49	45	28	73	14.31	12.3
50 - 54	53	15	68	13.33	11.3
55 - 59	40	10	50	9.8	8.1
60 - 64	8	5	13	2.55	4
65+	3	0	3	0.59	1.6
Total	292	218	510	100	100

*Benchmark as at February 2005 from ABS Supertable LM8

Indigenous Employees

An Aboriginal person is defined as a person who:

- is a descendant of an Indigenous inhabitant of Australia
- identifies as Aboriginal.

A Torres Strait Islander is one who is a descendant of a traditional inhabitant of the Torres Strait Islands.

NUMBER OF ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYEES					
	Male	Female	Total	% of Agency	Target*
Aboriginal /Torres Strait Islander	0	1	1	0.2	2%

* Target from South Australia's Strategic Plan

Cultural and Linguistic diversity

CULTURAL AND LINGUISTIC DIVERSITY					
Name	Male	Female	Total	% of Agency	% of SA Community*
Number of Employees born overseas	17	15	32	6.27	20.3
Number of Employees who speak language(s) other than English at home	5	4	9	1.76	15.5
TOTAL	22	19	41	8.03	

Benchmarks from ABS Publication Basic Community Profile (SA) Cat No. 2001.0

Disability

People with a permanent disability are defined as those employees who, due to their disability, are considered to have an employment restriction because they:

- Are restricted in the type of work they could do, or
- Need modified hours of work (either a restriction in hours they could work, different time schedules, or flexible hours of attending), or
- Require an employer to provide adaptive equipment, a modified work environment, or make other special work related arrangements, or
- Need to be given ongoing assistance or supervision to carry out their duties safely.

NUMBER OF EMPLOYEES WITH ONGOING DISABILITIES REQUIRING WORKPLACE ADAPTATION				
	Male	Female	Total	% of Agency
Total	6	3	9	1.76

Voluntary Flexible Working Arrangements

NUMBER OF EMPLOYEES USING VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER			
Flexible Working Arrangement	Male	Female	Total
Purchased Leave	0	0	0
Flexitime	242	186	428
Compressed Weeks	0	1	1
Part-time Job Share	6	36	42
Working from Home	0	2	2

Training and Development

DWLBC has made significant progress towards contemporary human resources development. The release of a Learning and Development Calendar has encouraged staff and managers to plan their training requirements. The courses included in the Learning and Development Calendar are based on the feedback received through the Department's performance development process and skills gap analysis. Both tools have been used to ascertain the existing level of training of staff and their requirements for the future. The focus for 2004-05 has been on induction, performance development, dealing with work behaviour, management essentials and leadership development.

A structured Performance Development Program was implemented across the agency in 2003-04. As part of that initiative, accredited training modeled against the "Facilitate People Management" Unit from the Public Services Training Package was provided to 70 supervisors and managers. In addition, short training sessions were conducted for 300 employees at various locations including the Department's Adelaide, Waite, Berri and Mount Gambier offices. The sessions were aimed at giving staff an overview of the Department's approach to performance development and how they could get the most out of the process.

DWLBC will continue to work towards achieving a sustainable approach to performance development. Additional performance development training is planned for both managers and staff to ensure that each employee will have a documented performance development plan by 30 June 2006. Mechanisms to report on Human Resource Development for the agency have now been put in place and the agency will be using the CHRIS – Training and Development Module to record training data.

As DWLBC is a recently established agency, the Performance Development Program has commenced operation within the last 18 months. The table below represents the percentage of individual development plans developed in this time.

DOCUMENTED INDIVIDUAL PERFORMANCE DEVELOPMENT PLAN			
Salary Bracket	% with a plan negotiated within the past 12 months	% with a plan older than 12 months	% no agreement
\$0 - \$38,599	14.89	11.7	73.4
\$38,600 - \$49,999	30.18	18.34	51.48
\$50,000 - \$65,999	42.77	15.09	42.14
\$66,000 - \$85,999	66.67	1.39	31.94
\$86,000+	43.75	12.5	43.75

***Note the department has recruited approximately 61 new staff in the last 5 months, and these employees have not yet reached the performance review stage.*

Other areas of the Public Service Training Package that were offered to staff included units from:

- Certificate IV in Government
- Diploma of Government

'Dealing with Problem Behaviours in the Workplace' training was provided to approximately 50 senior managers by the Equal Opportunity Commission.

In addition, approximately 150 staff members attended the Department's induction program. This program included tours of the SA Parliament with the Minister for the River Murray and the Minister for Environment and Conservation. During this tour new staff were briefed on the operations of Parliament and the Ministers' offices. These tours have been made available to other staff and to date about 200 staff have attended.

The tables below represent training expenditure by salary band and the percentage of expenditure relative to total employee remuneration costs.

Training Expenditure by Salary Bands	
Salary Bracket	Actual 04-05 (\$)
\$0 - \$38 599	\$95 257.00
\$38 600 - \$49 999	\$168 604.89
\$50 000 - \$65 999	\$185 751.15
\$66 000 - \$85 999	\$44 770.79
\$86 000+	\$15 241.12
TOTAL	\$509 624.95

Training Expenditure Relative to Total Remuneration Costs

	Annual Salary Budget	Training Budget	Actual Training Expenditure	Training Expenditure as a % of Annual Salary budget
TOTAL	\$30 526 916	\$469 000	\$509 624	1.7%

The figure for leadership and management training expenditure is not available this financial year as the Department has only recently commenced recording training data on CHRIS – Training and Development Module.

Equal Employment Opportunity (EEO) Programs

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 2004-05:

1. SA Government Youth Traineeships

Two youth trainees were employed in DWLBC during 2004-05. One of these trainees was recruited through the Indigenous Traineeship Program.

2. SA Public Sector Aboriginal Recruitment and Development Strategy

DWLBC will continue to explore 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. The Aboriginal Employment Register has been incorporated into the Department's Recruitment and Selection Policy and Guidelines and will be further promoted in the coming year.

The Department also has an active program of supporting Indigenous organisations across the State through capacity building. Through the National Strategy Reconciliation Program, DWLBC has facilitated the development of Aboriginal organisations. Funding has been obtained through the National Heritage Trust to support the employment of Indigenous people around the State. Substantial Commonwealth funding is sourced by this agency to support various natural resources management programs, including a number for Indigenous people.

3. Strategy for Employment of People with Disabilities

DWLBC has included the Disability Employment Register in the Department's Recruitment and Selection Policy and Guidelines, and will further promote this recruitment strategy in 2005-06.

DWLBC has also commenced identification of employees defined as having a permanent disability with a view to determining how the Department can better support them during 2005-06.

Implementation of the Department's draft Disability Action Plan 2005-08 commenced. The first stage of the Department's disability awareness and training program was developed and implemented, focusing on the Department's Disability Action Steering Committee, senior staff within the organisation, and new staff.

Occupational Health, Safety and Injury Management

The DWLBC OHSW Management System is structured around eight policy areas:

- Consultation
- Hazard Management
- Injury Management
- Emergency Preparedness
- Procurement
- Training
- Evaluation and Reporting
- Review and Planning

New Policy

The Training Policy and its supporting standards, procedures and forms were completed in 2004-05, adding to the five other policy areas already completed. In 2005-06, the Training Policy will be implemented, and policies for the remaining areas - Evaluation and Reporting and Review and Planning - will be developed.

Special Programs

From March to June 2005, a Risk Assessment Project was conducted across all DWLBC work groups. Divisional and work group registers have now been completed, and the Directorate and Corporate Registers will be consolidated. The Corporate OHSW Unit will develop risk management programs for implementation within DWLBC around the high-risk areas common across the agency.

An Emergency Risk Identification Project was conducted to establish reasonably anticipated emergency threats to the organisation. Each site and work group's Emergency Response Program will be reviewed in 2005-06 to ensure they address these risks and that relevant people are trained to respond effectively in the event of an emergency.

A complete assessment of all manual handling risks has been conducted for the State Flora operations. Planned implementation of the report's recommendations will be a management priority in 2005-06.

Health Promotion

The Health Promotion OHSW Sub-committee provided employees with numerous opportunities to benefit from health related activities approved by the DWLBC Executive. These activities included:

- Influenza vaccination program
- Sponsored support for physical activity programs
- Massage program
- Corporate Red Cross volunteer program
- 10 000 Steps exercise program

The 10 000 steps program was strongly supported with more than 50% of employees participating. Of those, 60% showed improved activity levels at the end of the program.

Government Initiatives

The Premier's Safety Commitment Statement was launched in October 2004. The Workplace Safety Management Implementation Plan for 2004-2006, which supports the Statement, has been implemented in DWLBC in relation to all but one of the 44 required actions. The remaining action relating to Executive Performance Agreements will be implemented after the Office of Public Employment has provided lead advice and information around the establishment of these Agreements.

2005-06 Development Program

In addition to developing two remaining policies, the OHSW Committee has commenced a program to review all existing policies, procedures and standards over the next 12 months. This is a general review, but it will also ensure disability awareness is incorporated into OHSW systems, including reporting, in accordance with the DWLBC Draft Disability Action Plan for 2005- 2008.

Audits of site Emergency Response Programs will be conducted to ensure compliance with the outcomes of the Emergency Risk Identification Project.

Chemical management at sites will be reviewed by the OHSW Unit to ensure compliance with the DWLBC Standard and OHSW Regulations.

An internal audit program will commence in DWLBC in the second half of 2005-06. An external Work Cover audit process will also commence in late 2005 with a gap analysis, followed by a full external audit in 2006-07.

Injuries

There have been 11 compensable injuries this year compared with 17 in the previous year. There were six 'Lost Time Injuries' (10 in 2003-04) and five 'Medically Treated Injuries' (seven in 2003-04). All employees returned to work within 15 working days. In 2003-2004, the last of the injured employees was returned to work after 94 days.

The nature and seriousness of injuries have been greatly reduced due to the closure of the Drilling Group, and to the early intervention of managers notified of injuries. Rehabilitation services were provided much earlier to employees to ensure their faster return to work. This process can be further improved by the meeting of all reporting timeframes and the use of a new initiative to reduce notification times. In the first quarter of 2005-06, DWLBC will trial a new program requiring supervisors to call through injury reports to the OHSW Unit. The OHSW Unit will then notify DAIS Injury Management, which can immediately assess rehabilitation needs.

In 2004-05, the injury management costs for new injuries was \$12 442, a large reduction from \$97 901 in 2003-04.

All supervisors have been trained in the requirements of early injury interventions and were provided with an information pack containing the relevant steps and advice. This training will be a requirement for all new supervisors.

		2004-05	2003-04	2002-03
1	OHS legislative requirements			
	Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	4	1	1
	Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	1	0	0
	Number of notices served pursuant to OHS&W Act s35, s39 and s40.	0	0	0
2	Injury Management legislative requirements			
	Total number of employees who participated in the rehabilitation program	4	10	9
	Total number of employees rehabilitated and reassigned to alternative duties	0	5	4
	Total number of employees rehabilitated back to their original work	1	5	5
3	WorkCover Action Limits			
	Number of open claims as at 30 June	6	16	16
	Percentage of workers compensation expenditure over gross remuneration.	1.54%	0.87%	0.68%
4	Number of claims			
	Number of new workers compensation claims in the financial year	11+	17	20
	Number of fatalities, lost time injuries, medical treatment only.			
	(F)	0	0	0
	(LTI)	6	10	8
	(MTI)	5	7	12
	Total number of whole working days lost	1638	786	449
5	Cost of workers compensation			
	Cost of new claims for financial year	\$12 442	\$97 901	\$218 806
	Cost of all claims excluding lump sum payments	\$404 446	\$223 200	\$245 210
	Amount paid for lump sum payments			
	s42	\$22 000	\$12 500	\$82 334
	s43	\$36 763	\$9 240	\$47 724
	s44 (Death)	0	0	0
	Total amount recovered from external sources s54	0	0	0
	Budget allocation for workers compensation	\$463 209	\$244 940	\$375 268
6	Trends			
	Injury frequency rate for new lost time injury/disease for each million hours worked	7.1	12.9	9.7
	Most frequent cause (mechanism) of injury	Being hit by moving objects	Sprains and Strains	Sprains and strains
	Most expensive cause (mechanism) of injury	Being hit by moving objects	Falls, trips and slips	Sprains and strains

7	Meeting the organisation's strategic targets	2004-05	2003-04	2002-03
	Compensable injury frequency rate for all new lost time and medically treated injuries for each million hours worked.	14.2	21.9	24.0
	Average Days Lost for each new Lost time Injury	3.1	19.8	47.1
	Total new claims as a percentage of FTE	2.26%	3.6%	5%
	Prevention key performance indicators			
	Percentage of investigation reports signed off by the Health & Safety Representative – involvement	64%	64%	36%
	% Attendance of management representatives at OHS&W committee meetings -commitment	68%	65%	62.5%
	% Attendance of health and safety representatives at OHS&W committee meetings-commitment	64%	56%	65.6%
*	Average time taken for Incident Reports to be received by management after the event.	32 hours	63 hours	N/A
*	Average time taken for Investigation Reports to be signed off by all relevant parties from time of receipt of the report by the supervisor.	60 hours	64 hours	N/A
	Injury Management Targets			
*	% of claims determined within 10 working days of claim (target >75%)	81%	31%	50%
*	% of new claims still to be determined after 3 months (target<5%)	0%	8%	42%
*	% of injured employees returned to work within 5 working days for all new Lost Time Injuries (target >75%)	91%	60%	25%
*	% of injured employees still off work after 3 months for all new Lost Time Injuries (target<5%)	0%	8%	40%

NB: * New Performance Indicators from 2003-04.

+ Number includes 1 withdrawn claim

Appendix C - Consultancy

Consultant	Purpose of Consultancy	No	Total \$
Consultants Below \$10,000			
		0	0
	Sub-total	0	0
Consultants between \$50,000 and \$10,001			
Marsden Jacobs Associates	River Murray Costing Study		13,631.00
	Sub-total	1	13,631.00
Consultants above \$50,000			
INTEC Consulting Group	Establish information and applications architecture for DWLBC		50,340.00
Econ Search Pty Ltd	Scoping study into the innovative use of insurance as a means of supporting changes in farming practices where risk is perceived to be a major barrier to implementation.		60,000.00
CSIRO	Development of institutional and economic policy options for offsetting the cost of large-scale revegetation and vegetation enhancement in the River Murray Corridor.		103,000.00
	Sub-total	3	213,340.00
	Total	4	226,971.00

Appendix D - Overseas Travel

Number of Employees	Destination/s	Reasons for Travel	Total Cost to Agency
1	USA	International Conference of the American Society for Horticultural Science	\$1 345
1	USA	International Association of Hydrogeologists and Geological Society of America	\$6 012
1	Italy & Portugal	World Logomorph Conference	\$2 580

Appendix E - Fraud Statement

During the 2004-05 financial year no known instances of fraud were detected within the agency. The Department has instituted risk management procedures and an internal audit process in order to minimise the opportunities for fraud to occur.

Appendix F – 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. While freedom of information aims to provide access to the maximum amount of information possible, provisions exist to protect legitimate agency, public and private interests.

There are also provisions that allow South Australians to apply to have documents relating to themselves corrected if they are incomplete, incorrect, misleading or out of date.

Agency's Structure and Functions

DWLBC consists of three Directorates that encompass a total of eight Divisions. The roles and functions of these Divisions are described elsewhere in this Annual Report.

Ways In Which The Functions of the Department Affect Members of the Public

The Department 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 productive land and water resources (including water licensing and metering and well permits). The focus of the Department 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 Department providing those services are listed below and their roles are described elsewhere in this Annual Report.

- River Murray; Policy, Information & Infrastructure Directorate
 - Strategic Policy Division
 - Knowledge & Information Division
 - Infrastructure & Business Division
 - National Water Initiative Division
 -
- Natural Resource Management Services Directorate
 - Natural Resource Management Support Division
 - Land & Biodiversity Services Division
 - Resource Allocation Division
 -
- Corporate Services Directorate
 - Corporate Services Division

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

Arrangements Enabling Public Participation in Formulating DWLBC Policy

DWLBC officers are members of various boards and committees (described elsewhere in this Annual Report) on which community and/or industry members also participate. An underlying philosophy in the Department's management of natural resources is the involvement of local communities in policy formulation, plan development and decision making processes. This philosophy is supported by legislation that requires consultation (eg *Natural Resources Management Act 2004*).

Documents Held by DWLBC

Documents held by DWLBC are in 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 DWLBC

The following documents are available for purchase from the Department's Internet site (<http://www.dwlbc.sa.gov.au/>) or from the following locations:

Manager, Soil and Land Information

Telephone: (08) 8303 9652

Email: DWLBC.SaLI@saugov.sa.gov.au

- Regional Land Resource Information on CD
 - Central Districts
 - Eyre Peninsula
 - Murraylands
 - Northern Agricultural Districts
 - South East
- Soil Data Sheets
- State Soils Attribute Atlas
- Soils of South Australia's Agricultural Lands
- Land Systems of Southern South Australia
- SA Revegetation Mapping Framework on CD
 - Training Manual (Note: this is available on CD)

Pastoral Program

Telephone: (08) 8204 9433 or (08) 8124 4776 (or from Service SA)

- In the Interest of the Country - A History of the Pastoral Board of South Australia 1893-1993
- Field Guide to the Plants of Outback South Australia

Documents Available from DWLBC Free of Charge

The following documents can be obtained free of charge by telephoning the Department on (08) 8463 6800, or from the DWLBC website at www.dwlbc.sa.gov.au

- Annual reports
- Information Bulletins
- Fact sheets and Brochures
- Reports
- Water Allocation Plans
- Integrated Natural Resource Management Plans
- Lower Murray Reclaimed Irrigation Areas Guidelines and Information
- Selected technical reports
- State Water Plan 2000

Accessing DWLBC 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 website:

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 7921

Appendix G – Building Services

Energy Efficiency Action Plan

South Australia's Strategic Plan was released in March 2004. Under target 3.2, agencies are required to reduce energy use in Government buildings by 25% within 10 years, measured against a 2000-01 baseline. There is also an interim target to achieve a 15% reduction by 2010. The delivery mechanism for these targets is the Energy Efficiency Action Plan program.

The table below illustrates DWLBC's electricity use since 2000-01:

Year	Energy Use (GJ)	Expenditure (\$)	GHG Emissions (tonnes)
2000 – 2001* (baseline)	3280	103 000	1011
2002 - 2003	2871	130 000	884
2003 - 2004	3176	139 000	978
2004 - 2005	2946	138 780	787
Agency Target (2004 – 2005)	3083	NA	950
Interim Agency Target (2010) 15% of base line	2,788	NA	859
Final Agency Target (2014) 25% of base line	2,460	NA	758

* Data is for the former Department for Water Resources

The Department has achieved an overall 7% reduction in electricity use from 2003-04. This is largely attributed to a seasonal decrease in electricity consumption at the Dishers Creek Pumping Station, near Renmark, due to lower water levels in the River Murray. Of the total electricity consumption, 76% is used at offices, with the remainder at other operational sites.

During 2005-06, the Department proposes to conduct energy audits at all buildings it owns (and in long-term leased buildings) to determine strategies for further energy savings.

A major initiative of the Department during 2004-05 was the approval of a Strategic Facility Plan. This plan identified consolidation opportunities that will result in energy savings by better utilising space and by adopting the latest ecologically sustainable development principles for both new and refurbished accommodation. This consolidation will take place in 2005-06.

It should also be noted that during 2004-05 DWLBC had a major group situated at the Waite Campus whose electricity consumption data is included in CSIRO figures.

During the year a policy was approved to lease dual fuel vehicles. This resulted in 75% of the leased passenger fleet being dual fuel, meaning DWLBC is a lead agency in this area. It should be noted that vehicle energy data is not included in the above tables.

Asbestos Management in Government

Category	Site Asbestos Status	Risk Level	Number of sites
1	Unstable, accessible Unstable, damaged or decayed	Severe	0
2	Unstable, inaccessible Unstable, partly accessible	Major	1
3	Stable, accessible Stable, accessible, initial signs of decay	Moderate	3
4	Stable, inaccessible Stable, partly accessible	Minor	0
5	Asbestos free	No risk	0

Appendix H – Boards and Committees

Animal & Plant Control Commission
Border Groundwater Agreement
Branched Broomrape Community Focus Group
Catchment Management Subsidy Scheme Advisory Committee
Clare Valley Water Resources Planning Committee
Deer Advisory Committee
Environment Management Advisory Group
Exotic Animals Advisory Committee
Exotic Bird Advisory Committee
Millicent Water Conservation Drainage Advisory Committee
Native Vegetation Council
Pastoral Board
SA Dryland Salinity Committee
SA Landcare Committee
South East Confined Aquifer
South Eastern Water Conservation & Drainage Board
Upper South East Program Board
Water Proofing Adelaide
Water Resource Council
Water Well Drilling Committee
8 Mile Creek Water Conservation & Drainage Advisory Committee

Catchment Water Management Boards

Arid Areas Catchment Water Management Board
Eyre Peninsula Catchment Water Management Board
Northern Adelaide & Barossa Catchment Water Management Board
Onkaparinga Catchment Water Management Board
Patawalonga Catchment Water Management Board
River Murray Catchment Water Management Board
South East Catchment Water Management Board
Torrens Catchment Water Management Board

Natural Resources Management (NRM)

Natural Resources Management Council
Adelaide and Mount Lofty Ranges NRM Board
Alinytjara Wilurara NRM Board
Eyre Peninsula NRM Board
Kangaroo Island NRM Board
Northern and Yorke NRM Board
SA Arid Lands NRM Board
SA Murray Darling Basin NRM Board
South East NRM Board

Centre for Natural Resources Management Investment Advisory Board
Mt Lofty Ranges & Greater Adelaide Interim Integrated NRM Management Group -
Indigenous Communities Focus Group
Mt Lofty Ranges & Greater Adelaide Interim Integrated NRM Group

Dog Fence

Dog Fence Board
Central Local Dog Fence Board
Fowlers Bay Dog Fence Board
Frome Dog Fence Board
Marree Local Dog Fence Board
Penong Local Dog Fence Board
Pureba Local Dog Fence Board

Soil Conservation

Soil Conservation Council
Soil Conservation Appeal Tribunal
Soil Conservation Board - Central Eyre Peninsula
Soil Conservation Board - Central Flinders Ranges
Soil Conservation Board - Central Hills
Soil Conservation Board - Coorong District
Soil Conservation Board - Eastern Districts
Soil Conservation Board - Eastern Eyre Peninsula
Soil Conservation Board - 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 District
Soil Conservation Board - Lower South East
Soil Conservation Board - Marla/Oodnadatta
Soil Conservation Board - Marree
Soil Conservation Board - Mount Remarkable
Soil Conservation Board - Murray Mallee District
Soil Conservation Board - Murray Plains
Soil Conservation Board - North East Pastoral
Soil Conservation Board - Northern Flinders Ranges
Soil Conservation Board - Northern Hills
Soil Conservation Board - Southern Hills
Soil Conservation Board - West Broughton
Soil Conservation Board - Western Eyre Peninsula
Soil Conservation Board - Yorke Peninsula District

Appendix I – Regional Impact Assessment Statements

During 2004-05, the Department completed one Regional Impact Assessment Statement namely:

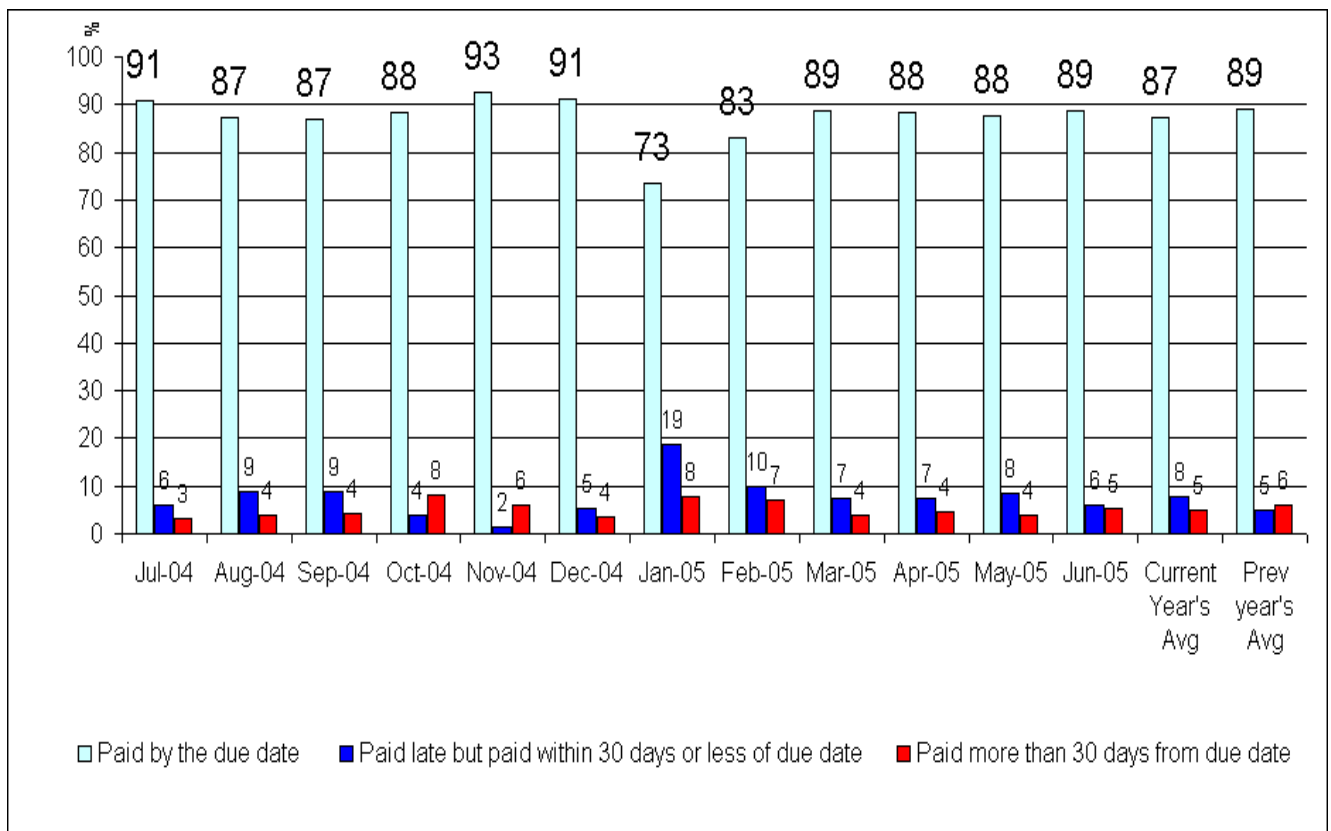
- River Murray Salinity Zoning (January 2005)

Appendix J - Accounts Payment Performance

Accounts Payment Performance

The Department's accounts payable processing functions and accounting support are managed by DAIS. The payment of accounts has been around or above the target of 90% being processed by the due date except for January 2005 where delays in processing around Christmas resulted in lower performance.

The monthly data is set out in the following chart.



Appendix K – Audit Report



**Auditor-General's
Department**

Our Ref: A05/093

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

21 September 2005

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

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

E-mail: admin@audit.sa.gov.au
Web: <http://www.audit.sa.gov.au>

ABN: 53 327 061 410

Dear Mr Freeman

2004-05 Audit

The audit of the Department of Water, Land and Biodiversity Conservation for the year ended 30 June 2005 has been completed.

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

- corporate governance and risk management
- fixed assets
- water licensing transactions
- expenditure including payroll
- grants
- computer environment

Matters arising from the audit were reported to you throughout the year and satisfactory responses were received. The matters reported, together with action proposed by the Department, will be subject to follow up by Audit in 2005-06.

The financial report of the Department of Water, Land and Biodiversity Conservation for the year ended 30 June 2005 is returned herewith together with my unqualified Independent Audit Report.

Yours sincerely

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 2005. The financial report comprises:

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

The Chief Executive and the 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, the results of its operations and its cash flows.

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

AUDIT OPINION

In my opinion 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 2005, the results of its operations and its cash flows for the year then ended.

21 September 2005

**K I MacPHERSON
AUDITOR-GENERAL**

Appendix L – Financial Information

Statement of Financial Performance for the year ended 30 June 2005

		2005	2004
	Note	\$'000	\$'000
EXPENSES FROM ORDINARY ACTIVITIES:			
Employee expenses	5(a)	34 862	30 726
Supplies and services	6	48 168	31 288
Depreciation	7	2 100	1 846
Grants and subsidies	8	41 992	32 047
Net loss on disposal of non-current assets	14	-	368
Other expenses	9	3 499	(40)
Total Expenses from Ordinary Activities		130 621	96 235
REVENUES FROM ORDINARY ACTIVITIES:			
Fees and charges	12	12 099	9 256
Interest	13	1 228	335
Grant revenue	15	23 186	15 863
Net revenue resulting from a correction of an error	16	414	675
Net gain on disposal of non-current assets	14	23	-
Other revenue	17	1 430	3 336
Total Revenues from Ordinary Activities		38 380	29 465
NET COST OF SERVICES FROM ORDINARY ACTIVITIES		(92 241)	(66 770)
REVENUES FROM SA GOVERNMENT	11	85 438	61 858
NET RESULT BEFORE RESTRUCTURING		(6 803)	(4 912)
Increase (Decrease) in Net Assets due to Administrative Restructure:			
Transfers from the Department of Primary Industries and Resources		-	7 273
Transfers to administered items		-	(237)
Net Revenue from Restructure	27	-	7 036
Net Result after Restructure		(6 803)	2 124
Increase in asset revaluation reserve	24	12 050	288
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNER		5 247	2 412

**Statement of Financial Position
as at 30 June 2005**

		2005	2004
	Note	\$'000	\$'000
CURRENT ASSETS:			
Cash on hand and deposits	2(k), 18	14 886	17 109
Receivables	19	5 408	4 798
Inventory	2(f)	885	529
Other assets		-	50
Total Current Assets		21 179	22 486
NON-CURRENT ASSETS:			
Property, plant and equipment	20	58 602	50 928
Total Non-Current Assets		58 602	50 928
Total Assets		79 781	73 414
CURRENT LIABILITIES:			
Payables	21	3 668	5 268
Employee benefits	22	2 911	2 163
Provisions	23	141	79
Total Current Liabilities		6 720	7 510
NON-CURRENT LIABILITIES:			
Payables	21	952	716
Employee benefits	22	6 637	5 165
Provisions	23	388	186
Total Non-Current Liabilities		7 977	6 067
Total Liabilities		14 697	13 577
NET ASSETS		65 084	59 837
EQUITY:			
Contributed capital	24	7 107	7 107
Accumulated surplus	24	43 157	49 960
Asset revaluation reserve	24	14 820	2 770
TOTAL EQUITY		65 084	59 837
Commitments for Expenditure	26		
Contingent Assets and Liabilities	28		

**Statement of Cash Flows
for the year ended 30 June 2005**

		2005	2004
		Inflows	Inflows
		(Outflows)	(Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH OUTFLOWS:	Note	\$'000	\$'000
Employee payments		(32 378)	(29 552)
Supplies and services		(49 837)	(30 034)
Grants and subsidies		(41 992)	(32 047)
Cash reduction resulting from a correction of an error	16	-	(769)
GST payments on purchases		(9 422)	(6 825)
GST remitted to the ATO		(8)	(67)
Total Outflows from Operating Activities		(133 637)	(99 294)
CASH INFLOWS:			
Fees and charges		11 598	8 648
Grant receipts		23 186	15 863
Interest received		1 174	320
Other receipts		1 430	3 336
GST receipts on sales		2 224	1 802
GST receipts from the ATO		7 107	4 054
Total Inflows from Operating Activities		46 719	34 023
Receipts from SA Government		85 438	61 858
Total Cash Flows from SA Government		85 438	61 858
Net Cash Outflows from Operating Activities	29	(1 480)	(3 413)
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH OUTFLOWS:			
Purchase of property, plant and equipment		(945)	(2 907)
Total Outflows from Investing Activities		(945)	(2 907)
CASH INFLOWS:			
Proceeds from sale of property, plant and equipment		202	434
Total Inflows from Investing Activities		202	434
Net Cash Outflows from Investing Activities		(743)	(2 473)
CASH FLOWS FROM FINANCING ACTIVITIES:			
CASH INFLOWS:			
Capital contributions from Government		-	7 107
Proceeds from restructuring activities		-	7 036
Net Cash Inflows from Financing Activities		-	14 143
NET (DECREASE) INCREASE IN CASH HELD		(2 223)	8 257
CASH AT 1 JULY		17 109	8 852
CASH AT 30 JUNE	18, 25	14 886	17 109

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Objectives of the Department of Water, Land and Biodiversity Conservation

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

To achieve the Department objective, it contributes to the following outcomes:

- (a) Integrated natural resource management that covers all of South Australia's natural resource elements.
- (b) Improved health and productivity of South Australia's biodiversity, water, land and marine resources.
- (c) Community, industry, governments and other stakeholders working together to achieve high quality natural resource management outcomes.
- (d) A greater capability and willingness to invest in natural resource management to provide a sustained funding base.
- (e) Wise resource allocation that provides for the best environmental, social and economic outcomes.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial report is a general purpose financial report that has been prepared in accordance with the applicable Australian Accounting Standards, other mandatory professional reporting requirements in Australia, the Treasurer's Instructions and Accounting Policy Statements issued pursuant to the *Public Finance and Audit Act 1987*. The accounts are prepared on the accrual basis of accounting using historical cost accounting, except for certain classes 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 2004 to 30 June 2005. The Statement of Financial Position and the Schedules of Administered items report financial activity for the 12 months ending 30 June 2005.

(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 (DTF).

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 Schedules of Administered Items.

(c) Income Recognition

All revenues are recognised when the Department obtains control over them. 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 Schedules 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 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 Gauging 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 fair value, where the fair value is generally determined by its written-down current cost. Land is brought to account at market value.

Assets Recognised for the First Time and Asset Revaluations

- *Patawalonga Seawater Circulation & Barcoo*

Patawalonga Seawater Circulation & Barcoo were independently valued by Currie and Brown (Australia) Pty Ltd as at 1 January 2005. Refer to Note 20.

- *Salinity Disposal Schemes*

The Noora Drainage Disposal Scheme was independently valued by Currie and Brown (Australia) Pty Ltd as at 30 June 2005. 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 Department personnel and this resulted in no change to the assets fair value.
- *Land and Buildings*
Land and Buildings were 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 was undertaken as at 30 June 2003 and as at 30 June 2004. These assets were valued internally using technically qualified Department personnel. Groundwater Monitoring Wells constructed since 1994 were included within the revaluation and were recognised for the first time in 2003-04. Some Groundwater Monitoring Wells were recognised for the first time in 2004-05 Refer to Note 16.
- *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. Some Plant and Equipment were recognised for the first time in 2004-05. Refer to Note 16.

Assets Not Recognised

- *Murray Darling Basin Commission (MDBC)*
Under the *Murray Darling Basin Act 1993*, the MDBC controls the assets in the Murray Darling Basin including assets in South Australia such as 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 operations of the Commission.

These assets are recognised in the MDBC financial statements.

The jurisdictions involved in the MDBC have not yet agreed on the accounting treatment or the appropriate amount of each jurisdictions interest in the assets constructed under the various Murray-Darling Basin Agreements. Further consultation is pending in order to resolve these matters.

- *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.

During 2004-05 the majority of Government Irrigation Districts in the area were converted to Private Irrigation Districts. All of the associated infrastructure, other than the levee banks, has been transferred to the Private Irrigation Districts.

The transfer of two districts, Myolonga and Burdett, were not finalised by 30 June 2005. One other district, Mobilong, is effectively owned by SA Water and negotiations are continuing over the status of this district.

- *Upper South East Drainage Scheme*
The Department receives funding under the National Action Plan for Salinity and Water Quality to construct drainage assets for the Upper South Eastern Region of South Australia. On completion these assets are managed and maintained by the South Eastern Water Conservation and Drainage Board.

The future economic benefits that will be derived from these assets are expected to be received by the South Eastern Water Conservation and Drainage Board and not the Department. As a consequence the amounts expended on these assets are recognised in the Department's Statement of Financial Performance in the form of employee expenditures, operating costs and grant payments and are not capitalised.

- **Salt Interception Schemes**

The Department receives funding from the National Action Plan for Salinity and Water Quality and the Murray Darling Basin Commission to construct salt interception assets for the Bookpurnong and Loxton Schemes. Upon their completion these assets are to be managed and maintained by the Murray Darling Basin Commission.

The future economic benefits that will be derived from these assets are expected to be received by the Murray Darling Basin Commission and not the Department. As a consequence the amounts expended on these assets are recognised in the Department's Statement of Financial Performance in the form of employee expenditures, operating costs and grant payments and are not capitalised.

(e) Depreciation of Property, Plant and Equipment

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 their service potential. No depreciation is applied to capital work in progress.

The useful lives of all major property, plant and equipment assets held by the Department are reassessed on an annual basis.

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

	Years
Buildings	40-60
Groundwater Monitoring Wells	30
Patawalonga Seawater Circulation and Barcoo	10-97
Hydrometric Gauging Stations	4-95
Waste Disposal Stations	50
Salinity Disposal Schemes	40
Plant and equipment	3-30

Arising from its annual review of useful lives, the Department reassessed the useful life of the Barcoo Outlet, which is reflected within the asset class 'Patawalonga Seawater circulation and Barcoo'. The reassessment of the useful life of this asset was effected on 1 January 2005 and resulted in a change from 25-50 years to 10-97 years.

The effect of the change upon the reporting period during 2004-05 was to decrease the depreciation charge from \$577 000 to \$464 000. The impact of this change in terms of future periods will be to reflect a correspondingly lower depreciation charge in subsequent years. In addition, the written down value of the relevant asset class has been reassessed and this is further commented on in Note 20. The impact of this revaluation was to recognise an expense to the Statement of Financial Performance of \$3.5 million for the 2004-05 financial year, reflecting the revaluation decrement not otherwise adjusted against the Asset Revaluation Reserve.

(f) Inventories

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

(g) Payables

Payables include creditors, accrued expenses and employee on-costs. All amounts are measured at their nominal amount and are normally settled within 30 days in accordance with Treasurers Instruction 8 'Expenditure for Supply Operations and Other Goods and Services' following the receipt of a valid invoice.

Creditors and accrued expenses represent amounts owing for goods and services received prior to the end of the reporting period that were unpaid at the end of the reporting period.

(h) 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) Salary and Wages

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

(iii) Annual Leave

The liability for annual leave reflects the value of total annual leave entitlements of all employees as at the reporting date using the remuneration rate expected to apply at the time of settlement. The estimated rate of inflation is 4 percent.

- (iv) **Long Service Leave**
The 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 assessment by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector. The liability is measured as the amount unpaid at the reporting date.
- (v) **Employee Benefit On-Costs**
Related on-costs of payroll tax and superannuation are recorded under the item payables for any salaries and wages, annual leave and long service leave accrued at the end of the year.
- (vi) **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 \$3 217 000 (\$2 540 000) for the 2004-05 financial year.
- (vii) **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. The provision is based on an actuarial assessment performed for the Public Sector Occupational Health and Injury Management Branch of the Department for Administrative and Information Services.

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. This report conforms to the WorkCover Guidelines for Actuaries, Australian Accounting Standard AAS 26 '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.

- (i) **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 26 for further details.

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

The Department has not entered into any finance leases.

- (j) **Receivables**
Receivables arise in the normal course of the selling of goods and services to other agencies and to the public. Receivables are payable within 30 days after the issue of an invoice or the goods/services have been provided.

The provision for doubtful debts has been calculated based on a specific assessment of the recoverability of certain receivables and a percentage of all other receivables not specifically assessed.

- (k) **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 \$301 000 (\$123 000) in accrual appropriation and its use is restricted by conditions established by the Treasurer. Refer to Note 18 and 30.

- (l) **Taxation**
The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax, goods and services tax, emergency services levy, land tax equivalents and local government rate equivalents.

In accordance with the requirements of UIG Abstract 31 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as a part of the cost of acquisition of the asset, or as part of the expense item.

The net amount of GST recoverable from the ATO is included as a current asset in the Statement of Financial Position.

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

(m) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

(n) Rounding

All amounts are rounded to the nearest thousand dollars (\$'000).

3. Changes in Accounting Policies

(a) Administered Items

In accordance with the Department of Treasury and Finance's model financial report the Department has prepared separate administered schedules and notes as it is considered that administered transactions and balances are significant in relation to the Department's overall financial performance and position.

(b) Government/Non-Government Disclosures

In accordance with APS 13 'Form and Content of General Purpose Financial Reports', the Department has included details of revenue, expenditure, assets and liabilities according to whether the transactions are with entities internal or external to the SA Government in a note to the accounts.

(c) Impact of Adopting Equivalents to International Financial Reporting Standards

Australia will be adopting Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods commencing on or after 1 January 2005. The Department will adopt these standards for the first time in the published financial report for the year ended 30 June 2006.

Managing the Process

In accordance with Treasurer's Instruction 19 Financial Accounting, the Department's Chief Executive is responsible for ensuring that the annual financial statements comply with Generally Accepted Accounting Principles (GAAP). The Department has analysed the standards and exposure drafts issued by the AASB and has identified a number of impacts on accounting policies, reporting requirements and process changes. The Department is developing a plan to manage the transition to the new standards.

For the financial year ending 30 June 2006 the Department will be using the Model Financial Report incorporating AIFRS reporting requirements for SA Government entities developed by the Department of Treasury and Finance. The Department also keeps abreast of changes in Accounting Standards, Treasurer's Instructions and Accounting Policy Statements by attending exposure draft reference group meetings and information forums organised by the Department of Treasury and Finance and professional accounting bodies.

Expected Differences in Accounting Policies

Changes in Accounting Policy

A major change is the treatment of accounting policy changes under IFRS. These will now apply retrospectively except for specific exemptions in accordance with AASB 1 *First-Time Adoption of Australian Equivalents to IFRS*.

The Department has recognised net revenue resulting from a correction of an error of \$414 000 for Property, Plant and Equipment recognised for the first time within its Statement of Financial Performance for the financial year ended 30 June 2005. These assets will be recognised as Property, Plant and Equipment assets held at the date of initial adoption of AIFRS. As a result the net result under AIFRS will be \$414 000 less than the result reported within these financial statements.

Non-Current Asset Acquisition and Recognition

AASB 5 *Non-current Assets Held for Sale* requires the separate disclosure of assets that are to be sold within the next 12 months as current assets. They are to be measured at the lower of carrying amount and fair value less cost to sell. Further these assets are not to be depreciated. The Department does not have any significant property holdings that will be sold within the next 12 months however it does own a few small holdings that will be sold. These will be disclosed separately under AIFRS and there will be a difference between the net result in the Statement of Financial Performance and that reported under AIFRS to the extent of the depreciation on those assets during the financial year ended 30 June 2005. The level of depreciation is not considered material.

Impairment of Assets

AASB 136 *Impairment of Assets* requires the Department establish asset impairment indicators. On an annual basis the Department will be required to determine whether there is an indication or evidence that an asset or group of assets are impaired based on the impairment indicators. There have not been any assets held by the Department that have been identified as being impaired.

Intangible Assets

In accordance with AASB 138 *Intangible Assets*, the Department will no longer capitalise research costs in relation to research and development projects as this is prohibited by the Standard.

The Department currently recognises internally developed software on a fair value basis. The Standard requires recognition at original cost or fair value where the software is traded in an active market. The original cost information is available for software which has been specifically developed for the Department and as there is no active market for this software it will continue to be recognised at its original cost, which has been deemed as fair value.

The Department has recognised \$3 520 000 in Property, Plant and Equipment that relates to software which was specifically developed for the use of the Department. This amount will be reclassified from Property, Plant and Equipment to Intangible Assets under AIFRS.

The carrying value of the intangible assets carried by the Department will be assessed annually in accordance with AASB 138 *Intangible Assets*.

Employee Benefits

Employee benefits payable later than 12 months from year-end will be measured at present value rather than at nominal amounts. The Department has recognised annual leave provisions at nominal value in its Statement of Financial Position for the year ended 30 June 2005. To the extent that this leave is not taken within 12 months from year end it will be recognised at present value under AIFRS. The adjustment to the carrying value of annual leave provisions is not expected to be material.

4. Programs of the Department

In achieving its objective the Department provides a range of services within one program, Natural Resources Management. The program is described as the management of natural resources in South Australia, including the provision of advice and regulatory support for Government and community; and facilitating the allocation and sustainable use of natural resources.

5. Employee Expenses

	2005	2004
	\$'000	\$'000
(a) Employee Expenses		
Wages and salaries	26 478	23 040
Superannuation	3 217	2 540
Annual leave	2 411	1 919
Targeted Voluntary Separation Packages	-	1 572
Long service leave	1 951	1 105
Workers Compensation	632	390
Board fees	173	160
Total Employee Expenses	34 862	30 726

(b) Targeted Voluntary Separation Packages

TVSPs paid to employees during the reporting period	-	1 572
Recovery from the Department of the Premier and Cabinet	-	1 572
Annual leave and long service leave paid to employees receiving TVSPs	-	579

Number of employees that were paid TVSPs during the reporting period were nil (16)

(c) Remuneration of Employees

	2005	2004
	Number of	Number of
	Employees	Employees
The number of employees whose remuneration received or receivable falls within the following bands:		
\$100 000 - \$109 999	1	6
\$110 000 - \$119 999	6	3
\$120 000 - \$129 999	2	5
\$130 000 - \$139 999	-	2
\$140 000 - \$149 999	5	-
\$150 000 - \$159 999	2	2
\$160 000 - \$169 999	1	2
\$170 000 - \$179 999	1	-
\$180 000 - \$189 999	1	-
\$250 000 - \$259 999	1	1
Total Number of Employees	20	21

The table includes all employees whom received remuneration of \$100 000 or more during the year.

The total remuneration received or receivable by these employees for the year was \$2 859 000 (\$2 757 000).

(d) Average Number of Employees during the Reporting Period

On average, the Department employed 488 (449) staff throughout the reporting period.

6. Supplies and Services

	SA Govt	Non-SA Govt	2005	2004
			\$'000	\$'000
Supplies and service expenses for the reporting period comprised of:				
Contractors	8 279	22 576	30 855	16 872
Service level agreement	2 969	26	2 995	1 570
Accommodation	1 908	576	2 484	2 042
Vehicles	1 678	325	2 003	1 737
Computing	669	1 050	1 719	1 352
Travel and accommodation	79	1 137	1 216	1 102
Printing, publishing and stationery	83	716	799	723
Telephones	352	232	584	646

Chemical analysis	84	791	875	592
Minor plant and equipment purchases	42	1 103	1 145	588
Maps, photographs and plans	103	68	171	566
Consultancies	-	227	227	504
Materials and consumables	14	591	605	682
Equipment repairs and maintenance	3	300	303	348
Advertising, exhibition and promotion	-	331	331	382
Legal fees	203	68	271	248
Audit remuneration	212	-	212	140
Other supplies and services	268	1 105	1 373	1 194
Total Supplies and Services	16 946	31 222	48 168	31 288

The number and dollar amount of consultancies paid/payable that fell within the following bands:	2005	2005	2004
	Number	\$'000	\$'000
Below \$10 000	-	-	94
Between \$10 000 and \$50 000	2	63	291
Above \$50 000	2	164	119
Total Paid/Payable to the Consultants Engaged	4	227	504

7. Depreciation

Patawalonga Seawater Circulation and Barcoo		464	577
Groundwater monitoring wells		544	470
Plant and equipment		747	448
Salinity disposal schemes		143	140
Hydrometric gauging stations		80	94
Waste disposal stations		63	63
Buildings		59	54
Total Depreciation		2 100	1 846

8. Grants and Subsidies

Non-SA Government Entities:		2005	2004
		\$'000	\$'000
Transfer to Murray Darling Basin commission		20 359	19 521
Red imported fire ants		1 300	-
Soil Conservation Boards		395	213
Lower Murray reclaimed irrigation areas		2 664	298
Great Artesian Basin bores*		-	804
City of Pt Augusta environmental flows		-	300
CSIRO land and water		108	109
River Murray Catchment Water Management Board - Various		-	201
Agriculture, Fisheries, Forestry Australia (AFFA)		320	154
Lake Eyre Basin - Environment Australia		125	-
CRC for plant based management		100	100
Upgrade of River Murray Waste disposal - Mid Murray Council		183	-
Other grants		1 216	669
Total Grants and Subsidies - Non-SA Government Entities		26 770	22 369

SA Government Entities:

Animal and plant control commission		3 321	3 313
GH Mitchell trade waste subsidy		1 755	1 712
Catchment Management subsidy scheme		3 700	2 712
River Murray improvement program - SA Government agencies		3 162	-
Loxton irrigation - Trust subsidy		1 122	298
Natural resources management transition and board support		850	-
Dog fence board		413	400
Regional flood mitigation program		144	135
Dingo control fund		18	17
Other grants		862	1 091
Total Grants and Subsidies - SA Government Entities		15 222	9 678
Total Grants and Subsidies		41 992	32 047

* This grant was provided by way of work undertaken for the project, ie contribution of assets.

9. Other Expenses

Non-SA Government Entities		2005	2004
		\$'000	\$'000
Bad and doubtful debts		43	(40)
Revaluation decrement		3 456	-
Total Other Expenses		3 499	(40)

10. Auditors' Remuneration

Audit fees paid or payable to the Auditor-General's Department		212	140
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Total Audit Fees	212	140
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Other Services

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

11. Revenues from SA Government		
Appropriation from consolidated account pursuant to the <i>Public Finance and Audit Act 1987</i>	85 438	61 831
Appropriation under other Acts	-	27
Total Revenues from SA Government	85 438	61 858

The revenues from SA Government include \$17 641 000 which was paid into the save the River Murray Fund, from the proceeds of the Save the River Murray levy which was introduced in the second quarter of the 2003-04 financial year. The Save the River Murray Fund was established under section 100 of the *Waterworks Act 1932* and monies credited to the Fund may only be applied to purposes set out in the *Waterworks Act 1932*. Of the total monies received for the Fund of \$17 641 000 the total monies applied from the fund were \$10 719 000. A specific purpose financial report is prepared for the Fund.

12. Fees and Charges	2005	2004
SA Government Entities	\$'000	\$'000
Sale of goods and services	3 150	2 728
Fees, levies and licences	65	229
Pastoral rents	-	-
Other fees and charges	57	16
Total Fees and Charges - SA Government Entities	3 272	2 973
Non-SA Government Entities		
Sale of goods and services	6 103	3 626
Fees, levies and licences	1 854	1 838
Pastoral rents	868	786
Other fees and charges	2	33
Total Fees and Charges - SA Government Entities	8 827	6 283
Total Fees and Charges	12 099	9 256

13. Interest		
Interest from entities within the SA Government	1 226	334
Other interest	2	1
Total Interest Revenue	1 228	335

14. Net Gain/Loss from Disposal of Assets		
Groundwater Monitoring Wells:		
Proceeds from disposal	-	-
Net book value of assets disposed	14	300
Net (Loss) from Disposal of Groundwater Monitoring Wells	(14)	(300)
Hydrometric Gauging Stations:		
Proceeds from disposal	-	-
Net book value of assets disposed	-	440
Net (Loss) from Disposal of Hydrometric Gauging Stations	-	(440)
Plant and Equipment:		
Proceeds from disposal	37	434
Net book value of assets disposed	-	62
Net Gain (Loss) from Disposal of Plant and Equipment	37	372
Land and Buildings:		
Proceeds from disposal	165	-
Net book value of assets disposed	165	-
Net Gain (Loss) from Disposal of Land and Buildings	-	-
Total Assets:		
Total proceeds from disposal	202	434
Total value of assets disposed	179	802
Total Gain (Loss) from Disposal of Assets	23	(368)

15. Grant Revenue		
(a) Grant Revenue Received Directly from the Commonwealth		
Branched Broomrape Eradication Program	-	1 015
Loxton District Irrigation Rehabilitation	1 025	-
Flora Search	150	83
Great Artesian Basin Sustainability Initiative - Phase 2	100	365

Regional Flood Mitigation Program (Department of Transport and Regional Services)	321	308
Land and Water Australia - Tri State Salinity	170	401
Land and Water Australia - Scattered Trees	55	10
Miscellaneous Grants	145	137
Total Grant Revenue Received Directly from the Government	1 966	2 319

(b) Grant Revenue Received Directly from SA Government

Western Mount Lofty Ranges	900	-
Red imported Fire Ants	342	-
South East Conversion to Volumetric	240	-
Easter Mount Lofty Ranges Prescription	193	100
River Murray Policy Information and Infrastructure	165	-
Great Artesian Basin Sustainability Initiative - Phase 2	100	-
Water Use Efficiency Murray Darling Basin	-	131
Department for Environment and Heritage	-	150
South East Water Conservation and Drainage Board	-	40
Mount Lofty Ranges Water Use Efficiency Assessment	97	55
Storm Water Catchment Management Subsidy Scheme	-	18
Arid Areas Catchment Water Management Board	-	26
River Murray Catchment Water Management Board	45	-
Department for Environment and Heritage	120	-
Other Grants	232	128
Total Grant Revenue Received Directly from SA Government	2 434	648

(c) Grant Revenues - NAP

Grant Revenue State NAP Unmatched

National Action Plan - Administration Contribution	651	650
National Action Plan - Regional Liaison Officers Annual Payment	300	280
Reimbursement to DEH	-	200
CRC Drylands Salinity	100	200
Other NAP	150	150
Total Grant Revenue State NAP Unmatched	1 201	1 480

Grant Revenue NAP via INRM Groups

Lower Murray Irrigation Rehabilitation - (INRM Group for the SA Murray Darling Basin)	1 137	965
Salinity Response Team (INRM Group for the SA Murray Darling Basin)	460	-
Policy Integrated Management (INRM Group for the SA Murray Darling Basin)	230	236
Policy Framework - Accountability (INRM Group for the SA Murray Darling Basin)	160	-
Accounting for Salinity (INRM Group for the SA Murray Darling Basin)	125	-
Floodplain Planning - Pike Murtho (INRM Group for the SA Murray Darling Basin)	120	-
Chowilla Hydrodynamic Model (INRM Group for the SA Murray Darling Basin)	100	-
Regional Disposal Strategy (INRM Group for the SA Murray Darling Basin)	-	89
SIS Lock 4 Bookpurnong (INRM Group for the SA Murray Darling Basin)	-	898
SIS Loxton (INRM Group for the SA Murray Darling Basin)	-	405
SWA - Fleurieu Assessment (MLR and Greater Adelaide INRM Group)	280	-
NAP Water Proofing Adelaide Investigations (MLR and Greater Adelaide INRM Group)	165	26
INRM Group for the SA Murray Darling Basin - Other	62	1 012
Total Grant Revenue NAP via INRM Groups	2 839	3 631

Joint Commonwealth and State Funding

Upper South East Program	5 831	-
Lower Murray Reclaimed Irrigation Areas	2 725	-
SIS Lock 4 Bookpurnong (Regional Investment Strategy)	1 000	2 050
SIS Loxton (Regional Investment Strategy)	125	250
SIS Pike/Munro	550	225
SIS Murtho	615	200
SIS Chowilla	500	-
SIS Wooldunda Cadell/Salinity Management	110	30
SIS Regional Disposal Strategy	120	40
SIS Other	35	-
Salinity Response Team	-	230
National Action Plan - Chowilla	-	200
Salt Mapping	-	100
Other NAP	14	25
Total Grant Revenue Received NAP Joint Commonwealth and State Funding	11 625	3 350
Total NAP Grant Revenue	15 665	8 461

(d) Grant Revenue NHT		
Natural Heritage Trust - Regional Liaison Officers Annual Payment	510	680
Regional NRM Condition Monitoring Review	125	-
Administration of National Landcare Community Support	120	-
Administration grant for completion of NHT 1	65	-
Total Grant Revenue Received from NHT	820	680
(e) Grant Revenue Received from Other Entities		
Loxton District Irrigation Rehabilitation - Growers	741	2 060
Branched Broomrape Eradication Program (Other State Governments)	863	842
Land Use Impact on Quality and Quantity (SE Natural Resource Consultative Committee)	112	-
Great Artesian Basin (Western Mining)	-	400
Padthaway: Salt Accession Investigation (SENRCC)	102	255
Upper South East Salinity Accession (Centre for Natural Resource Management)	144	-
Sundry grants and contribution	339	198
Total Grant Revenue Received from Other Entities	2 301	3 755
Total Grant Revenue	23 186	15 863

16. Net Revenue Resulting from a Correction of an Error

(a) Net Revenue Resulting from a Correction of an Error		
<i>(i) Assets Recognised for the First Time</i>		
Groundwater monitoring wells	268	1 348
Land	-	43
Plant and equipment	146	-
Buildings	-	53
Total Assets Recognised for the First Time	414	1 444
<i>(ii) Correction of Opening Cash Balance</i>		
Adjustment to cash balance transferred from the Department of Primary Industries and Resources	-	(769)
Total Net Revenue Resulting from a Correction of an Error	414	675

During 2001-02 the functions of the Sustainable Resources Group conducted within the Department of Primary Industries and Resources (PIRSA) were transferred to the Department. Since the transfer the Department had used the PIRSA general ledger to record the activities of those functions transferred to the Department. In 2003-04 the assets and liabilities relating to the functions transferred were moved from the PIRSA general ledger and the cash which had been held by PIRSA was paid into the Department's deposit account. The completion of the cash transfer revealed an overstatement in cash in prior periods by \$769 000. An equivalent amount was recognised as a reduction in 'Net Revenue Resulting from a Correction of an Error', within the Department's Statement of Financial Performance in 2003-04.

17. Other Revenue	2005	2004
	\$'000	\$'000
TVSPs recouped	-	1 572
Operating expenses recouped	403	847
Wages and salaries recouped	301	493
Other revenue	726	424
Total Other Revenue	1 430	3 336

18. Cash		
Deposits with the Treasurer	14 841	17 064
Deposits at call	38	38
Other	7	7
Total Cash	14 886	17 109

Deposits with the Treasurer

Includes Accrual Appropriation Account and Surplus Cash Working Account balances. The level of cash held by the Department has not been adjusted as a result of the implementation of the SA Government cash alignment policy.

19. Receivables	SA Govt	Non-SA Govt	2005	2004
Current:	\$'000	\$'000	\$'000	\$'000
Receivables	1 227	2 412	3 639	3 152
Less: Provision for doubtful debts	-	241	241	210
Accrued interest	70	-	70	17
Workers compensation recoveries	-	24	24	22
GST receivable	-	1 916	1 916	1 817
Total Current Receivables	1 297	4 111	5 408	4 798

20. Property, Plant and Equipment

	2005			
	Cost \$'000	Valuation \$'000	Accumulated Depreciation \$'000	Written Down Value \$'000
Land and buildings	-	3 137	119	3 018
Groundwater monitoring wells	-	4 439	534	3 905
Hydrometric gauging stations	157	3 972	1 129	3 000
Waste disposal stations	-	1 383	126	1 257
Patawalonga seawater circulation and Barcoo	-	20 545	175	20 370
Plant and equipment	8 214	687	4 085	4 816
Salinity disposal schemes	-	20 031	3	20 028
Work in progress	2 208	-	-	2 208
	10 579	54 194	6 171	58 602

	2004			
	Cost \$'000	Valuation \$'000	Accumulated Depreciation \$'000	Written Down Value \$'000
Land and buildings	311	2 996	64	3 243
Groundwater monitoring wells	-	4 194	-	4 194
Hydrometric gauging stations	157	3 972	1 049	3 080
Waste disposal stations	-	1 383	63	1 320
Patawalonga seawater circulation and Barcoo	16 184	9 420	1 314	24 290
Plant and equipment	4 189	687	3 339	1 537
Salinity disposal schemes	8 400	-	281	8 119
Work in progress	5 145	-	-	5 145
	34 386	22 652	6 110	50 928

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

(b) *Property, Plant and Equipment*

<i>Movement Schedule</i>	Land and	Groundwater	Hydrometric	Waste	Patawalonga
	Buildings	Monitoring	Gauging	Disposal	Seawater
	\$'000	Wells	Stations	Stations	Circulation
		\$'000	\$'000	\$'000	\$'000
Gross Carrying Value:					
Balance as at 1 July 2004	3 307	4 194	4 129	1 383	25 604
Additions	-	268	-	-	-
Adjustments	-	-	-	-	-
Disposals	(170)	(23)	-	-	-
Net revaluation increments (decrements)	-	-	-	-	(5 059)
Balance as at 30 June 2005	3 137	4 439	4 129	1 383	20 545

Accumulated Depreciation:	Land and	Groundwater	Hydrometric	Waste	Patawalonga
	Buildings	Monitoring	Gauging	Disposal	Seawater
	\$'000	Wells	Station	Stations	Circulation
		\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2004	(64)	-	(1 049)	(63)	(1 314)
Disposals	4	10	-	-	-
Net revaluation increments (decrements)	-	-	-	-	1 603
Depreciation expense	(59)	(544)	(80)	(63)	(464)
Balance as at 30 June 2005	(119)	(534)	(1 129)	(126)	(175)
Net Book Value:					
As at 30 June 2005	3 018	3 905	3 000	1 257	20 370

Gross Carrying Value:	Plant and	Salinity	Work in	2005
	Equipment	Disposal	Progress	Total
	\$'000	Schemes	\$'000	\$'000
		\$'000	\$'000	
Balance as at 1 July 2004	4 876	8 400	5 145	57 038
Additions	4 026	-	583	4 877
Adjustments	-	-	-	-
Disposals	-	-	(3 520)	(3 713)
Net revaluation increments (decrements)	-	11 631	-	6 572
Balance as at 30 June 2005	8 902	20 031	2 208	64 774
Accumulated Depreciation:				
Balance as at 1 July 2004	(3 339)	(281)	-	(6 110)
Disposals	-	-	-	14
Net revaluation increments (decrements)	-	421	-	2 024

Depreciation expense	(747)	(143)	-	(2 099)
Balance as at 30 June 2005	(4 086)	(3)	-	(6 172)
Net Book Value:				
As at 30 June 2005	4 816	20 028	2 208	58 602

21. Payables	SA Govt	Non-SA Govt	2005	2004
Current:			\$'000	\$'000
Creditors	-	14	14	1 488
Accrued expenses	1 487	1 499	2 986	3 082
Employee costs	668	-	668	698
Total Current Payables	2 155	1 513	3 668	5 268
Non-Current:				
Employee costs	952	-	952	716
Total Non-Current Payables	952	-	952	716
Total Payables	3 107	1 513	4 620	5 984

22. Employee Benefits		2005	2004
(a) Provision for Employee Benefits		\$'000	\$'000
Current:			
Annual leave		2 209	1 634
Long service leave		277	215
Accrued salaries and wages		425	314
Total Current Employee Benefits		2 911	2 163
Non-Current:			
Long service leave		6 637	5 165
Total Non-Current Employee Benefits		6 637	5 165
Total Employee Benefits		9 548	7 328

(b) Employee Benefits and Related On-Costs

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 2004 relating to Employee Benefits.

Accrued Salaries and Wages:		2005	2004
		\$'000	\$'000
On-costs included in payables - Current (Note 21)		73	48
Provision for employee benefits - Current (Note 22(a))		352	314
		425	362
Annual Leave:			
On-costs included in payables - Current (Note 21)		398	288
Provision for employee benefits - Current (Note 22(a))		2 209	1 634
		2 607	1 922
Long Service Leave:			
On-costs included in payables - Current (Note 21)		40	30
Provision for employee benefits - Current (Note 22(a))		277	215
		317	245
On-costs included in payables - Non-Current (Note 21)		952	716
Provision for employee benefits - Non-Current (Note 22(a))		6 637	5 165
		7 589	5 881
Aggregate Employee Benefits and Related On-Costs		10 938	8 410

23. Provisions			
Current:			
Provision for workers compensation		141	79
Total Current Provisions		141	79
Non-Current:			
Provision for workers compensation		388	186
Total Non-Current Provisions		388	186
Total Provisions		529	265
Carrying amount at the beginning of the period		265	132
Increase in the provision for workers compensation		264	133
Carrying Amount at the End of the Period		529	265

24. Equity		
Contributed capital	7 107	7 107
Accumulated surplus	43 152	49 960
Asset revaluation reserve	14 820	2 770
Total Equity	65 084	59 837
Contributed Capital:		
Balance at the beginning of the financial year	7 107	-
Contributed capital received	-	7 107
Balance at the End of the Financial Year	7 107	7 107
Accumulated Surplus:		
Balance at the beginning of the financial year	49 960	47 836
Surplus (Deficit) from ordinary activities	(6 803)	(4 912)
Increase in net assets due to administrative restructure	-	7 036
Balance at the End of the Financial Year	43 157	49 960
Asset Revaluation Reserve:		
Balance at the beginning of the financial year	2 770	2 482
Increment in groundwater monitoring wells due to revaluation	-	288
Increment in land and buildings due to revaluation	-	-
Increment in waste disposal stations due to revaluation	-	-
Increment in Salinity Disposal Scheme due to Revaluation	12 050	-
Balance at the End of the Financial Year	14 820	2 770

25. Financial Instruments

The following disclosures have been provided in accordance with the requirements of Australian Accounting Standard AASB 1033 '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

Creditors and accruals are raised for all amounts billed or ordered but unpaid. Creditors are normally settled within 30 days.

(b) Interest Rate Risk

	2005			Weighted Average Effective Interest Rate Percent
<i>Financial Instrument</i>	Floating Interest Rate \$'000	Non- Interest Bearing \$'000	Total Carrying Amount \$'000	
Financial Assets:				
Cash on hand and deposits	14 886	-	14 886	5.2
Receivables	-	5 649	5 649	
	14 886	5 649	20 535	
Financial Liabilities:				
Payables	-	2 999	2 999	
	-	2 999	2 999	
	2004			Weighted Average Effective Interest Rate Percent
<i>Financial Instrument</i>	Floating Interest Rate \$'000	Non- Interest Bearing \$'000	Total Carrying Amount \$'000	
Financial Assets:				
Cash on hand and deposits	17 109	-	17 109	4.8
Receivables	-	5 008	5 008	
	17 109	5 008	22 117	
Financial Liabilities:				
Payables	-	4 570	4 570	
	-	4 570	4 570	

(c) **Net Fair Value**

Financial instruments are valued at the carrying amount as per the Statement of Financial Position which approximates the net 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.

26. Commitments for Expenditure

Operating Lease Commitments

Commitments under non-cancellable operating leases at the reporting date are not recognised as liabilities in the financial report and are payable as follows:

	2005 \$'000	2004 \$'000
Not later than one year	1 398	1 401
Later than one year but not later than five years	3 897	3 527
Later than five years	651	1 372
Total Operating Lease Commitments	5 946	6 300

The Department's operating leases are mainly for 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.

27. Transferred Functions

Transfers from the Department of Primary Industries and Resources

Net Assets Transferred to the Department:

Cash

Net Transfers from the Department of Primary Industries and Resources

Total Net Transfers to the Department

	2005 \$'000	2004 \$'000
	-	7 273
	-	7 273
	-	7 273

During 2002-03 negotiations between the Department of Primary Industries and Resources (PIRSA) and the Department resulted in a cash transfer of \$8 650 000. During 2003-04 further negotiations and budget reviews between PIRSA and the Department with respect to the transfer of the functions of the Sustainable Resources Group into the Department resulted in a cash transfer of \$7 273 000.

Transfers from Restructuring of Administrative Arrangements

During 2003-04 the scope of the Department's controlled and administered activities were reviewed. In line with accepted accounting criteria the Mt Lofty Ranges Catchment Support and the Centre for Natural Resource Management were considered to be administered activities. Consequently, as at 1 July 2003 the following cash assets for the Mt Lofty Ranges Catchment Support were transferred to Administered Items. The Centre for Natural Resource Management did not possess any assets or liabilities to be transferred.

Transfers of the Mt Lofty Ranges Catchment Support to Administered Items

Net Assets Transferred to Administered Items:

Cash

Net Transfers to Administered Items

	2005 \$'000	2004 \$'000
	-	237
	-	237

28. Contingent Assets and Liabilities

The Department is not aware of any contingent assets or liabilities. In addition the Department has made no guarantees.

29. Cash Flow Reconciliation

Reconciliation of Cash - Cash at 30 June 2005 as per:

Statement of Cash Flows

Statement of Financial Position

	2005	2004
	14 886	17 109
	14 886	17 109

Reconciliation of Net Cash Inflows from Operating Activities to Net Cost of Services:

Net cash used in operating activities

Less: Revenue from Government

Add/Less Non-Cash Items:

Depreciation of property, plant and equipment

Gain on disposal of non-current assets

Net revenue resulting from a correction of an error

Revaluation Decrement

Changes in Assets/Liabilities:

Increase in receivables

Increase in inventories

(Decrease) Increase in other assets

Decrease (Increase) in payables

Increase in employee benefits

(Increase) in provisions

Net Cost of Services from Ordinary Activities

	2005	2004
	(1 480)	(3 413)
	(85 438)	(61 858)
	(2 100)	(1 846)
	23	(368)
	414	1 444
	(3 456)	-
	610	1 699
	356	37
	(50)	10
	1 364	(1 625)
	(2 220)	(717)
	(264)	(133)
	(92 241)	(66 770)

30. Restrictions on Contributions Received

The Department received contributions from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2005 \$18 686 000 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.

**Schedule of Administered Revenue and Expenses
for the year ended 30 June 2005**

	Note	2005 \$'000	2004 \$'000
REVENUES FROM ORDINARY ACTIVITIES:			
Revenues from SA Government		17 222	22 005
Fees and charges		8 123	7 360
Grant revenue		36 998	37 357
Other revenue		2 147	1 709
Total Revenues from Ordinary Activities		64 490	68 431
EXPENSES FROM ORDINARY ACTIVITIES:			
Employee expenses		319	359
Supplies and services		780	1 855
Grants and subsidies		54 537	45 868
Net expense resulting from a correction of an error		-	195
Payments to consolidated account		1 217	1 566
Payments to Catchment Water Management Boards		6 893	5 059
Payments to South Eastern Water Conservation Drainage Board		1 685	1 619
Total Expenses from Ordinary Activities		65 431	56 521
OPERATING SURPLUS FROM ORDINARY ACTIVITIES	A1	(941)	11 910
Increase in the asset revaluation reserve	A2(f)	-	-
Increase in net assets due to administrative restructure	26	-	237
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH SA GOVERNMENT AS OWNER		(941)	12 147

**Schedule of Administered Assets and Liabilities
as at 30 June 2005**

	Note	2005 \$'000	2004 \$'000
CURRENT ASSETS:			
Cash on hand and deposits	A3	36 274	41 052
Receivables	A2(a), A2(c)	3 383	2 700
Other assets		175	135
Total Current Assets		39 832	43 887
NON-CURRENT ASSETS:			
Property, plant and equipment	A2(f)	28 600	28 600
Total Non-Current Assets		28 600	28 600
Total Assets		68 432	72 487
CURRENT LIABILITIES:			
Payables	A2(a), A2(i), A2(j)	59	3 176
Employee benefits		2	5
Total Current Liabilities		61	3 181
NON-CURRENT LIABILITIES:			
Payables		1	-
Employee benefits		5	-
Total Non-Current Liabilities		6	-
Total Liabilities		67	3 181
NET ASSETS		68 365	69 306
EQUITY:			
Accumulated surplus		63 348	64 289
Asset Revaluation Reserve	A2(f)	5 017	5 017
TOTAL EQUITY		68 365	69 306

**Schedule of Administered Cash Flows
for the year ended 30 June 2005**

		2005	2004
		Inflows	Inflows
		(Outflows)	(Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH INFLOWS:	Note	\$'000	\$'000
Receipts from SA Government		17 222	22 005
Fees and charges		7 440	7 741
Grant receipts		36 958	37 357
Other receipts		2 147	1 580
Total Inflows from Operating Activities		63 767	68 683
CASH OUTFLOWS:			
Employee payments		(317)	(354)
Supplies and services		(3 896)	(1 143)
Grants and subsidies		(54 537)	(45 868)
Net expense resulting from a correction of an error		-	(195)
Payments to consolidated account		(1 217)	(1 566)
Payments to Catchment Water Management Boards		(6 893)	(5 059)
Payments to South Eastern Water Conservation Drainage Board		(1 685)	(1 619)
Total Outflows from Operating Activities		(68 545)	(55 804)
Net Cash (Outflows) Inflows from Operating Activities	A3	(4 778)	12 879
CASH FLOWS FROM FINANCING ACTIVITIES:			
CASH INFLOWS:			
Proceeds from restructuring activities		-	237
Net Cash Inflows from Financing Activities		-	237
NET (DECREASE) INCREASE IN CASH HELD		(4 778)	13 116
CASH AT 1 JULY		41 052	27 936
CASH AT 30 JUNE	A3	36 274	41 052

All GST receipts and payments are recognised in the Department's Statement of Cash Flows.

NOTES TO AND FORMING PART OF THE ADMINISTERED STATEMENTS

A1. Program Schedule of Administered Revenues and Expenses
Administered Revenues and Expenses for the Year Ending 30 June 2005

		2005							
(Programs refer Note A2.)		Catchment Water Management Board Levies	Qualco Sunlands	Penalty Charges	Water Resources Levy Fund	Remittance to South Eastern Water Conservation and Drainage Board	Pastoral Board	Land Technology Alliances	Catchment Water Board Payroll Tax
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		A2(a)	A2(b)	A2(c)	A2(d)	A2(e)	A2(f)	A2(g)	A2(h)
Administered Revenue from Ordinary Activities:									
SA Government Entities:									
Revenues from SA Government		-	250	-	-	1 685	9	-	400
Grant revenue		-	-	-	-	-	-	-	-
Other revenue		-	-	-	-	-	-	-	-
Total Administered Revenue - SA Government Entities		-	250	-	-	1 685	9	-	400
Administered Expenses from Ordinary Activities:									
SA Government Entities:									
Supplies and services		-	-	-	-	-	-	-	-
Grants and subsidies		-	-	-	-	-	-	-	221
Payments to Consolidated Account		-	251	562	-	-	-	387	17
Payments to Catchment Water Management Boards		6 893	-	-	-	-	-	-	-
Payments to South Eastern Water Conservation and Drainage Board		-	-	-	-	1 685	-	-	-
Total Administered Expenses - SA Government Entities		6 893	251	562	-	1 685	-	387	238
Administered Revenue from Ordinary Ordinary Activities:									
Non-SA Government Entities:									
Fees and charges		7 261	250	608	-	-	-	-	-
Grant revenue		-	-	-	-	-	-	-	-
Other revenue		55	14	-	-	-	-	13	-
Total Administered Revenue - Non-SA Government Entities		7 316	264	608	-	-	-	13	-
Administered Expenses from Ordinary Ordinary Activities:									
Non-SA Government Entities:									
Employee expenses		-	-	-	-	-	-	(5)	-
Supplies and services		-	-	-	-	-	-	-	-
Grants and subsidies		-	250	-	-	-	-	-	-
Total Administered Expenses - Non-SA Government Entities		-	250	-	-	-	-	(5)	-
Operating Surplus (Deficit)		423	13	46	-	-	9	(369)	162

		2005							
(Programs refer Note A2.)		Natural Heritage Trust Grants	National Action Plan for Salinity and Water Quality	Mt Lofty Ranges Catchment Support	Centre for Natural Resource M'gmt	Soil Conserv and Landcare	River Murray Minster	2005 Total	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
		A2(i)	A2(j)	A2(k)	A2(l)	A2(m)	A2(n)		
Administered Revenue from Ordinary Activities:									
SA Government Entities:									
Revenues from SA Government		-	14 667	-	-	-	211	17 22	
Grant revenue		-	147	-	-	-	-	147	
Other revenue		514	1 429	-	-	-	-	1 943	
Total Administered Revenue - SA Government Entities		514	16 243	-	-	-	211	19 312	
Administered Expenses from Ordinary Activities:									
SA Government Entities:									
Supplies and services		-	-	352	-	-	-	352	
Grants and subsidies		965	13 393	2 682	340	-	-	17 601	
Payments to Consolidated Account		-	-	-	-	-	-	1 217	
Payments to Catchment Water Management Boards		-	-	-	-	-	-	6 893	
Payments to South Eastern Water Conservation and Drainage Board		-	-	-	-	-	-	1 685	
Total Administered Expenses - SA Government Entities		965	13 393	3 034	340	-	-	27 748	

Administered Revenue from Ordinary Activities:							
Non-SA Government Entities:							
Fees and charges	-	-	4	-	-	-	8 123
Grant revenue	21 133	9 917	5 536	265	-	-	36 851
Other revenue	-	27	94	-	1	-	204
Total Administered Revenue - Non-SA Government Entities	21 133	9 944	5 634	265	1	-	45 178
Administered Expenses from Ordinary Activities:							
Non-SA Government Entities:							
Employee expenses	-	-	110	-	-	214	319
Supplies and services	145	28	255	-	-	-	428
Grants and subsidies	21 479	12 414	2 272	521	-	-	36 936
Total Administered Expenses - Non-SA Government Entities	21 624	12 442	2 637	521	-	214	37 683
Operating Surplus (Deficit)	(942)	352	(37)	(596)	1	(3)	(941)

Administered Revenues and Expenses for the Year Ending 30 June 2004

	2004							
	Catchment Water Management Board Levies	Qualco Sunlands	Penalty Charges	Water Resources Levy Fund	Remittance to South Eastern Water Conservation and Drainage Board	Pastoral Board	Technology Alliances	Catchment Water M'gmt Board Payroll Tax
(Programs refer Note A2.)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Revenue from Ordinary Activities:	A2(a)	A2(b)	A2(c)	A2(d)	A2(e)	A2(f)	A2(g)	A2(h)
Revenues from SA Government	-	250	-	-	1 619	9	-	217
Fees and charges	6 115	375	755	-	-	-	98	-
Grant revenue	-	-	-	-	-	-	180	-
Other revenue	47	30	-	-	-	-	51	-
Total Administered Revenue	6 162	655	755	-	1 619	9	329	217

Administered Expenses from Ordinary Activities:								
Employee expenses	-	-	-	-	-	-	32	-
Supplies and services	158	-	936	4	-	-	8	-
Grants and subsidies	-	250	-	-	-	-	130	210
Net expense resulting from a correction of an error	-	-	-	-	-	-	44	-
Payments to Consolidated Account	-	345	1 221	-	-	-	-	-
Payments to Catchment Water Management Boards	5 059	-	-	-	-	-	-	-
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	1 619	-	-	-
Total Administered Expenses	5 217	595	2 157	4	1 619	-	214	210
Operating Surplus (Deficit)	945	60	(1 402)	(4)	-	9	115	7

	2004							
	Natural Heritage Grants	National Action Plan for Salinity and Water Quality	Mt Lofty Ranges Catchment Support	Centre for Natural Resource M'gmt	Soil Conserv and Landcare	River Murray Minister	2004 Total	
(Programs refer Note A2.)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Revenue from Ordinary Activities:	A2(i)	A2(j)	A2(k)	A2(l)	A2(m)	A2(n)		
Revenues from SA Government	-	19 910	-	-	-	-	-	22 005
Fees and charges	-	-	17	-	-	-	-	7 360
Grant revenue	16 039	13 946	5 335	1 857	-	-	-	37 357
Other revenue	715	875	(10)	-	1	-	-	1 709
Total Administered Revenue	16 745	34 731	5 342	1 857	1	-	-	68 431

Administered Expenses from Ordinary Activities:								
Employee expenses	-	-	235	92	-	-	-	359
Supplies and services	88	36	539	86	-	-	-	1 855
Grants and subsidies	18 875	22 229	3 321	853	-	-	-	45 868
Net expense resulting from a correction of an error	151	-	-	-	-	-	-	195
Payments to Consolidated Account	-	-	-	-	-	-	-	1 566
Payments to Catchment Water Management Boards	-	-	-	-	-	-	-	5 059
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	-	-	-	1 619
Total Administered Expenses	19 114	22 265	4 095	1 031	-	-	-	56 521
Operating Surplus (Deficit)	(2 360)	12 466	1 247	826	1	-	-	11 910

A2. Summary of Significant Administered Schedule Accounting Policies

All the Department's accounting policies are contained in Note 2 'Summary of Significant Accounting Policies'. The policies outlined in Note 2 apply to both the Department Financial Statements and Administered Schedules unless otherwise noted below.

The Administered Schedules are an accumulation of the balances of each of the Department's administered items. Transactions between administered items have not been eliminated from the Administered Schedules.

The Department will apply AIFRS to the Administered items from 1 July 2005. Due to the nature of the activities of the Administered items it is considered that the introduction of AIFRS will not have a significant impact.

(a) Catchment Water Management Board Levies

Under section 133(1)(c)(ii) of the *Water Resources Act 1997*, water levies are collected by the Department in catchment areas of catchment water management boards and these levies are paid to the respective boards together with any interest earned on those levy funds. Unpaid levies at the end of the reporting period of \$1 820 000 (\$1 510 000) have been recognised as current receivables and levies are paid to the boards once received.

	2005	2004
	\$'000	\$'000
During the reporting period the following revenue was recognised for levies:		
River Murray Catchment Water Management Board	5 126	4 231
South East Catchment Water Management Board	1 466	1 302
Northern Adelaide Barossa Catchment Water Management Board	313	313
Eyre Peninsula Catchment Water Management Board	231	222
Onkaparinga Catchment Water Management Board	125	47
	7 261	6 115

Levies received but not paid to the Catchment Water Management Boards at the end of the reporting period were \$368 000 (\$654 000).

(b) Qualco Sunlands

The *Ground Water (Qualco-Sunlands) Control Act 2000* established a scheme to be managed by a Trust to prevent, and reverse, the salinisation and waterlogging of horticultural land due to irrigation induced factors. In accordance with the Act the Department collects levies and pays instalments in accordance with the provisions of the Act.

(c) Penalty Charges

Penalty charges under section 133(1)(a) of the *Water Resources Act 1997* are collected by the Department and paid into Consolidated Revenue. Unpaid penalty charges at the end of the reporting period of \$1 226 000 (\$1 067 000) have been recognised as current receivables. During the reporting period the Department paid \$562 000 (\$1 221 000) of penalty charges collected into Consolidated Revenue.

(d) Water Resources Levy Funds

The Water Resources Levy Fund (Fund) was created pursuant to the provisions of the *Water Resources Act 1997*. The Fund records the receipt of monies for levies declared under section 122 of the Act, where the prescribed water resource in relation to which the levy was declared is not in the area of a Catchment Water Management Board.

There were no levies received into the Fund during 2005 or 2004.

(e) South Eastern Water Conservation and Drainage Board

The South Eastern Water Conservation and Drainage Board (Board) is responsible for the administration of the *South Eastern Water Conservation and Drainage Act 1992* as amended. The Board is predominantly funded by Parliamentary appropriations for the operations, maintenance and capital works for the drainage system in the south east of South Australia. The appropriation is received by the Department and disbursed directly to the Board. During the reporting period an appropriation of \$1 685 000 (\$1 619 000) was received by the Department and this was disbursed to the Board.

(f) Pastoral Board

Funds applied by the Minister, on the recommendation of the Board for research and publication of techniques for pastoral land management, for prevention or minimisation of pastoral land degradation and for rehabilitation of degraded pastoral land. During the reporting period an appropriation of \$9 000 (\$9 000) was received and this amount is yet to be disbursed.

The Pastoral Board is responsible for administering pastoral leases under the *Pastoral Land Management and Conservation Act 1989*. The land lease assets were revalued at \$28 600 000 as at 30 June 2003 by Robin Norris, Acting Regional Valuer, Valuation SA, Land Services Group, Department for Administrative and Information Services giving rise to an asset revaluation reserve of \$5 017 000. At the end of the reporting period this amount was recorded as Property, Plant and Equipment in the Administered Schedule of Assets and Liabilities at that value.

The revenue generated by the pastoral leases is recorded within the Department's Statement of Financial Performance, in accordance with the *Pastoral Land Management and Conservation Act 1989*, to cover the costs incurred by the Department in administering the pastoral leases.

(g) Land Technologies Alliances

An arrangement exists between the Department, South Australian Research and Development Institute, Commonwealth Scientific and Industrial Research Organisation, the Department of Primary Industries of Victoria and the University of Adelaide to review and project manage certain project development, staff development and training across each organisation. The Department administers funds on behalf of these organisations.

(h) Catchment Water Management Board Payroll Tax

An appropriation of \$400 000 (\$217 000) was received to fund the payroll tax expenses of the Catchment Water Management Boards for 2004-05.

(i) Natural Heritage Trust and Natural Heritage Trust Extension

The Natural Heritage Trust was established by the *Natural Heritage Trust of Australia Act 1997*. The Bilateral Agreement to deliver the Natural Heritage Trust Extension reflects the intention of the Commonwealth and South Australian Governments to work as joint investment partners, with the community and other stakeholders, in natural resource management activities including biodiversity conservation, sustainable use of natural resources and community capacity building and institutional change.

	2005 \$'000	2004 \$'000
During the reporting period the following Commonwealth grants were received:		
Natural Heritage Trust Extension Program	16 614	11 682
Natural Heritage Trust National Landcare Program	3 737	3 184
Natural Heritage Trust Refunds	782	1 173
	21 133	16 039

	2005 \$'000	2004 \$'000
During the reporting period the following grants were paid:		
Natural Heritage Trust Extension Program	16 687	17 198
Natural Heritage Trust National Landcare Program	3 298	1 031
Refunds	2 429	430
Natural Heritage Trust	30	216
	22 444	18 875

(j) National Action Plan for Salinity and Water Quality

The National Action Plan is a bilateral agreement between the Commonwealth and South Australian Governments signed in 2001 providing funds to address issues associated with salinity and water quality in priority regions in South Australia. The Commonwealth and the South Australian Governments make progressive contributions to a single holding account. Disbursement of funds from the account is by agreement between the parties.

During the reporting period appropriations of \$14 666 893 (\$19 910 000) were received from the SA Government and the following Commonwealth grants were received:

	2005 \$'000	2004 \$'000
AFFA - National Action Plan	9 543	7 293
AFFA - National Action Plan Priority Rounds 1 and 2	193	6 653
Refunds	328	-
	10 064	13 946

	2005 \$'000	2004 \$'000
During the reporting period the following grants were paid:		
AFFA - National Action Plan Priority Rounds 1 and 2	11 616	12 841
AFFA - National Action Plan Investment Strategy Phase 1	14 191	8 076
Refunds - PIRSA	-	1 312
	25 807	22 229

(k) Mount Lofty Ranges Catchment Support

The Mount Lofty Ranges Catchment Support Group was established to implement the Integrated Natural Resource Management program for Mount Lofty and Adelaide regions. Functions include the disbursement of grants to local communities, catchment water management boards, local Government and other South Australian Government Departments together with the management of associated projects. Funds are disbursed subject to the National Action Plan and Natural Heritage Trust bilateral processes.

	2005 \$'000	2004 \$'000
During the reporting period the following grants were received:		
Natural Heritage Trust Extension Program	1 158	2 048
National Action Plan Investment Strategy Phase 1	2 018	1 193
National Action Plan Priority Rounds 1 and 2	320	1 083

Natural Heritage Trust Investment Strategy Phase 1 and 2	2 040	1 011
	5 536	5 335
During the reporting period the following grants were paid:		
Natural Heritage Trust Extension Program	732	1 924
National Action Plan Priority Rounds 1 and 2	229	771
National Action Plan Investment Strategy Phase 1	1 587	467
Natural Heritage Trust Investment Strategy Phase 1 and 2	2 302	106
Natural Heritage Trust	104	53
	4 954	3 321

(l) Centre for Natural Resource Management

The Centre for Natural Resource Management (Centre) with its Investment Advisory Board (Board) develops and maintains partnerships with regional NRM groups, scientists and researchers, business and industry, governments and agencies, so that integrated natural resource management across South Australia is based on world-class research and development. A primary role of the Centre and its Board is to create more sustainable environments through the development of new technologies and industries which benefit the environment and are economically sustainable.

The Board makes decisions on the disbursement of National Action Plan (NAP) and other funds in relation to its Portfolios of identified regional priority projects, and to the timeliness and quality of research provider delivery. The Board also oversees the stakeholder engagement process, brokers and builds relationships, alliances and partnerships, and seeks to leverage co-investment against NAP funding.

During the reporting period the Centre received grant revenue of \$265 000 (\$1 857 000) from the National Action Plan Priority Rounds 1 and 2 and disbursed \$861 000 (\$853 000) of these funds as grants to non-South Australian Government entities.

(m) Soil Conservation and Landcare

The Soil Conservation and Land Care Fund (Fund) was established under the *Soil Conservation and Land Care Act 1989*. Industry and SA Government funding is used by the Soil Conservation Board to provide for the conservation and rehabilitation of land in South Australia. At the end of the reporting period there was \$27 728 (\$26 347) in the Fund. During the reporting period the Fund earned \$1 392 (\$1 304) in interest income and no disbursements were made from the Fund.

(n) River Murray Minister

Reflects the Minister's salary and on-costs which are reimbursed through the Department of Treasury and Finance.

(o) Changes to Administered Items

There were no changes to Department's administered items for 2004-05

A3. Administered Cash Flow Reconciliation - Cash at 30 June 2005 as per:	2005	2004
	\$'000	\$'000
Catchment Water Management Board levies	198	744
Qualco Sunlands	11	73
Penalty charges	(23)	70
Remittance to South Eastern Water Conversation and Drainage Board	(118)	(89)
Pastoral Board	18	9
Land Technology Alliances	(104)	379
Catchment Water Management Board payroll tax	203	19
Natural Heritage Trust Grants	8 564	9 972
National Action Plan for Salinity and Water Quality	25 993	26 998
Mount Lofty Ranges Catchment support	1 457	2 025
Centre for Natural Resource Management	230	826
Soil Conversation and Landcare	28	26
River Murray Minister	(213)	-
	36 274	41 052
Schedule of Administered Assets and Liabilities	36 274	41 052
Administered Schedule of Cash Flows	36 274	41 052
Reconciliation of Net Cash Inflows from Operating Activities to Surplus from:		
Net cash inflows from operating activities	(4 778)	12 879
Changes in Assets/Liabilities:		
Increase (Decrease) in receivables	683	(381)
Increase in other assets	40	130
Decrease (Increase) in payables	3 116	(713)
Increase in employee benefits	(2)	(5)
Operating Surplus from Ordinary Activities	(941)	11 910

Certification of the Financial Report

We certify that:

- the attached financial statements are in accordance with the accounts and records of the Department of Water, Land and Biodiversity Conservation and give an accurate indication of the financial transactions of the Department of Water, Land and Biodiversity Conservation for the year ended 30 June 2005;
- as presenting 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, the result of its operations and its cash flows for the year ended 30 June 2005; and
- internal controls over the financial reporting have been effective throughout the reporting period.

Robert Freeman
Chief Executive
16th September 2005

George Knezevic
Chief Finance Officer
16th September 2005

Abbreviations and Acronyms

ABS	Australian Bureau of Statistics
AHD	Australian Height Datum
APPC	Animal and Plant Control Commission
COAG	Council of Australian Governments
CRC	Cooperative Research Centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CWMB	Catchment Water Management Board
DAIS	Department for Administrative and Information Services
DEH	Department for Environment and Heritage
DWLBC	Department of Water, Land and Biodiversity Conservation
EMLR	Eastern Mt Lofty Ranges
EPA	Environmental Protection Authority
ERD	Environmental Resources and Development (Court)
GAB	Great Artesian Basin
GL	Gigalitre (one billion litres)
HR	Human Resources
INRM	Integrated Natural Resources Management
LMRIA	Lower Murray Reclaimed Irrigation Areas (Project)
MDBC	Murray-Darling Basin Commission
ML	Megalitre (one million litres)
NAP	National Action Plan for Salinity and Water Quality
NHT	Natural Heritage Trust
NLP	National Landcare Program
NRM	Natural Resources Management
NVC	Native Vegetation Council
NWC	National Water Commission
NWI	National Water Initiative
OHS&IM	Occupational Health, Safety and Injury Management
PIRSA	Primary Industries and Resources SA
PWA	Prescribed Wells Area
PWC	Prescribed Water Course
PWRA	Prescribed Water Resource Area
RA	Resource Area
SAFF	South Australian Farmers Federation
SARDI	South Australian Research and Development Institute
SENRCC	South East Natural Resource Consultative Committee
SEWCDB	South Eastern Water Conservation and Drainage Board
SIS	Salt Interception Scheme
USE	Upper South East Dryland Salinity and Flood Management (Program)
WAP	Water Allocation Plan
WILMA	Water Information and Licensing Management Application
WMLR	Western Mt Lofty Ranges

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