

Department of Environment, Water and Natural Resources

Annual Report 1 July 2012 to 30 June 2013



**Government
of South Australia**

Department of Environment,
Water and Natural Resources

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30 September 2013

Chief Executive

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Hon Ian Hunter MLC
Minister for Sustainability, Environment and Conservation
Minister for Water and the River Murray
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

I am pleased to present the Department of Environment, Water and Natural Resources Annual Report for the financial year 1 July 2012 — 30 June 2013.

This report has been prepared in accordance with the:

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

Yours sincerely

A handwritten signature in black ink, appearing to be 'A. Holmes', with a long horizontal flourish extending to the right.

Allan Holmes
CHIEF EXECUTIVE

CHIEF EXECUTIVE'S STATEMENT

One of the challenges facing departments of environment across Australia is to maintain support and funding as public interest shifts and shorter-term considerations dominate.

Environmental management is a long game in the sense that the benefits express themselves over long time periods and the costs of inaction are often passed to later generations. An example of this is the phenomenon of extinction debt, where species disappear as a consequence of environmental damage caused many years ago.

Much of our work fits into that unusual and old fashioned term, stewardship. What this word means is the act of looking after a place, a property or, in our case, South Australia's environment and natural resources, so that we do not restrict future use of these important resources.

There is no better illustration of stewardship than that of managing water. Many of our water resources are over-exploited and put at risk the economic enterprises that depend upon a reliable supply. A critical remedial role we play is to orchestrate the rebalancing of use and the application of measures to bring order and predictability to water management.

Often these activities are seen negatively because they constrain individuals' liberties in the better interest of the community.

As a consequence we have to be better at explaining ourselves and garnering community support. The trite response is to 'engage and empower communities' but this is no easy task, especially when vested interests challenge these changes.

At times the regulatory aspects of environmental management are described pejoratively as 'red tape' or 'green tape', inferring that these imposts are anti-competitive and anti-business.

Of course, a balance has to be struck about the amount and nature of regulation and nobody could argue the case for regulation that is poorly conceived of, designed or administered.

The role the department performs is a critical one as our continued prosperity depends on the condition and health of our environment and natural resources.

A few important highlights from this year include:

- The integration of water, environment and natural resources in a single department;
- The evolution of the partnership between regional natural resources management boards and the department through a single unified regional structure;
- The first year's implementation of the new *State Natural Resources Management Plan 2012–2017* 'Our Place — Our Future';
- The settling of marine park zones through the finalisation of management plans;
- The introduction of a framework for South Australia to adapt to climate change;
- The finalisation of a Murray Darling Basin Plan consistent with the state's position on water recovery;
- An ambitious and challenging fire mitigation program; and
- The substantial improvement to the condition of the lower lakes.

There is much to celebrate about the department's performance and achievement in 2012-13. Our improvement has been based on five ideas or what we refer to as 'Foundation Stones'.

These Foundation Stones draw from the Premier's drive to reform the public service. The five Foundation Stones are:

- Build collaboration and integration across the organisation;
- Make accountability and performance central to our business;
- Embrace the natural resources management model and make the community central to our work;
- Develop and deliver high quality policy that is fit-for-purpose; and
- Promote the values and behaviours of good public service.

These ideas are influencing how we go about our work and interact with the public.

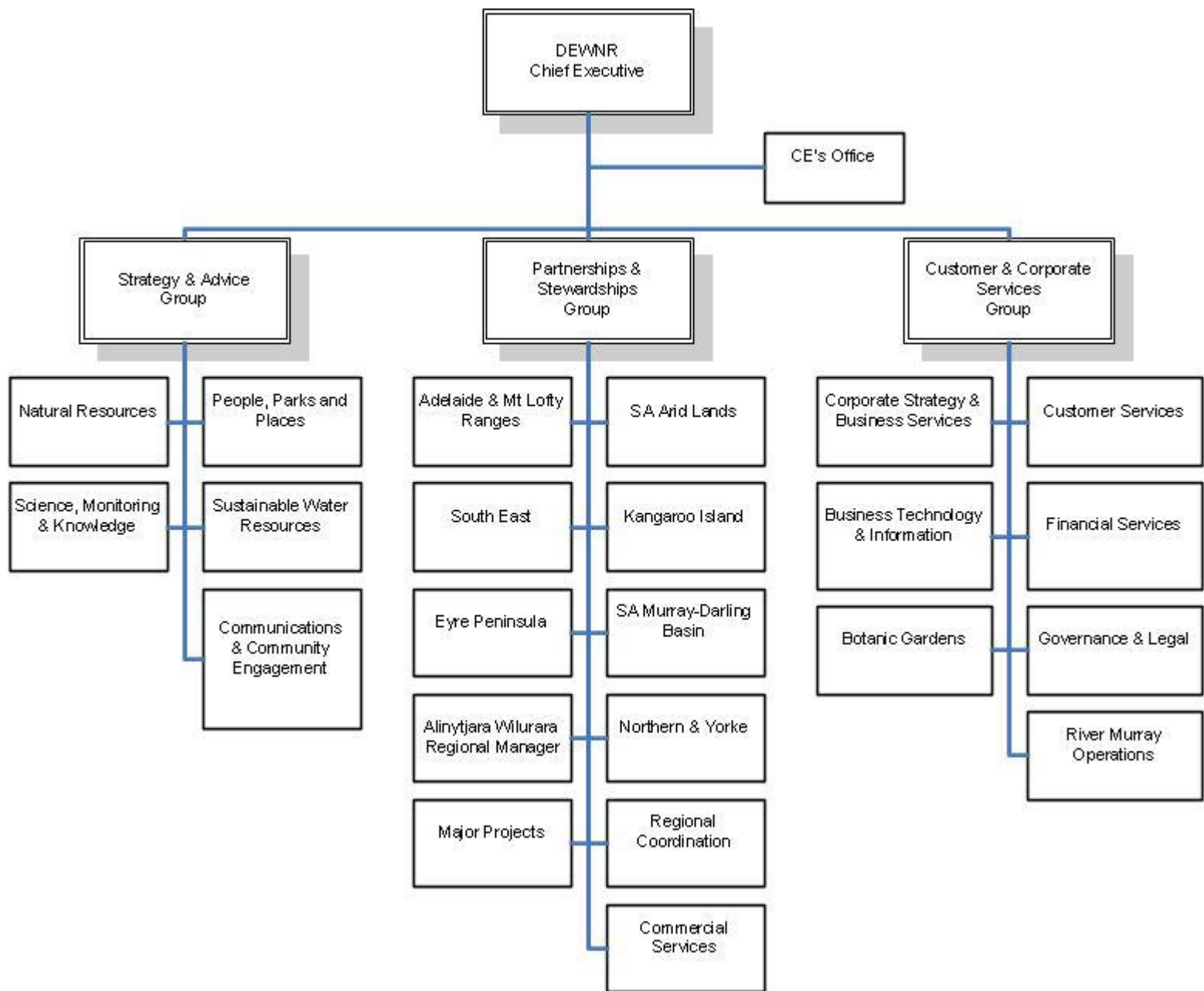
To conclude, I acknowledge the support and contribution of my executive colleagues, especially Group Executive Directors Tim Goodes, Ben Bruce and John Schutz, as well as the many statutory boards and committees that support our work. Most importantly, however, I recognise the decent and hardworking employees and volunteers that make this department what it is, and who strive to achieve the agency's priorities and meet our statutory obligations.

Finally, I thank the former Minister, Hon Paul Caica MP, and the current Minister, Hon Ian Hunter MLC, for their good will, sound advice and continuing support.

A handwritten signature in black ink, appearing to be 'A. Holmes', with a long horizontal flourish extending to the right.

Allan Holmes
CHIEF EXECUTIVE

Organisational Structure (as at 30 June 2013)



ABOUT DEWNR

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

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

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

Relationship with other organisations

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

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

Departmental officers are members of many state and national committees and working groups with the aim of ensuring a coordinated and consistent approach to delivering priorities for climate change, water security, the health of the River Murray, nature conservation, sustainable land management on public and private land and the protection of our cultural heritage.

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

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

The Portfolio

On 1 July 2012 the Department for Water and the Department of Environment and Natural Resources merged to become the Department of Environment, Water and Natural Resources (DEWNR).

DEWNR is an administrative unit responsible for providing advice on, and administering under delegated authority, a range of state acts committed to the Minister for Sustainability, Environment and Conservation, and Minister for Water and the River Murray.

The department is one of the agencies within the Environment and Conservation portfolio which also consists of the Environment Protection Authority and Zero Waste SA.

GOVERNANCE STATEMENT

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

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

ORGANISATIONAL STRUCTURE

DEWNR's organisational structure comprises three groups (each led by a Group Executive Director) grouped by function. All groups work with the eight regions to implement the directions set by the *DEWNR Corporate Plan 2012-14*.

An illustration of DEWNR's organisation structure as it existed on 30 June 2013 is provided on page 6.

Strategy and Advice

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

The Group's roles include:

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

Partnerships and Stewardship

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

The Group's roles include:

- coordinating regional natural resources management planning and priority-setting with communities;
- regional delivery of a range of services (for the department and regional natural resources management boards), including land and water resources assessment and planning, nature conservation, sustainable land management advice and technical support, monitoring and evaluation, and compliance and enforcement activities;
- coordinating and delivering community grants, volunteering programs and activities to engage communities and involve people in natural resources management;

- delivering the department's fire on public land and hazard management responsibilities;
- delivering major projects, including maintenance of water infrastructure and ecological restoration programs for riverine environments; and
- managing visitor services and public access to national parks, reserves and commercial sites.

Customer and Corporate Services

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

The Group's roles include:

- servicing customers through the administration of leases, licences and permits;
- managing River Murray operations, infrastructure and Living Murray Icon Sites;
- showcasing our botanic gardens for the benefit and enjoyment of the community;
- providing governance, legal, risk and audit advice and services for the department, the Minister and the boards and committees supported by the department; and
- providing corporate activities to support the performance and operation of the organisation, including financial, human resources, business planning, business operations and work health and safety services.

DEWNR CORPORATE PLAN 2012-14

The DEWNR *Corporate Plan 2012-2014* sets the strategic directions for DEWNR and outlines the department's priorities for delivery over the next two years.

DEWNR's Corporate Plan is ordered in the following ways:

- our purpose and our role;
- our drivers, context and challenges;
- our approach and our values – how we work;
- our outcomes and priorities; and
- our organisation – foundation stones and structure;

DEWNR's Strategic Priorities

DEWNR seeks to achieve four broad outcomes, including:

- Resilient landscapes and livelihoods;
- Sustainable water resources for all;
- Community benefits from parks, public places and heritage; and
- Effective and informed services and advice;

Supporting the outcomes are 12 strategic priorities. DEWNR's strategic priorities are delivered through the department's programs and sub-programs. Commentary against strategic priorities is included in the program reports.

The strategic priorities for the department during 2012-13 were:

- Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate.
- Enhance the liveability of Adelaide through better planning and design that connects people to the natural world, reduces environmental impacts and enhances the beauty of our urban landscapes.
- Lead the implementation of South Australia's Climate Change Adaptation Framework.
- Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray–Darling Basin Plan.
- Streamline and improve water allocation planning processes across the state.

- Implement a series of initiatives to improve the sustainable use of water in the South East, including the South East Flows Restoration Project, the regulation of forestry water, a new drainage system operations and management regime, and completion of the Lower Limestone Coast Water Allocation Plan.
- Improve conservation and sustainable use of marine environments through implementation of marine parks management plans.
- Provide exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management.
- Meet our target for prescribed burning on high-risk public land and maintain an appropriate bushfire response capacity.
- Streamline administration, permit and licensing arrangements to improve customer service.
- Use the Natural Resources Management Reporting Framework to align monitoring arrangements and improve our understanding of the state and condition of the state's natural resources.
- Change the way the department operates, in line with our five foundation stones and the Public Sector Renewal Program.

SOUTH AUSTRALIA'S STRATEGIC PLAN

The department was lead agency for the following SASP targets in 2012-13:

Target 59 – Greenhouse gas emissions reduction

Achieve the Kyoto target by limiting the state's greenhouse gas emissions to 108% of 1990 levels during 2008-2012, as a first step towards reducing emissions by 60% (to 40% of 1990 levels) by 2050 (baseline: 1990).

Target 62 – Climate change adaptation

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

Target 69 – Lose no species

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

Target 70 – Sustainable land management

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

Target 71 – Marine biodiversity

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

Target 72 – Nature conservation

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

Target 73 – Recycled stormwater

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

Target 74 – Recycled wastewater

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

Target 75 – Sustainable water use

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

Target 76 – River Murray – flows

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

Target 77 – River Murray – salinity

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

Progress towards each lead target is included in the sub-program reports.

In addition to these targets, the department supported the delivery of these additional public sector targets:

Target 32 – Customer and client satisfaction with government services

Increase the satisfaction of South Australians with Government services by 10 per cent by 2014, maintaining or exceeding that level of satisfaction thereafter.

Target 50 – People with disability:

Increase by 10% the number of people with a disability employed in South Australia by 2020.

Target 52 – Women:

Have women comprising half of the public sector employees in the executive levels (including Chief Executives) by 2014 and maintain thereafter.

Target 53 – Aboriginal employees:

Increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2% by 2014 and maintain or better those levels through to 2020.

LEGISLATIVE STRUCTURE

DEWNR is responsible for providing advice on, and administering under delegated authority, a range of state acts committed to the Hon Ian Hunter MLC, Minister for Sustainability, Environment and Conservation and Minister for Water and the River Murray. DEWNR is required to comply with relevant administrative legislation that applies to departments including:

Administrative legislation

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

Legislation administered by DEWNR

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

These acts deal with the:

- administration of Crown lands generally;
- creation and management of conservation and pastoral areas;
- protection of vegetation and wildlife or the welfare of animals generally;
- conservation, protection or management of cultural assets generally;
- conservation or management of specific public or cultural areas of the state;
- conservation, protection and management of natural resources, including water;
- challenge of addressing climate change ;
- regulation of the water industry ; and
- provision or management of water, sewerage and stormwater services, facilities and schemes.

The following legislation was administered by DEWNR during 2012-13:

- *Adelaide Dolphin Sanctuary Act 2005*
- *Adelaide Park Lands Act 2005*
- *Animal Welfare Act 1985*
- *Arkaroola Protection Act 2012*
- *Botanic Gardens and State Herbarium Act 1978*
- *Climate Change and Greenhouse Emissions Reduction Act 2007*
- *Coast Protection Act 1972*
- *Crown Land Management Act 2009*
- *Crown Rates and Taxes Recovery Act 1945*
- *Dog and Cat Management Act 1995*
- *Ground Water (Qualco-Sunlands) Control Act 2000*
- *Groundwater (Border Agreement) Act 1985*
- *Heritage Places Act 1993*
- *Historic Shipwrecks Act 1981*
- *Irrigation Act 2009*
- *Lake Eyre Basin (Intergovernmental Agreement) Act 2001*
- *Lands for Public Purposes Acquisition Act 1914*
- *Marine Parks Act 2007*
- *Metropolitan Drainage Act 1935*
- *Murray-Darling Basin Act 2008*
- *National Parks and Wildlife Act 1972*
- *National Trust of South Australia Act 1955*
- *Native Vegetation Act 1991*
- *Natural Resources Management Act 2004*
- *Renmark Irrigation Trust Act 2009*
- *Pastoral Land Management and Conservation Act 1989*
- *River Murray Act 2003*
- *River Murray Waters Agreement Supplemental Agreement Act 1963*
- *River Murray Waters (Dartmouth Reservoir) Act 1971*
- *South Australian Water Corporation Act 1994*
- *South Eastern Water Conservation and Drainage Act 1992*
- *Water (Commonwealth Powers) Act 2008*
- *Water Efficiency Labelling and Standards Act 2006*
- *Water Industry Act 2012*
- *Water Resources Act 1997*
- *Wilderness Protection Act 1992*
- *Wilpena Station Tourist Facility Act 1990*

DEWNR BOARDS AND COMMITTEES

In 2012-13 DEWNR provided administrative support to the following boards and committees.

Adelaide Dolphin Sanctuary Advisory Board	Adelaide and Mount Lofty Ranges NRM Board + Committees and Groups
Adelaide's Living Beaches Steering Committee	Alinytjara Wilurara NRM Board
Animal Ethics Committee –Wildlife ¹	Eyre Peninsula NRM Board + Committees
Animal Welfare Advisory Committee	Kangaroo Island NRM Board + Committees
Arabana Parks Advisory Committee	Northern and Yorke NRM Board + Groups
Board of the Botanic Gardens and State Herbarium	Premier's Climate Change Council
Border Groundwater Review Committee	South Australian Arid Lands NRM Board + Committees and Groups
Coast Protection Board	South Australian Murray-Darling Basin NRM Board + Groups
Consultative Committee – Adelaide	South East NRM Board + Groups
Consultative Committee – Kangarooland	South Eastern Water Conservation Drainage Board
Consultative Committee – Murraylands	Ngaut Ngaut Conservation Park Co-Management Committee
Consultative Committee – Northern and Yorke	Pastoral Board
Consultative Committee – South East	South Australian Heritage Council
Consultative Committee – The Outback	South Australian Heritage Council Register Committee
Consultative Committee – West	Scientific Working Group
Dog and Cat Management Board	South Australian National Parks and Wildlife Council
Eight Mile Creek Water Conservation Drainage Board	Stormwater Management Authority Board
Flinders Ranges National Park Co-Management Board	Vulkathunha-Gammon Ranges National Park Co-Management Board
General Reserves Trust	Water Security Council
Kangaroo Management Reference Group	Wilderness Advisory Committee
Maralinga Lands Unnamed Conservation Park Board	Witjira National Park Board of Management
Marine Parks Council of South Australia	Yandruwandha Yawarrawarrka Parks Advisory Committee
Marine Park – Local Advisory Groups	
Native Vegetation Council + Subcommittees	
Natural Resources Management (NRM) Council + Subcommittees	

¹ Other Animal Ethics Committees exist that are administered by other bodies pursuant to the Animal Welfare Act 1985

PROGRAM STRUCTURE

In 2012-13, DEWNR managed its business through two programs and nine sub-programs. This annual report summarises each program's progress in 2012-13 and lists the 2013-14 targets.

Program

1. Strategy, Science and Resource Monitoring

2. Operations and Service Delivery

Sub-program

1.1. Natural Resources, Parks and Places

1.2. Sustainable Water Resources

1.3. Science, Monitoring and Knowledge

2.1 Regional Service Deliver

2.2 Major Projects

2.3 River Murray Operations

2.4 Botanic Gardens

2.5 Commercial Services

2.6 Licensing and Permits

Program 1: Strategy, Science and Resource Monitoring

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

Sub-program 1.1: Natural Resources, Parks and Places

To provide coordinated policy direction and legislative and planning frameworks, for the sustainable use and management of natural resources in a changing climate, in order to support communities, industry and ecosystems. To provide policy direction and planning for the effective management of protected areas, marine parks and cultural heritage.

HIGHLIGHTS

- Launched the South Australian Climate Change Adaptation Framework and the Government Action Plan outlining the roles that the government will play in implementing the framework.
- Developed natural resource management policy reforms, including the *Guide for NRM Business Improvement to drive the implementation of the State Natural Resources Management Plan 2012–2017 'Our Place — Our Future'*.
- Collaborated across the agency to partner in developing the NRM State and Condition Reporting Framework.
- Commissioned the Adelaide's Living Beaches sand transfer project infrastructure.
- Released management plans for South Australia's 19 marine parks.
- Enhanced the management and extent of the protected area system in South Australia including:
 - Supported amendments to the *Wilderness Protection Act 1992* to provide for co-management of wilderness protection areas and finalised preparations for creating the 900 000 hectare Nullarbor Wilderness Protection Area.
 - Adopted strategic management plans for Bimbowrie Conservation Park, Ediacara Conservation Park and five reserves of the Yellabinna region. Released for consultation a draft management plan for seven reserves on the eastern Eyre Peninsula and commenced preparation of a management plan for the Arkaroola Protection Area.
 - Purchased strategically important land at Hanson Bay to add to the Flinders Chase National Park to link conservation lands on the western end of Kangaroo Island.

- Facilitated listing of Picaninnie Ponds under the Ramsar Convention as a Wetland of National Significance.
- Led whole of government consideration of achievements and proposals to meet a COAG environmental regulatory reform commitment to streamline environmental regulation that delivers strong environmental outcomes and better conditions for business.
- Contributed to the development of a cross-agency Regional Mining and Infrastructure Planning project for the delivery of infrastructure that will support the development of mining in three priority areas of the state: Eyre and Western; Far North; and Yorke and Mid-North/Braemar.
- Released guidelines for the management of roadside vegetation and held four local government native vegetation management forums to discuss a diverse range of native vegetation management issues, including bushfire protection.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Reform natural resource management and delivery arrangements in South Australia

Following release of the *State Natural Resources Management Plan*, DEWNR has supported the Natural Resources Management (NRM) Council to implement the plan and achieve the ten statewide priorities listed for strengthening the NRM management system. This supports DEWNR's strategic priority: *Strengthen the regional natural resources management system and make it relevant for all South Australians, including increasing opportunities for the community to participate.*

The *Natural Resources Management (Review) Amendment Bill 2013* was passed by the Legislative Council in 2012-13. The Amendment Bill will provide for improved efficiencies in the NRM system that may then allow resources to be redirected to on-ground activities for sustainable natural resources management in the regions.

Environmental reforms

In response to COAG's environmental regulatory reform program, the Department of the Premier and Cabinet and DEWNR have jointly led a review, with relevant regulatory agencies, of ways to further streamline environmental regulation while still delivering strong environmental outcomes and better conditions for business. Regulatory and referral agencies have determined a number of options for eliminating duplication; avoiding sequential assessments and delayed approval processes; and utilising common information requirements for both assessment and approval at both the state and commonwealth level.

Management of protected areas system in South Australia

People and Parks: A Visitor Strategy for South Australia's National Parks, Marine Parks and Reserves was launched in September 2012. *People and Parks* support the department's strategic priority: *Provide exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management.* The Strategy has a strong focus on creating opportunities for people to connect with nature through our outstanding park system. An initiative that has received considerable public support is the opening of management tracks for cycling in Belair National Park and Cleland Conservation Park, in line with the *Linking Adelaide with Nature strategy*, which was also released in September 2012. This has created more opportunities for people to enjoy bushland settings close to home.

DEWNR has reinforced its commitment to reconciliation through working with Aboriginal people and their connection to their Country by the establishment of co-management arrangements with the Arabunna people for Lake Eyre National Park, Elliot Price Conservation Park and Wabma Kadarbu Mound Springs Conservation Park; and with the Gawler Ranges People for Lake Gairdner National Park and Gawler Ranges National Park. There are now co-management arrangements in place for 42 per cent of the land area of the park system.

Premium food and wine from our clean environment

Healthy and sustainable natural resources underpin premium food and wine production. In 2012-13, the department developed the *Guide for NRM Business Improvement*, which provides guidelines for achieving quality practice in the governance, planning and management of the state's natural resources. The guide does this by providing simple and practical tools and checklists to assess performance and guide improvements.

DEWNR has also developed a NRM State and Condition Reporting Framework to align monitoring arrangements and increase our understanding of the condition of South Australia's natural resources. The Reporting Framework, a DEWNR priority, will provide vital information to inform and improve the NRM planning cycle. An implementation trial will commence in 2013-14.

DEWNR is supporting the NRM Council to increase engagement between the NRM system and primary producers. In consultation with key stakeholders and Primary Industries and Regions South Australia, work commenced to develop an Action Plan for improving how the NRM system works with the agriculture sector in South Australia.

Safe communities, healthy neighbourhoods

In 2012-13, DEWNR continued to work with the South Australian Heritage Council to identify policy priorities for the state's built heritage, including alignment with policy directions set out in the 30-year Plan for Greater Adelaide.

In collaboration with the Hawke Centre at the University of South Australia and the South Australian Heritage Council, the Minister for Sustainability, Environment and Conservation presented a range of awards recognising the contribution of South Australians to identifying, conserving and maintaining the state's heritage. The 22 awards included Minister's Awards, Minister's Commendations and Certificates of Recognition in Individual and Group categories.

During 2012-13, 31 grants from the South Australian Heritage Grants program were awarded to the owners of State Heritage Places and property owners within State Heritage Areas to assist with the management and care of their properties. Grants are provided on a matched basis, either dollar for dollar or a combination of cash and 'in-kind' work.

People and Parks, South Australia's visitor strategy, provides strategic direction for enhancing the parks system so that more people can connect with nature and use and enjoy parks and reserves for sporting activities, recreation, relaxation and community gatherings.

Creating a vibrant city

As well as supporting the government's strategic priority of creating a vibrant city, the department continued to support its strategic priority: *Enhance the liveability of Adelaide through better planning and design that connects people to the natural world, reduce environmental impacts and enhances the beauty of our urban landscapes*.

Construction work on the \$23 million Adelaide's Living Beaches sand transfer project was completed in 2012-13. This involved the construction and installation of pipelines and pumping stations along Adelaide's coast to help manage sand supply. The project became operational in February 2013 and will ensure that sand is maintained on Adelaide's metropolitan beaches so that people can continue visiting and enjoying the benefits of the beach. The project will also ensure that sand is kept on Adelaide's beaches to provide protection against erosion and damage to coastal infrastructure.

DEWNR has continued to advocate for environmentally-sensitive land use planning, design and development that conserves biodiversity, soil, water and energy resources; enhances the beauty and liveability of Adelaide; and facilitates adaption to climate change. This includes advocating for green infrastructure, water sensitive urban design and climate smart precincts.

To meet the state's greenhouse gas emissions reduction target, there has been ongoing development of an innovative financing mechanism tied to council rates called the *Environmental Upgrade Finance Scheme*. This will enable building owners to access finance under favourable terms to make upgrades to improve the energy, water and environmental efficiency of existing buildings. This, in turn, will stimulate the building upgrade industry. To date, the State Government, the Local Government Association of South Australia and the Adelaide City Council have investigated the case for establishing this mechanism. Implementation of programs to guide the installation of water efficient appliances and solar panels in government buildings also continued throughout 2012-13.

Realising the benefits of the mining boom for all South Australians

DEWNR recognises the importance of balancing conservation and resource use objectives which support the government's strategic priority: *Realising the benefits of the mining boom for all South Australians*. Around 74 per cent of the area of the land-based protected area system is available for exploration and mining, as is the majority of South Australia's marine park network. DEWNR along with the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) and industry has employed a consultative and rigorous approach to maximise protection of the environment, while at the same time ensuring that areas of high mineral prospectivity are accessible.

DEWNR leads work across government and in collaboration with the Goyder Institute for Water Research, to enhance the sustainability of, and access to, sustainable water supplies to enable mining in South Australia.

DEWNR contributed to the development of a cross-agency Regional Mining and Infrastructure Planning project to develop Regional Mining and Infrastructure Plans that will identify infrastructure solutions to connect proposed mining developments to overseas customers as well as to vital infrastructure such as electricity, water, gas, roads and railways. The plans will cover three regions that represent the majority of mining projects in the state - the Far North, Eyre and Western, and Yorke and Mid-North/Braemar provinces.

DEWNR also contributed to efforts to streamline environmental regulation for the mining sector as part of its work on the COAG environmental regulatory reform agenda.

DEWNR continued to work collaboratively with companies such as Iluka in the Yellabinna reserves complex and Santos, Beach Energy and Senex in the protected areas of the Cooper Basin, as well as many others across the state, to enable the sustainable use of mineral resources within an overarching conservation framework. Officers from across the environment portfolio also work with DMITRE and industry to maximise environmental benefits and minimise potential impacts associated with mining operations and regulated activities under state mining legislation outside the protected area system.

The *Native Vegetation Act 1991* requires that environmental offsets are provided to balance the clearance of native vegetation and loss of flora and fauna as a result of mining and associated development. Refinement of the requirements is underway through a review of the mining guidelines and the metrics that are used to determine the significance of environmental offsets. Delegation to DMITRE was renewed in this period to enable mining activities to be dealt with expeditiously while retaining the requirement to protect the environment.

Greenhouse gas emissions reduction

DEWNR has lead responsibility for delivery of the following target in the *Climate Change and Greenhouse Emissions Reduction Act 2007* 'To reduce by 31 December 2050 greenhouse gas emissions within the state by at least 60% to an amount that is equal to or less than 40% of 1990 levels as part of a national and international response to climate change'.

The latest measure of South Australia's progress towards this target was released by the Australian Government on 15 April 2013. The Australian Government reported that South Australia's net greenhouse gas emissions were 30.8 million tonnes of carbon dioxide equivalent in 2010-11. This means that 2010-11

greenhouse gas emissions in South Australia were almost 9 per cent lower than the 1990 baseline. Over the same period South Australia's Gross State Product rose 65 per cent.

Climate Change Adaptation

In August 2012, *Prospering in a Changing Climate: A Climate Change Adaptation Framework for South Australia* was launched following substantial community and government consultation. DEWNR is responsible for leading implementation of the Adaptation Framework, which supports SASP Target 62: *Climate change adaptation* and the government's strategic priority of creating a vibrant city. This includes advocating for green infrastructure, water sensitive urban design and climate smart precincts. The 12 state government regions are currently at different stages in their climate change adaptation planning. One region has completed its adaptation plan, and a further seven are in various stages of plan development. On average, each region will take around two years to undertake a comprehensive integrated vulnerability assessment and a further year to complete an adaptation plan. The aim is to have the planning process complete in all 12 regions by 2016.

In 2012-13, DEWNR contributed to the coastal component of two regional climate change integrated vulnerability assessments – the Western Adelaide Region Climate Change Adaptation Plan and the Resilient South (Southern Adelaide region). DEWNR also worked with the District Council of Mallala to initiate a climate change adaptation strategy and with the District Council of Mount Remarkable to investigate how to upgrade its flood protection to meet Coast Protection Board standards regarding sea level rise. The City of Victor Harbor was supported to undertake a study of its foreshore erosion.

The *Prospering in a Changing Climate Grants Program* was successfully launched in October 2012 with the first round providing project grants to the Local Government Association, the Adelaide and Mount Lofty Ranges NRM Board, the Northern and Yorke Sector Agreement and Horse SA. Round two of the grants program closed on 12 April 2013.

Lose no species

The department has lead responsibility for implementing SASP Target 69: *Lose no species*. A mid-term review on *No Species Loss* was completed in May 2013. Recommendations arising from the review are that a greater focus is placed on actively and transparently implementing the *No Species Loss Strategy* through a project called 'Nature Initiatives – innovation for no species loss'. A major component of the project will involve engaging with the community to assist with decision-making for nature conservation priorities. Nature Initiatives has been selected by Change@SA as a 90-day change project and will be subject to concentrated effort and pooling of knowledge, resources and skills from within and outside government. A project trial will be conducted in the Adelaide and Mount Lofty Ranges NRM region.

Four recovery plans for nationally listed threatened species and ecological communities were adopted under the *Environment Protection and Biodiversity Conservation Act 1999* (Cwth) in 2012-13. Previously adopted recovery plans continued to be implemented in each of the state's eight NRM regions with highlights including increased abundance of several species of threatened plants on Kangaroo Island, increased breeding densities of malleefowl across parts of four regions and important increases in the area of habitats occupied by yellow-footed rock-wallabies in the Flinders Ranges.

Sustainable Land and Vegetation Management

In 2012-13, work progressed towards achieving SASP Target: 70: *Sustainable land management*, for which DEWNR has the lead. The department, in partnership with agricultural industry organisations, continued to undertake projects to increase the protection of agricultural land from erosion. Partners involved include the Eyre Peninsula, Northern and Yorke, South East and South Australian Murray-Darling Basin NRM Boards, the Ag Excellence Alliance, the South Australian No-Till Farmers Association and Mallee Sustainable Farming. The projects encouraged the adoption of improved farming practices to prevent erosion, including no-till seeding, retention of stubble residues, improved grazing management and planting perennial pastures and fodder shrubs.

These projects have contributed to a 22 per cent improvement in the protection of agricultural land from erosion since 2003, the baseline year. This improvement demonstrates the benefits of collaborative partnerships between government agencies, NRM Boards and industry, and the growing desire by farmers to reduce the risk of erosion and adopt more sustainable farming practices.

During 2012-13, DEWNR has continued to support the Native Vegetation Council on the preservation and management of the state's remaining native vegetation – a significant biodiversity and community asset. The department supported the Native Vegetation Council to deliver four local government native vegetation forums involving thirty five individual local councils and over 100 council staff across South Australia. The importance of managing remnant native vegetation on road sides and for public safety and bushfire protection were among the many issues discussed. Guidelines to assist local councils manage native vegetation on roadsides were released in November 2012.

In May 2013, the Native Vegetation Council released for public consultation an interim Guideline for the clearance of native vegetation through ecological prescribed burning. The purpose of the Guideline is to advise landowners and land managers about information that should be considered in the preparation of management plans for carrying out and monitoring an ecological burn. Monitoring is a requirement of approval and will inform future planning of fire management strategies. The guideline will also contribute to the protection of plant and animal species.

Marine Biodiversity

Progress towards SASP Target 71: *Marine biodiversity* continued in 2012-13 through the release of management plans for South Australia's 19 marine parks. Following the proclamation of the outer boundaries of South Australia's network of nineteen marine parks, the government worked closely with stakeholders and community members to develop management plans, including zoning arrangements. In August 2012, the draft management plans were released for eight weeks of extensive public consultation. On 29 November 2012, final management plans for South Australia's marine parks were authorised by His Excellency, the Governor and tabled in Parliament.

Finalisation of the plans marked the end of one of the most comprehensive community engagement programs ever undertaken in South Australia. The marine parks have been carefully designed and zoned to protect fragile marine habitats while minimising negative impacts on industry and recreational users. The management plans set out zoning arrangements and management strategies that provide for the protection of marine and coastal biodiversity as well as for sustainable development and use.

The sanctuary zones make up about 6 per cent of state waters – areas where activities such as commercial and recreational fishing, trawling and mining are not allowed – and will protect animal and fish breeding and feeding areas and unspoiled habitats.

In 2012-13, the government undertook a community education campaign to help convey important information to South Australians about the new marine park arrangements.

Nature Conservation

The department has lead responsibility for implementing SASP Target 72: *Nature conservation*. The *NatureLinks* program, focussing on landscape-scale habitat restoration, supports the achievement of Target 72 and the State Government's No Species Loss Strategy. Working together, *NatureLinks* partners have helped to influence national policy and funding programs and have significantly raised the profile of *NatureLinks* within the community.

In 2012-13, DEWNR launched a new *NatureLinks* website and web video in partnership with nine statewide non-government organisation (NGO) partners. The website provides a 'marketplace' of projects and organisations undertaking nature conservation activities across the state. It aims to encourage community involvement and investment in nature conservation and provides a good example of the South Australian Government's '*Better Together: Principles of Engagement*'. Since its launch, fifty new projects and

organisations have been listed on the website by community groups, land managers, NGOs, government and business.

NatureLinks corridors and the *Trans-Australia Eco-Link* project were recognised at the national level in the *National Wildlife Corridors Plan* by the Australian Government. The Plan aims to establish a national network of landscape-scale wildlife corridors. This recognition has influenced investment priorities for the Australian Government's *Biodiversity Fund* and *Caring for Our Country* programs, significantly increasing funding opportunities for South Australia.

The *Trans-Australia Eco-Link* initiative has contributed to enhanced environmental stewardship across the extensive pastoral lands in northern South Australia by increasing the number of land managers undertaking land restoration activities and providing property-scale biodiversity information to support sustainable management.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

Supporting implementation of the Climate Change Adaptation Framework and the development of Regional Integrated Climate Change Vulnerability Assessments, to meet SASP Target 62, will remain a priority for DEWNR in 2013-14.

DEWNR will continue to deliver on its commitments to COAG environmental regulatory reforms. This is likely to include supporting work on bilateral accreditation of relevant state environmental assessment processes under the *Commonwealth's Environment Protection and Biodiversity Conservation Act 1999*. Developing such agreements and working through the implementation with other government agencies will assist in streamlining state environmental approvals.

DEWNR will also continue to work towards improving connections between NRM and the land use planning system by providing coordinated input to significant development proposals and land use planning matters and engagement with the Expert Panel on Planning Reform. Work will also continue with the NRM Council and PIRSA to increase engagement and linkages between the NRM system and the agricultural sector.

Working with partners and stakeholders to ensure that the welfare of animals is protected through effective enforcement of the *Animal Welfare Act 1985* will be a priority for DEWNR in 2013-14. With financial pressures being experienced in both government and non-government animal welfare organisations, the challenge to deliver effective and efficient enforcement will require new approaches to partnerships and working together to maximise outcomes.

Opportunities will be identified to improve the heritage advisory service that DEWNR provides to State Heritage Place owners and local government planners. This will be done in collaboration with the South Australian Heritage Council, NGOs, industry and professional organisations, and the Local Government Association, and will include the development and publication of on-line resources and guides to support owners to manage their heritage assets.

The 90 day '*Nature Initiatives*' change project will be a significant opportunity for DEWNR to engage with the community to make no species loss policy directly relevant to on-ground delivery. The project will explore new ways for government, non-government organisations and local communities to work together to determine local conservation priorities, with a trial planned in the Adelaide and Mount Lofty Ranges NRM region.

The *Native Vegetation (Miscellaneous) Amendments Bill 2011* (the Bill) makes various amendments to the *Native Vegetation Act 1991*. A key amendment introduces and provides for a credit and third party Significant Environmental Benefit (SEB) offset scheme. Progressing the Bill through Parliament will be a key challenge in 2013-14.

In an associated initiative, the Native Vegetation Council, supported by DEWNR, is reviewing requirements, protocols and policies relating to significant environmental benefits (SEB) that offset the clearance of native

vegetation. The review process aims to improve consistency in determining SEB offsets, prevent the incremental loss of native vegetation and ensure that the state's approach is consistent with national and international standards. A consultation process with key stakeholders has commenced. A target for 2013-14 is to complete the review and implement the recommendations.

Sub-program 1.2: Sustainable Water Resources

To provide coordinated policy direction, that balances economic, social and environmental considerations, for the planning and management of the state's water resources to support communities, industry and ecosystems. To provide policy direction and facilitate projects to deliver integrated urban water management.

HIGHLIGHTS

- Influenced changes to the Murray-Darling Basin Plan and supported the government to secure Commonwealth Government commitments to \$1.77 billion for additional environmental water and remove constraints to its delivery.
- Supported the government to secure Commonwealth Government commitments to \$420 million for environmental and economic development projects in the South Australian Murray-Darling Basin.
- Supported negotiations to achieve the Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin.
- Developed the *Murray-Darling Basin Plan: South Australian Implementation Strategy 2013 -2019*.
- Facilitated delivery of 1,076 gigalitres of environmental water to key South Australian environmental assets and developed the *South Australian Annual Environmental Watering Plan 2013–14* to guide the delivery of environmental water to South Australian River Murray priority sites.
- Supported key salinity management activities so that South Australia's balance on the *Basin Salinity Management Strategy* Salinity Registers remains in positive credit and South Australia's salinity management obligations under the Murray-Darling Basin Agreement were achieved.
- Supported the Review of the Murray-Darling Basin Agreement (Schedule 1 of the Water Act 2007).
- Supported the passing of the *Water Industry Act 2012* to establish a new regulatory framework for the water and wastewater services industry in South Australia.
- Released annual reviews of the Northern and Yorke and the Eyre Peninsula Demand and Supply Statements.
- Implemented the *National Partnership Agreement on Coal Seam Gas and Large Coal Mining Developments* to allow for a more rigorous and transparent assessment of the water related impacts from such projects in South Australia.
- Completed water conservation projects in Amata and Mimili communities to influence demand management.
- Developed a position paper on *South Australian National Water Reform Priorities 2012–2017* to inform the national water reform agenda.
- Supported the Minister in the successful passage of the *Natural Resources Management (Review) Amendment Act 2013* which delivers improved efficiency and effectiveness in the management of natural resources.
- Finalised the Over-allocation Policy and Decision Support Framework to provide a transparent and robust approach to addressing over-allocated and/or overused water resources.
- Finalised the Risk Management Policy and Guidelines for Water Allocation Planning.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Contribution to Government and DEWNR strategic priorities

The work of the Sustainable Water Resources sub-program is critical to support the South Australian government's strategic priorities: *Realising the benefits of the mining boom for all; Premium food and wine from our clean environment; Creating a vibrant city and Safe communities and healthy neighbourhoods.*

In 2012-13, the department continued to play a lead role in the delivery of the following South Australia's Strategic Plan (SASP) targets:

- T75: *Sustainable water use*; T76: *River Murray – flows*; and T77: *River Murray salinity* through influencing Murray-Darling Basin water reform and leading Basin Plan implementation, management of River Murray salinity, managing environmental watering and driving state water management and planning initiatives;
- T73: *Recycled stormwater* and T74: *Recycled wastewater* through leadership in stormwater management policy, implementation of the eight stormwater harvesting and re-use projects funded by the commonwealth, state and local governments and the development of policy to encourage additional recycling of alternative water resources; and
- T62: *Climate change adaptation* through effective regional and urban water resource and water supply planning and management.

Effective water management through state initiatives and effective implementation of the Basin Plan also contributes to a number of other SASP targets including:

- Target 4 which aims to improve the tourism industry,
- Targets 35, 38 and 40 which aim to grow our economy, business investment and food production;
- Target 46 which aims to increase regional populations;
- Targets 47 and 49 which focus on increasing jobs; and
- Target 69 which focuses on losing no species.

Sustainable Water Resources plays a key role in achieving departmental Corporate Plan outcomes: *Resilient landscapes and livelihoods* and *Sustainable water resources for all*. In particular, through leading delivery of:

- Strategic priority 4: *Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan*; strategic priority 5: *Streamline and improve water allocation planning process across the state*; and
- key elements of strategic priority 6: *Implement a series of initiatives to improve the sustainable use of water in the South East*.

Sustainable Water Resources also delivers on many of the actions under *Water for Good: A plan to ensure our water future to 2050*.

Murray-Darling Basin Plan

In 2012-13, the department represented South Australia's interests in negotiations for a better Murray-Darling Basin Plan drawing on scientific, policy, legal and technical advice from across government. The department supported the Premier's Basin Plan Taskforce, comprising of key ministers and senior government officials which was established to oversee the preparation of the government's response.

During 2012-13, the department prepared a number of formal South Australian Government submissions related to the Basin Plan, including:

- contributing to joint Murray-Darling Basin Ministerial Council submissions as well as submitting South Australian Government feedback on drafts of the Basin Plan in July and August 2012;
- a submission to the House Standing Committee on Regional Australia inquiry into the *Water Amendment (Water for the Environment Special Account) Bill 2012*; and

- a submission into the Senate Environment and Communications Committee inquiries into the *Water Amendment (Long Term Average Sustainable Diversion Limit Adjustment) Bill 2012* and *Water Amendment (Water for the Environment Special Account) Bill 2012*.

The department also managed significant stakeholder engagement which resulted in strong community and industry support for the government's response to the Basin Plan. This included regional meetings and support for the "Fight for the Murray" campaign which saw over 19 000 people pledge support; attracted over 28 000 followers through Facebook and Twitter and resulted in over 5000 letters being sent to the Prime Minister.

The Murray-Darling Basin Plan was adopted by the Australian Government Minister on 22 November 2012 and includes key provisions that, along with associated changes to the *Water Act 2007*, will benefit South Australia including:

- Basin Plan provisions that can support the return of 3200 gigalitres of water to the environment (a significant improvement from the original proposed 2750 gigalitres);
- 'end of system' objectives, targets and actions including salinity targets and water level and Murray Mouth openness objectives for Coorong, Lower Lakes and Murray Mouth and the River below Lock 1;
- provisions to deliver environmental flows and manage water quality and salinity; and
- improved arrangements for supporting the delivery of critical human water needs including the establishment of a conveyance water reserve that will improve water security for South Australia.

The policy work undertaken by the department also assisted the South Australian Government to secure Australian Government commitments to investment of around \$420 million for environmental and economic development projects that will enhance environmental outcomes, strengthen regional communities and support regional development in the South Australian Murray-Darling Basin.

The department represented the state's interests in discussions with other government agencies and supported the government in negotiating the Intergovernmental Agreement on Implementing Murray-Darling Basin Reform. On 27 June 2013, the South Australian Government signed this Agreement, which outlines how jurisdictions will work together to implement the Basin Plan and associated water reforms.

To guide the state's implementation of the Basin Plan, the department developed the *Murray-Darling Basin Plan: South Australian Implementation Strategy*. This strategy was released on 27 June 2013 and outlines the key actions that will be pursued to ensure the Basin Plan is fully integrated into South Australia's ongoing water management arrangements.

The department has been working with the Murray-Darling Basin Authority and other jurisdictions to develop a Basin Plan implementation agreement to provide clarity on jurisdictional implementation obligations and to outline collaborative working arrangements. The department will focus on finalising this agreement during 2013-14 as well as implementing the Murray-Darling Basin Plan and complementary environmental projects.

Review of the Murray-Darling Basin Agreement

In 2012-13, the department continued to represent South Australia's interests in inter jurisdictional forums undertaking Stage 2 of the Review of the Murray-Darling Basin Agreement to examine options for improving the management of water resources in the Murray-Darling Basin. The review concluded on 30 June 2013 and a final report is being prepared.

Murray-Darling Basin salinity management

Salinity management in the River Murray requires continued action to manage the long-term impacts from saline groundwater inflows along the length of the River. Irrigation development increases the mobilisation of groundwater to the river and active management is required to ensure the quality of water from the River Murray is suitable for irrigators, industry, town water supplies and the environment. Key actions in 2012-13 included:

- policy analysis and advice supporting South Australia's position on the Water Quality and Salinity Management chapter of the draft Basin Plan;
- management of long-term salinity by maintaining South Australia's positive balance on the *Murray-Darling Basin Authority's* Salinity Registers (in line with SASP Target 77: *River Murray salinity* and delivery of South Australia's obligations under the Murray-Darling Basin Agreement; and
- development of salinity management provisions for inclusion in the revised River Murray Water Allocation Plan.

Environmental water policy program

During 2012-13, the Environmental Watering Policy program focused on policy, planning, advice and reporting for the delivery of environmental water to the South Australian River Murray. The program facilitated the delivery of 1076 gigalitres of environmental water to key South Australian environmental assets including the Lower Lakes, Coorong and Murray Mouth, Brandybottle Waterhole, Dishers Creek, Berri Evaporation Basin and Whirlpool Corner Wetland. Key activities included:

- effective planning and management of environmental water delivery including negotiation with the Commonwealth Environmental Water Office and The Living Murray for the provision of environmental water to South Australia; and
- development of an annual environmental watering plan and annual environmental watering priorities for 2013-14 following consultation with community and indigenous groups; and

Environmental works and measures

During 2012-13, the department delivered to the Australian Government all of its obligations under the \$1.8 million Project Agreement for the Murray-Darling Basin Environmental Works and Measures Feasibility (EWMF) Program. The program supported investigations into projects to deliver better and more efficient environmental water management outcomes. The program included state identified priorities and community based proposals.

Pre-feasibility investigations were completed for community proposals to improving water management for the following wetlands:

- Bookmark Creek and wetland in the Riverland;
- Martin Bend Wetlands in the Riverland;
- Tolderol Wetlands in the Lower Lakes region;
- Teringie Wetlands in the Lower Lakes region;
- Woltowa Wetland in the Lower Lakes region; and
- Reconnecting wetlands on Hindmarsh Island in the Lower Lakes region.

The government has been successful in securing \$155 million to commence the project to construct water regulating structures and salinity management infrastructure at Katfish Reach and Pike Floodplain.

Opportunities to undertake feasibility investigations and on-ground works for the six short-listed community ideas are being pursued with the Australian Government.

Urban water

DEWNR has lead responsibility for the development and coordination of urban water policy across government in collaboration with the local government sector and industry. This work supports DEWNR's strategic priority: *Enhance the liveability of Adelaide through better planning and design that connects people to the natural world, reduces environmental impacts and enhances the beauty of urban landscapes*, and the government's strategic priorities: *Create a vibrant city and Safe communities and healthy neighbourhoods*, as well as South Australia's Strategic Plan targets for recycled wastewater (T74) and stormwater (T73), sustainable water use (T75) and climate change adaptation (T62).

In 2012-13, a South Australian Government policy was finalised on Water Sensitive Urban Design (WSUD). The policy was developed by the department in consultation across key government agencies, with local government and the private sector and is the first such policy direction for WSUD in South Australia. The

policy establishes statewide targets for the design of new urban developments in concert with the urban water cycle and addressing such issues as local water conservation, flood and flow management and water quality improvement. It also sets out a range of actions to improve the uptake and use of WSUD approaches in the urban landscape, including policies aligned with the urban development and planning system and the establishment of a capacity building program. The policy will be publically released in 2013-14 and implementation of the range of actions will commence in collaboration with various stakeholders.

In 2013-14, a new State and Local Government Stormwater Management Agreement was finalised with the Local Government Association setting out new collaborative arrangements for the management of stormwater. The new Agreement provides for a more strategic role for the Stormwater Management Authority and closer linkages between the Authority's operation and state and local government policy priorities.

Work has continued on the construction of eight new stormwater harvesting and re-use projects across metropolitan Adelaide, with these scheduled for completion by 2013-14. These projects once operational, in addition to other planned and existing schemes, will provide Adelaide with the capacity to harvest approximately 23 gigalitres of stormwater a year. The projects being overseen by DEWNR are:

- Water Proofing the South;
- Water Proofing the West;
- Botanic Gardens;
- Barker Inlet;
- Adelaide Airport;
- Oaklands Park;
- Unity Park Biofiltration; and
- Water for the Future (City of Playford).

Work also commenced on the development of an integrated urban water management plan for Greater Adelaide, the Blueprint for Urban Water. This plan will draw together the various policy objectives of state and local government in the management of urban water resources to ensure a more collaborative and integrated approach to urban water management. It will provide a framework for ensuring that Adelaide maximises the social, economic and environmental benefit from our six sources of urban water. These water sources are desalinated water, River Murray water, water from the Mount Lofty Ranges and Adelaide Plains catchments, groundwater, stormwater and wastewater. Consultation on the Blueprint with local government and other stakeholders will commence in late 2013, with the Blueprint anticipated to be finalised in 2014.

Water Industry Act

In 2012-13, the department coordinated the implementation of the Water Industry Act which was proclaimed to come into operation from 1 July 2012. These included progressing major reforms under the Act, including:

- strengthened approaches to water demand and supply planning;
- the introduction of independent economic regulation of the industry by the Essential Services Commission of South Australia;
- new arrangements for the independent regulation of the plumbing sector; and
- new powers for other water industry entities in regard to land access and protection of infrastructure.

Demand and supply planning

In line with the government's commitment to develop Regional Demand and Supply Statements for each of the state's natural resources management (NRM) regions outlined in *Water for Good* and the *Water Industry Act 2012*, annual reviews of the statements for the Eyre Peninsula and Northern and Yorke regions were completed. Work progressed on developing statements for the Arid Lands and Alinytjara Wilurara NRM regions. Work will commence on the Kangaroo Island Demand and Supply Statement in 2013-14, with statements for other NRM regions to be progressively developed over the coming years.

Realising the benefits of the mining boom for all South Australians

Maximising the benefits of the mining boom for all is a key priority for government and the relationship between mining development and the management of our water resources is a key focus for the department.

In mid-2012, the Premier signed the *National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development* to provide for a more transparent and rigorous framework for the consideration of water related impacts from these activities, linked with legislative approvals. As part of the milestones for the Agreement, the department developed a protocol to enable the referral of coal seam gas and large coal mining developments to the Commonwealth's Independent Expert Scientific Committee to assess water related impacts. The department also undertook a review of existing state legislation and processes to ensure that such referrals could take place. These milestones have been assessed as completed by the COAG Reform Council.

Other mining and water issues will be addressed through a newly established Resources and Water Policy Network comprising representatives of key state government agencies during 2013-14.

Water for remote communities

Work was completed on the development and implementation of a water conservation program for the Amata and Mimili communities on the Anangu Pitjantjatjara Yankunytjatjara Lands. This program was a first for South Australia and provides a framework to ensure sustainable water supplies to these communities.

In parallel, upgrades to water and wastewater infrastructure for these communities has been progressively implemented and will be completed by 2013-14. Work will also commence on the development of a state strategy for the provision of water to remote communities across South Australia.

State and national water policy

The focus for 2012-13 has been on statewide policy development for water management and proactively influencing the national water policy agenda of the National Water Commission and the Council of Australian Governments. This included development of the paper, *South Australia's National Water Reform Priorities 2012-17*, to assist South Australia's input into the development of an enhanced national water reform agenda. The reform agenda was signed off by the Standing Council on Environment and Water and aligns well with South Australian Government's priorities.

Work commenced on improving water allocation planning including development of an approach to the coordination of water planning activities across government agencies and NRM Boards. In addition, work progressed on developing a water planning policy library to provide tools and guidance to water planners, and to ensure effective use of legislative frameworks. A consistent risk management approach to water planning and management was introduced in South Australia in 2012-13. The Over-allocation Policy and Decision Support Framework was developed to support development of management options to address over-allocation.

Support was provided to the Minister for Sustainability, Environment and Conservation in the successful passage of the *Natural Resources Management (Review) Amendment Act 2013* in Parliament. This is the culmination of a process that commenced with a report on the Review of the *Natural Resources Management Act 2004*. The Amendment Act improves the operation of the water licensing system and enables the Minister and the department to better manage water resources and provide greater certainty and flexibility to water users.

Policies to manage water resources in the Alinytjara Wilurara NRM Region were developed for inclusion in the regional NRM Plan that provide effective fit for purpose water management solutions for that region. The department provided policy and administrative support for the development of a wide range of water allocation plans including Adelaide Plains, Lower Limestone Coast, Eastern Mount Lofty Ranges and Eyre Peninsula.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

A key challenge for 2013-14 will be to ensure that the Basin Plan and associated programs are effectively implemented to achieve key outcomes for the environment, industry and local communities.

Implementation of the Basin Plan will require changes to water planning and management across the South Australian Murray-Darling Basin.

The department will continue to represent the state's interests and engage with the Murray-Darling Basin Authority and Basin (MDBA) jurisdictions to develop integrated and coherent arrangements for delivering the Basin Plan reforms.

A key challenge for Basin Plan implementation is meeting the state's water recovery target under the Basin Plan. South Australia has already recovered over half of the water required and the remaining water recovery will be achieved with input from relevant industry organisations and through willing participation. The South Australian River Murray Water Recovery Advisory Forum will bring together government, industry and community representatives to exchange information on progress towards meeting the state's water recovery target under the Basin Plan and to provide advice on the development water recovery measures.

Implementation of the Basin Plan requires South Australia to have regard to a number of salinity and water quality targets when managing water flows. Policy guidelines will be developed to support environmental water holders and river operators to manage water in the South Australian River Murray consistent with these Basin Plan obligations.

In 2013-14, the MDBA will undertake a review of Schedule B of the MDB Agreement and the *Basin Salinity Management Strategy 2000-2015*. The department will support the government to actively participate in this review to ensure salinity is continued to be managed at an acceptable level for all users of the River Murray. The department will also undertake a review of salinity management actions in South Australia and assess the salinity risk into the future to determine the next steps to be taken to continue to manage River Murray salinity within acceptable levels.

In 2013-14, the department will work with the MDBA to initiate detailed technical investigations, assessments and program planning for the \$155 million South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP). SARFIIP is a major project to restore the health of the wetlands at Pike and Katarapko in the Riverland and includes the construction of water management and salinity management infrastructure.

The department will continue to work collaboratively with the Commonwealth Environmental Water Holder, MDBA and other Basin States as well as with other state government agencies to support the delivery of environmental water to South Australia. Key challenges include developing annual watering priorities for 2014-15 by May 2014 and commencing the development of long-term watering plans for all South Australian Murray-Darling Basin Water Resource Plan areas. The department will also seek to influence the development of a Basin Environmental Watering Strategy by the MDBA.

A key challenge will be to ensure that Basin Plan implementation obligations relevant to River Murray operations and water trade are met. This includes participating in the development of the MDBA Constraints Management Strategy and reviewing water trading rules in state water allocation plans to ensure compliance with the Basin Plan.

The development of an integrated urban water management plan for Greater Adelaide, the Blueprint for Urban Water, is a key policy challenge for DEWNR over the coming 12 months. This will require significant collaboration and engagement across government and with the local government sector and other stakeholders. The development of this strategy will be a first for a capital city in Australia and provide for a more integrated approach to the management of our urban water resources for the community, economy and environment. The Blueprint will assist to deliver SASP targets T73 and T74.

A review of *Water for Good*, the state's water security plan will be required in 2014 to set the direction for future water security across South Australia.

Implementation of the *Water Industry Act 2012* will also continue, including the establishment of a statewide water demand and supply statement.

Improved consideration of water policy reform and arrangements to ensure sustainable economic development will also be a key challenge for water policy in South Australia. The reform of existing policy frameworks and the formation of new policy in this space will require significant cross agency and industry collaboration.

Leading water allocation planning reforms and development of a statewide 5-year work program for water planning across the state will be key challenges for 2013-14. DEWNR will also develop a work program to address changes required to deliver Basin Plan compliant water resource plans for the South Australian Murray-Darling Basin.

Sub-program 1.3: Science, Monitoring and Knowledge

To enhance the state's scientific knowledge and understanding of our natural resources, and to provide and coordinate scientific and resource condition information, to inform policy development and service delivery.

HIGHLIGHTS

- Developed the NRM State and Condition Reporting Framework to provide a new statewide approach to evaluate and report on the status and condition of natural resources.
- Completed the initial stages for the Arckaringa Basin, Pedirka Basin and Lake Eyre Basin projects and the NRM boards' data project (six regional NRM boards involved) as part of the National Partnership Agreement for Coal Seam Gas and Large Coal Mining Development.
- Decommissioned two uncontrolled flowing wells, drilled one replacement well and rehabilitated four wells as part of the Great Artesian Basin Sustainability Initiative Phase 3 program.
- Completed the flowing portion of the South Australian Great Artesian Basin national monitoring network.
- Completed, with the Goyder Institute, reporting and groundwater mapping products for stage 1 of the Goyder Institute finding long-term outback water solutions (G-FLOWS) in the Musgrave Block (Anangu Pitjantjatjara Yankunytjatjara Lands). A case study on airborne geophysical data interpretation for groundwater in the Frome Embayment (east of the North Flinders Ranges) was also completed.
- Enhanced the state groundwater monitoring network by constructing 75 new monitoring wells.
- Completed an assessment of potential impacts of a changing climate on groundwater recharge processes in the South Australian Arid Lands (SAAL) NRM region. Also completed the non-prescribed groundwater resource assessments for the SAAL and Kangaroo Island NRM regions.
- Undertook scientific analysis to support strategic placement of low flow releases for the Mount Lofty Ranges.
- Developed a scientific method for assessing ecological communities to identify threatened ecological communities for potential nomination under the *Environment Protection and Biodiversity Conservation Act 1999* (Cwth).
- Publicly released detailed information on soil condition across southern South Australia via NatureMaps and EnvMaps.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

NRM State and Condition Reporting Framework

State and Condition Report Cards have been developed to enable DEWNR to report on targets in the State Natural Resources Management (NRM) Plan for South Australia 2012-2017. Report Cards were produced by analysing existing information from government agencies, local government, regional NRM boards, industry

and non-government organisations. Over the last 6 months of 2012-13, 23 report cards were drafted. There are an estimated 40 report cards required to report on the targets set in the State NRM Plan.

In line with the government's strategic priority: *Premium food and wine from our clean environment*, the NRM State and Condition Reporting Framework will track South Australia's environmental credentials to underpin the ongoing productivity and sustainability of South Australia's food and wine sectors.

The Framework fulfils DEWNR's strategic priority: *Use the Natural Resources Management Reporting Framework to align monitoring arrangements and improve our understanding of the state and condition of the state's natural resources*.

National Partnership Agreement for Coal Seam Gas and Large Coal Mining Development

Under the Australian Government Initiative, a range of projects is generating improved knowledge of the interaction of coal seam gas and large coal mining with water resources to inform regulatory decisions that have been established under the National Partnership Agreement for Coal Seam Gas and Large Coal Mining Development. This will ensure that well informed communities have greater confidence in the regulation of coal seam gas and large coal mining development. The program is guiding legislative change and the development of processes to link to the Commonwealth requirements under *Environment Protection and Biodiversity Conservation Act 1999*. Funding for this work has been provided by the Australian Government.

DEWNR is working in partnership with the Department for Manufacturing, Innovation, Trade, Resources and Energy, the Department of Premier and Cabinet, the Environment Protection Authority, NRM boards, including; South Australian Arid Lands, South East, South Australian Murray-Darling Basin, Northern and Yorke, Alinytjara Wilurara, and the Queensland and the Northern Territory governments.

The department has completed preliminary assessment work for bio-regional assessments in the Arckaringa and Pedirka Basins and enhanced monitoring and analysis within the Lake Eyre Basin. The department has entered into further agreements with the Australian Government to undertake more detailed assessments in the Arckaringa and Pedirka Basins.

The program aligns with the government's strategic priority: *Realising the benefits of the mining boom for all South Australians* and the State Strategic Plan Targets; 69: *Lose no species* and 75: *Sustainable water use*.

Great Artesian Basin Sustainability Initiative Phase 3 program

Under the Great Artesian Basin Sustainability Initiative (GABSI) Phase 3 program, seven projects were completed including a new well at Goyders Lagoon and equipment that was required to complete works on the decommissioning two wells, Tirari West No1 and Poonarunna No1, was purchased. A further two wells were decommissioned and another four rehabilitated.

Over 68 megalitres per day of water savings have been realised to date through the rehabilitation and decommissioning of wells and the piping and redistribution of stock water supplies. The GABSI Phase 3 Implementation Program contributes to SASP Target 75: *Sustainable water use*.

Great Artesian Basin national monitoring network upgrade

The Great Artesian Basin national monitoring network installation program continued, which also contributes to SASP Target 75: *Sustainable water use*. During 2012-13, infrastructure for 34 wells was upgraded and instrumentation was installed for 14 monitoring sites.

Goyder Institute finding long-term outback water solutions (G-FLOWS)

The finding long-term outback water solutions (FLOWS) initiative spans a number of sub-projects under the Groundwater Program. This work is also supported by a significant research program being undertaken by the Goyder Institute for Water Research. The FLOWS initiative is contributing to total exports, mineral production and processing and sustainable water supply in South Australia, supporting SASP targets 37, 42 and 75 respectively. This project also aims to assist in the development of potential water supply options for remote Far North communities. Literature and data reviews (Stage 1) for the non-prescribed groundwater

resource assessments have been completed in five NRM regions, Eyre Peninsula, Northern and Yorke, Kangaroo Island, Alinytjara Wilurara and South Australian Arid Lands. A key output was to consolidate regional knowledge and data and produce key reference mapping products. The non-prescribed groundwater resources assessment for Eyre Peninsula entered into stage 2 with field work to address data and knowledge gaps identified in the Stage 1 assessment of existing data.

The Goyder Institute project identified the best aerial geophysical technique for mineral and groundwater identification and this is to be adopted by the Department of Manufacturing, Innovation, Trade, Resources and Energy for airborne geophysical surveys. The project was focused on the Musgrave Ranges in the Far North and has helped to better define groundwater resources in this region. The project also provided regional groundwater recharge estimates to better refine recharge processes in the Far North and captured current knowledge around the cultural and environmental values of water resources in the region.

State groundwater monitoring network

The department continued to review and upgrade water monitoring networks for groundwater and surface water across the state and identify water monitoring information gaps to better inform resource condition reporting which contributes to SASP Target 75: *Sustainable water use*.

Ongoing monitoring of salinity and water levels occurred in 5096 wells within the state's 146 groundwater networks, which was 3 per cent lower than the forecasted number of monitored wells in 2011-12.

Ongoing flow, water quality and meteorological monitoring occurred at 361 surface water sites, which was 64 per cent higher than the predicted number of surface sites forecasted in 2011-12.

Other key achievements include:

- Established 75 new groundwater monitoring wells including the completion of the remaining 42 wells in the McLaren Vale prescribed wells area through the National Centre for Groundwater Research and Training.
- Under the asset renewal program, 25 monitoring wells were replaced in the South East region. Five surface water sites were upgraded in the Southern Fleurieu and Kangaroo Island and four new monitoring wells were drilled in the Adelaide Metropolitan area.
- Completed stabilisation works to protect a major weir structure at Turretfield.
- Installed 27 standalone groundwater monitoring platforms.

A programmed improvement and extension of water monitoring and information systems within the state included the development of an application to enable field groundwater data to be collected and verified electronically at the point of collection.

The Statewide Water Monitoring Co-ordination Group was established to assist in aligning investment funds from state agencies and monitoring partners to achieve a more efficient and effective state monitoring network.

Impacts of a changing climate on groundwater recharge and non-prescribed groundwater resource assessments

The *Impacts of Climate Change on Water Resources* project provides an understanding of the risks to water resources and water-dependent ecosystems in South Australia arising due to climate change and climate variability. The outcomes of the project fulfil Action 43 of *Water for Good*: "Commission, where required, regional scale studies on the impacts of climate change on water resources".

Achievements in 2012-13 include completion and publication of a report on the potential impacts of climate change on priority water resources of the South Australian Arid Lands (SAAL) NRM Region and a report on the statewide assessment of the risks of climate change to water-dependent ecosystems. These provide a new understanding of the risks of climate change impacts on groundwater recharge and to the future capacity of the natural water resources to provide water for communities, industry and the environment. This supports the government's strategic priorities of *Safe communities, healthy neighbourhoods* and *Premium food and*

wine from our clean environment. The knowledge generated from these studies will inform water resource supply and demand planning for the SAAL NRM Region and climate change adaptation initiatives supporting DEWNR's strategic priority: *Lead the implementation of South Australia's Climate Change Adaptation Framework* which supports SASP Target 62: *Climate change adaptation*.

The *Non-Prescribed Groundwater Resources Assessment* project improves the knowledge and understanding of groundwater resources across non-prescribed regions of the state and will benefit a broad range of stakeholders by providing water source options for potential future development. This work contributes to total exports, mineral production and processing and sustainable water supply in South Australia. The project also supports achieving DEWNR's strategic outcome of helping ensure that South Australians have access to sufficient and reliable water resources. The project also contributes to SASP Target 75: *Sustainable water use* and the government's strategic priority: *Realising the benefits of the mining boom for all*.

Achievements in 2012–13 include completion of community engagement and a targeted field program for the Eyre Peninsula NRM Region. Simplified 3-D models of the groundwater systems across the Eyre Peninsula and Northern and Yorke NRM Regions have been developed, which will be published on the department's *WaterConnect* website in 2013-14. These display the different aquifers, water levels and salinities and will assist stakeholders to better understand the extent and quality of groundwater resources at the regional scale which support DEWNR strategic outcome: *Sustainable water resources for all*.

Substantial progress was also made in reporting on knowledge of non-prescribed surface water resources for the Northern and Yorke and Kangaroo Island NRM Regions. These assessments will be published in 2013-14 and will complement the groundwater reports already published for the majority of NRM Regions.

Strategic placement of low flow releases for the Mount Lofty Ranges

The Sustainable Extraction Limits for Surface Water Management Zones in the Draft Western Mount Lofty Ranges Water Allocation Plan (WAP), the Draft Eastern Mount Lofty Ranges WAP and the Marne Saunders WAP are all based on the premise that appropriate low flow restoration programs are implemented across these Prescribed Water Resource Areas.

The department has worked in partnership with the South Australian Murray-Darling Basin and Adelaide and Mount Lofty Ranges NRM boards to investigate the feasibility of achieving the environmental objectives of these WAPs through the provision of low flow releases at fewer locations than originally envisaged via the WAP policies. This feasibility study also sought to identify priority surface water management zones for a low flow restoration program, and identify what annual average volume of water might be returned to the River Murray through the implementation of a low flow restoration program in the Eastern Mount Lofty Ranges and Marne-Saunders Prescribed Water Resource Areas.

All elements of this project have now been delivered to the investment partners for this project. Publication of the technical report is expected to be in 2013-14 to accommodate the completion of the closely-related existing user process for the Western and Western Mount Lofty Ranges.

This initiative contributes to achieving DEWNR's strategic priority: *Streamline and improve water allocation planning processes across the state* which supports the government's strategic priority: *Premium food and wine from our clean environment* and SASP Target 75: *Sustainable water use*.

Scientific method for assessing and identifying threatened ecological communities

Development of a scientific method for assessing ecological communities allows for identification and assessment of threatened ecological communities for potential nomination under the *Environment Protection and Biodiversity Conservation Act 1999* (Cwth) and for production of a South Australian list of threatened ecological communities.

The project for threatened ecological communities fills an important policy gap for South Australia compared to the documented method for listing threatened ecological communities previously which was reliant on a provisional list of ecological communities that did not include representation of all South Australian ecosystem

types. This work also contributes to the government's strategic priority: *Premium food and wine from our clean environment* and the department's priorities relating to community participation and involvement in managing natural resources, liveability in Adelaide and continual improvement.

Soil condition across southern South Australia

The department has lead responsibility for the delivery of SASP Target 70: *Sustainable land management*. Good soil and land information is fundamental to the assessment, prioritisation and treatment of a range of natural resource management issues impacting on 'landscape resilience', production potential and landscape-based ecosystem services. Soil water-holding data is also critical to assessing impacts of climate change. Knowledge of these issues and the corresponding promotion of sustainable management practices underpins to the government's strategic priority: *Premium food and wine from our clean environment* and DEWNR strategic priorities relating to community participation and involvement in managing natural resources, liveability in Adelaide and continual improvement.

In 2012-13, the southern South Australia soil condition information was published via NatureMaps and EnvMaps which has addresses the need to improve accessibility to the community of soil data and associated interpretive information.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

One of the key challenges for the Natural Resource Management State and Condition Reporting Framework is to ensure the report cards are aligned with, and useful, at a state level, for regional reporting and prioritising, and for the community.

The report cards are being developed in collaboration with regional staff and input from other government agencies. A pilot project is investigating the use of the report cards to align reporting against the Adelaide and Mount Lofty Ranges NRM Regional Plan and in accordance with the NRM State and Condition Reporting Framework.

The process of producing report cards is also expected to identify data gaps at both statewide and regional scales. Understanding the data gaps will improve the review of statewide and regional priorities and the refinement or development of indicators to enable South Australia to track changes in the condition of natural resources.

Program 2: Operations and Service Delivery

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

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

Sub-program 2.1: Regional Service Delivery

To provide integrated environment and natural resources management services, including management of public lands and support for the eight regional natural resources management (NRM) boards, Pastoral Board and co-management boards.

HIGHLIGHTS

- The following fire management activities were delivered as part of the State Government's contribution to protect the state against the ongoing risk of bushfire:
 - continued DEWNR's fire mitigation program, including prescribed burning, to reduce fuels in strategic locations across the high-risk areas of the state, treating more than 11 050 hectares, along with the

- development of risk-based fire management plans, which cover approximately 49 per cent of public lands managed by DEWNR; and
- o assisted the South Australian Country Fire Service and landowners in responding to significant fire activity across the state. DEWNR also deployed two specialist incident management personnel to the Tasmanian bushfires in January 2013.
- Opened nine natural resources centres across South Australia to provide integrated advice and information to the community on natural resources management.
- Established cycling opportunities on management tracks in Cleland Conservation Park and Belair National Park as part of the *Linking Adelaide with Nature* strategy.
- Provided \$2 million of community grants across 142 projects to support volunteer and community contributions to natural resources management.
- Developed and implemented a Volunteer Management Framework to facilitate the safe and effective participation of volunteers and community groups in NRM activities.
- Supported 113 Friends of Parks groups across the state, with 13 groups celebrating their 10th, 20th, 25th and 30th year anniversaries.
- The following hazard management activities were undertaken:
 - o Commenced a project with the Goyder Institute for Water Research;
 - o Continued DEWNR's program of undertaking flood risk assessments for South Australia's emergency management zones ensuring that those zones recognised for flood as a priority hazard are properly informed;
 - o Commenced development of a Total Flood Warning System – Monitoring, Intelligence and Infrastructure System and assessing statewide flood risk;
 - o Completed the multi-agency Flood Inquiries Taskforce Report, assessing the implications of the Queensland and Victorian flood inquiries for flood management in South Australia; and
 - o Reviewed and updated the State Flood Hazard Plan to ensure it meets the requirements of the Hazard Leader role.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Reform natural resource management and delivery arrangements in South Australia

In 2012-13, the department opened natural resources centres in each of the eight natural resources regions to provide integrated advice and information to the community on natural resources management. This contributes to DEWNR's strategic priority: *Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate*. Natural resources centres were launched in each region during 2012 as a single point of contact where community, business and government can come together to achieve priorities set out in the state and regional NRM plans.

The Bounceback Program is a landscape scale ecological restoration program that links conservation management across the Flinders, Olary and Gawler Ranges. The program:

- supports land managers to manage natural resources sustainably;
- provides local employment opportunities; and
- supports volunteers to actively participate in managing natural resources in some of the most iconic landscapes in Australia.

In 2012-13, the program celebrated its twentieth year operating on National Park reserves, Aboriginal owned and managed lands, private sanctuaries, and pastoral lands in the South Australian Arid Lands. An afternoon event at the Old Wilpena Station showcased the achievements of the program over the past 20 years and the success of the program was widely promoted.

An extensive policy review was undertaken in the Eyre Peninsula region which resulted in an Expression of Interest evaluation process for the Great White Shark Cage Diving industry. Three Great White Shark Cage Diving operators are now licensed for operations in the Neptune Islands Conservation Park.

Understanding Aboriginal culture

In 2012-13, the following achievements supported SASP Target 28: *Aboriginal leadership* and DEWNR's strategic priority: *Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate*. These projects also support the government's strategic priority of *Creating a vibrant city* and SASP Target 72: *Nature conservation*, which the department has lead responsibility for delivery.

A co-management agreement for Wabma Kadarbu Mound Springs Conservation Park has commenced with the Arabana Parks advisory committee covering Lake Eyre National Park, Elliot Price Conservation Park and Wabma Kadarbu Mound Springs Conservation Park. The Arabana Parks Advisory Committee has a challenging agenda, ensuring the cultural landscape is still known and understood by the Aboriginal traditional owners and is managed in a way that also protects and conserves the Parks outstanding natural and cultural features.

In September 2012, 51 Aboriginal Women from around South Australia travelled thousands of kilometres to hold a three day meeting at important women's sites in Mamungari Conservation Park. It is the first time in 15 years that such a large number of people have met on this country. The park is managed by the Mamungari Co-Management Board, which is comprised of Maralinga Tjarutja, Pila Nguru and DEWNR. During the large meeting, the women talked about their land, what is threatening their country, how youth and elders can work together to transfer traditional knowledge, as well as discussing the role women can play on the Mamungari Co-Management Board. The trip fulfilled an important role of co-management in reconnecting Aboriginal people to their land and providing momentum for indigenous engagement in natural resources management.

The Gawler Ranges Working on Country Aboriginal Ranger project completed its third year of operation. The program is a partnership between DEWNR, South Australian Native Title Services, the Commonwealth Government and the Gawler Ranges Aboriginal Corporation. Significant outcomes of the project include the relocation and redevelopment of a campground adjacent to an Aboriginal Heritage Site and the identification, mapping and management of Heritage sites. Funding has been secured for another five years through the Commonwealth Department of Sustainability, Environment, Water, Population and Communities.

The Aboriginal Learning on Country program, delivered by the South Australian Murray-Darling Basin region, involves the full-time employment of Aboriginal community members as Conservation and Land Management trainees by key partner organisations on priority sites across the region. This program has resulted in significant Aboriginal employment and capacity building outcomes and has delivered some large scale works projects within the region.

Nature conservation

Implementation of the East meets West *NatureLinks* program continues through the strengthening of strategic partnerships and the collaborative delivery of key regional projects. *NatureLinks* supports the achievement of Target 72: *Nature conservation* and the State Government's *No Species Loss* strategy. Key partners include East Meets West and Coastlinks. One key outcome is the development of a Landscape Linkages Plan, which identified opportunities for landscape connectivity/corridor creation and examined vegetation condition across the Wildeyre project area. A highlight of the program in 2012-13 was an Indigenous women's trip and workshop on traditional lands with key women from Yalata, Oak Valley and Tjuntjuntjara. Land management outcomes across public and private lands include over 1700 hectares revegetated with native species, 955 000 hectares managed for invasive species, 49 groups and organisations engaged and 180 landholders engaged in *NatureLinks* activities.

The Kangaroo Island Koala Management Program supports the achievement of Target 72: *Nature Conservation* and the State Government's *No species loss* strategy. The program has delivered, 413 Koalas sterilised, 20 trees collared, 500 tubestock planted, 34 sites monitored for koala density and tree condition.

The South Australian Regent Parrot Recovery team within the South Australian Murray-Darling Basin Region has been nominated for the NRM Premier's award due to their innovation and research effort into Regent Parrots in the region. This group is driven by community and passionate people and guided by the regions ecologist in a collaborative team effort. The ecologist has analysed and mapped the community sightings for Regent Parrots, which has provided some important information on the species' breeding and foraging habitats.

Manage fire across the landscape and implement a prescribed burning program

This priority was achieved through strategic fuel reduction across the state, with a focus on the high-risk Adelaide and Mount Lofty Ranges Region. During 2012-13 a significant milestone of 500 prescribed burns conducted since 2003-04 was achieved. In this time more than 61 483 hectares of DEWNR-managed has been treated. Of those areas, approximately 52 000 hectares were treated in the last five years. These achievements support the DEWNR's strategic priority: *Meet our target for prescribed burning on high-risk public land and maintain an appropriate bushfire response capacity.*

DEWNR's Fire Management Program successfully completed 59 prescribed burns, treating approximately 11 050 hectares of DEWNR-managed land, despite the impact of increased bushfire activity in spring, 2012 and unseasonably dry conditions in autumn 2013. A total of 42 burns treating 834 hectares were also conducted in the high-risk Mount Lofty Ranges region.

DEWNR continued to lead the cooperative approach to managing fire on public land covered in the Heads of Agency Agreement. DEWNR assisted with the delivery of ForestrySA and SA Water prescribed burning programs through the Mount Lofty Ranges, Southern Flinders, and South East Fire Cooperatives, taking the total combined number of burns conducted to 73 treating 11 520 hectares of public lands across the state.

The 2012-13 bushfire season saw an increase in bushfire activity across the state from recent years, with DEWNR responding in support of the SA Country Fire Service (CFS) to approximately 80 bushfire incidents. These bushfires burnt over 427 000 hectares of public and private land. Over 409 000 hectares of the total area burnt by bushfires this season occurred on DEWNR parks and reserves, with over 403 000 hectares burnt in large remote reserves in the northern and far west areas of the state.

Comprehensive risk based fire management plans continue to be developed, with a total of 14 plans adopted since 2004, covering approximately 49 per cent of DEWNR-managed reserves across the state. The Alinytjara Wilurara Fire Management Strategy, which includes the Nullabor and Yellabinna Wilderness Protection Areas, was released for public comment in March 2013. The regional fire management strategy encourages traditional owners of the region to maintain knowledge and commitment in traditional land management programs, of which the use of fire is a fundamental activity.

The South Para Fire Management Plan, prepared in partnership between DEWNR, ForestrySA, SA Water, and CFS as part of the Adelaide and Mount Lofty Ranges Fire Cooperative, has been endorsed for public comment. The Central Eyre Peninsula Fire Management Plan and the Northern Flinders Ranges Fire Management Plan are being progressed, and are expected to be released for public consultation in 2013-14.

Implementation of the prescribed burning program identified in the Cape Gantheaume Fire Management Plan commenced in 2012-13 with a focus on track upgrades and prescribed burning in Seal Bay Conservation Park.

DEWNR has developed a Fire Information Management System (FIMS) as part of the National Disaster Mitigation program, which is a browser-based application to assist with prescribed burn planning, management, and reporting of DEWNR's prescribed burn program and bushfire response.

A strategic assessment of DEWNR's fire management Policy and Procedures under the *Environment Protection and Biodiversity Conservation Act 1999* has continued in partnership with the Department of Sustainability, Environment, Water, Population and Communities.

Support volunteer and community contributions to natural resources management

In 2012-13, there were a number of communities and volunteers involved in projects to improve the condition of the environment and natural resources, which contributes to DEWNR's strategic priority: *Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate*. These projects also support the government's strategic priority: *Creating a vibrant city* and SASP Target 72: *Nature conservation*.

NRM Community Grants continued to be delivered in 2012-13 with \$2 Million of community grants provided across 142 projects to support volunteer and community contributions to natural resources management. This funding acknowledges the enormous value of community involvement and ensures long-term outcomes by backing local projects.

Relationships have continued to be strengthened with environmental NGO's who are signatories to the Mutual Agreement signed with the eight NRM boards. Achievements of this partnership include:

- Action plans developed between individual NGOs and NRM boards;
- The Conservation Council of SA's NRM Facilitation Project; and
- \$47 million in grants from the Australian Government's Biodiversity Fund for 50 individual projects across SA.

DEWNR's strategic priority: *Provide exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management*, is supported through collaborations with Volunteering SA, Landcare, Friends of Parks Inc. and other non-government organisations. A statewide campaign to recruit more volunteers to NRM and the environment sector is currently being developed. This will assist community groups in their valuable contribution to projects including walking trails, biodiversity surveys and pest control.

A revitalised Campground Host program continued to flourish with host numbers increasing by over 100 per cent. Hosts completed over 25 national park placements, where they assist rangers in welcoming campers and helping them to enjoy their park experience. Throughout the year the hosts contribution represented over 400 days of volunteer time.

The Adelaide Dolphin Sanctuary Action Group, formed in October 2012, has grown to include over 80 registered volunteers delivering over 1000 volunteer hours in 2012-13. In January 2013, DEWNR staff, in collaboration with the Adelaide Mount Lofty Ranges NRM Board, SA Museum, local and state government agencies and private industry, organised the first Dolphin Day at Port Adelaide. The day successfully engaged the local community with over 700 people participating in various activities. The event was organised and coordinated by staff with support from over 15 volunteers.

Ecosystem restoration, including planting, weed removal and ecological burns was undertaken on public and private land across the length and breadth of the Adelaide and Mount Lofty Ranges Region involving thousands of people including numerous volunteers, Friends of Parks groups, schools and partners. Important ecosystems being preserved and restored included Grey Box Grassy Woodland, Mount Compass Oak-bush at Stipiturus Conservation Park and SA Blue Gum and Peppermint Box open woodland with grassy understorey at the Para Woodlands Reserve.

Implement a hazard management program across the state

Risk assessments for flood and riverbank collapse were carried out for several of South Australia's emergency management zones based on the National Emergency Risk Assessment Guidelines in partnership with the South Australian Fire and Emergency Services Commission. The risk assessments were undertaken in a workshop setting, which included local and state government, emergency services and community

organisations. Once completed, the zone risk assessments enable communities to better understand and plan for risk. DEWNR and South Australian Fire and Emergency Services Commission have used the risk assessments to build a statewide understanding of relative risks from floods, riverbank collapse and other hazards across the state.

A review was undertaken of the management options for the four high risk riverbank collapse high risk sites of River Front Road, Murray Bridge, Caloote Southern Residential Area, Woodlane Reserve and East Front Road, Mannum. These findings have been released to Councils and the residents of those sites. DEWNR has continued to work with local landholders and Councils to restrict access to sites at high risk of collapse.

A research project regarding riverbank collapse was commenced with the Goyder Institute for Water Research in conjunction with the University of Sydney and Durham University. The research project focuses on addressing fundamental knowledge gaps of collapse processes, which is affecting DEWNR's ability to accurately and reliably assess the likelihood of failure events and riverbank collapse risk. The outcomes of this project will enable DEWNR to undertake comprehensive risk assessments now and in the future, and at a variety of scales, to develop and implement long-term hazard management and site specific management plans.

The final report from the Flood Inquiries Taskforce, led by DEWNR, was provided to the State Emergency Management Committee. This multi-agency taskforce evaluated the recommendations of the Queensland Flood Commission of Inquiry and Victorian Flood Review. The Flood Inquiries Taskforce delivered recommendations for potential improvements required in South Australia for managing flood hazard. DEWNR is now leading the Flood Reform Taskforce to assess these recommendations.

Three projects were commenced with funding support from the Natural Disaster Resilience Grant Scheme, an initiative of the National Strategy for Disaster Resilience. A flood awareness website is being developed that aims to promote community awareness of flood risk through the publication of flood mapping and other flood-related material. This will assist the community to be better informed and prepared for potential flooding.

Implement the People and Parks visitor strategy

In 2012-13, significant upgrades continued to be undertaken in Belair National Park which support the government's strategic priority: *Creating a vibrant city* and are in line with the *Linking Adelaide with Nature* strategy, released in September 2012. These upgrades also support DEWNR's strategic priority: *Providing exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management*. Eighteen tennis courts were fully reconditioned with new surfacing, netting, fencing and back stops and two courts were converted into multi-use courts catering to both half-court basketball and volleyball. Other improvements included relocation of public amenities, provision of disabled car parking, turf upgrades to grassed areas at Main Oval, Gums Oval, Jo Fisher and Government Farm Ovals 1 and 2. This involved landscaping and tree planting for all projects.

In 2012-13, new shared use trail networks were unveiled at Belair National Park, Cleland Conservation Park, Sturt Gorge Recreation Park and Cobbler Creek Recreation Park. They are designed for both mountain bikers and walkers and form part of a 60km network of new shared-use tracks in South Australia's parks, which support the *Linking Adelaide Nature* strategy. The new trails follow the opening of fire access tracks to cyclists in the Cleland Conservation Park late last year. They have been designed to cater for a range of riders, with areas suited to leisurely family outings while 'backcountry' paths provide an adventure link appealing to experienced riders. Construction of a disability compliant access trail around the Lake at the Mount Lofty Botanic Gardens will ensure access for people with limited mobility and families with pushers and prams.

Visitor experiences in the Kangaroo Island region were enhanced with the completion of upgrades of boardwalks, viewing platforms and the re-seal of the car park at Seal Bay Conservation Park. Interpretation

upgrades have commenced including development of new signs, audio-visual displays and technology-assisted foreign language information.

Visitor experience and management was improved within the South Australian Murray-Darling Basin region by upgrading the Chambers creek canoe trail signs. This natural resources management community grants funded project was a partnership project between the Friends of Lake Bonney and DEWNR staff to increase the navigability of the canoe trail through Loch Luna. A waste management program within Riverland Parks was also completed, with all waste stations infrastructure now decommissioned and removed from parks. The Pertendi Hut walking trail interpretation signs program was completed and installed within Ngarkat Conservation Park.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

The Fire Management Program will be delivered through the following key focus areas:

- prevention (risk modification);
- preparedness (readiness) to respond to bushfires as required; recovery, with debriefs and reviews conducted after each prescribed burn and bushfire operation; and
- research (information and analysis) resulting in the latest research being incorporated into operational practice.

Some of the key challenges faced and targets for the Fire Management Program include:

- increasing mitigation works, including prescribed burning in high risk areas; and
- responding to bushfires and supporting emergency services in bushfire incident management.

In 2013 -14, the upgrading of Seal Bay will continue with the completion of the interpretation upgrades and planning works including the main access ramp between the car park and visitor centre, and refurbishment of the visitor centre plaza. The Cleland Wildlife Park and the Naracoorte Caves Master Plan to be completed in 2014 will guide the enhancement of visitor experiences in future years.

The Flood Reform Taskforce, led by DEWNR, will be assessing the recommendations of the Flood Inquiries Taskforce. A number of working groups have been established to consider the recommendations in detail.

A key challenge for managing riverbank collapse will be developing and implementing long-term management strategies in collaboration with the lower River Murray councils to guide future management of the hazard, whilst continuing to offer advice to landowners for each high-risk site.

Consistent with the National Strategy for Disaster Resilience, DEWNR is undertaking initiatives, which seek to increase communities' resilience to natural disasters through improving the quality and availability of flood risk information.

DEWNR will continue working towards developing flood intelligence systems to improve the real-time information available to the State Emergency Service and other emergency response agencies to better enable them to predict and understand when and where flooding might occur, particularly for flash flood catchments.

Sub-program 2.2: Major Projects

To coordinate and deliver major projects including projects that are part of the Government of South Australia's \$610 million Murray Futures program, and funded by the Commonwealth Government's Water for the Future initiative, which aim to build resilience and improve the health of the River Murray in South Australia.

These projects currently include:

- *Coorong, Lower Lakes and Murray Mouth Recovery project*
- *Riverine Recovery project*
- *Currency Creek Regulator Removal project.*

HIGHLIGHTS

- Achievements of the Coorong, Lower Lakes Murray Mouth (CLLMM) Recovery Project include:
 - More than 750 000 native seedlings propagated and planted by community groups, Ngarrindjeri people and commercial planters to improve habitat and support ecological functions of the CLLMM site.
 - Up to 5190 threatened small-bodied native fish were reintroduced into the CLLMM site.
 - Initiated large-scale translocation of the *Ruppia tuberosa* in the Coorong to promote recovery of this key aquatic plant.
 - Commenced a scoping study into the long-term management of water quality issues in Lake Albert and the Narrung Narrows.
 - Completed a feasibility study and Business Case for the South-East Flows Restoration project.
 - Completed ecological and acid sulfate soil monitoring and research activities to underpin sound management decisions for the site.
 - Continued support of Ngarrindjeri community participation in natural and cultural resource management through capacity building activities.
 - Continued support of community participation in natural resource management through the Community Advisory Panel and Lakes Hubs community engagement and capacity building activities.
 - Substantiation of the Coorong, Lakes Alexandrina and Albert as a wetland of international importance against the Ramsar nomination criteria and the provision of an updated Ramsar Information Sheet to the Ramsar secretariat.
- Continued delivery of a suite of projects under the Riverine Recovery project including:
 - Early on-ground works designed to mitigate long-term detrimental ecological impacts in the region.
 - Commenced construction process for regulators and pump relocation for priority River Murray wetlands and floodplains.
 - Completed the review and development of 26 wetland management plans to ensure environmental outcomes are delivered and water use appropriately modelled.
 - Commonwealth approval of the Business Case for Phase 2 Enhanced River Operations and Weir Pool Manipulation with the release of \$3.2 million funding.
- The Goolwa Channel regulator at Clayton Bay was fully removed and funding was secured from the Murray-Darling Basin Authority and through the Murray Futures arrangements to enable full removal of the Currency Creek regulator (total project budget of \$3.9 million).

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Lose no species

In 2012-13, the CLLMM Recovery Project continued to deliver projects to protect threatened species and habitat which support SASP Target 69: *Lose no species*, for which DEWNR has the lead. This included the critical fish habitat project which saw four threatened small-bodied freshwater fish species reintroduced into the Lower Lakes. Two of these species, Yarra pygmy perch and Murray hardyhead, are listed indicator species for progress against SASP Target 69. Monitoring undertaken through this project also provided annual trend data including population size and distribution for these species. This included monitoring information on threatened species and condition of the CLLMM into environmental watering prioritisation, planning and delivery/operations.

During the 2012-13 planting season, the vegetation program planted approximately 160 hectares of habitat for local flora and fauna of the Lower Lakes and Coorong, some of which contributes to the conservation of the orange-bellied parrot and several other species of conservation significance.

Nature conservation

The department also has lead responsibility for the delivery of SASP Target 72: *Nature conservation* which was supported by a number of on-ground activities undertaken to help better inform the management of various indicators of wetlands and floodplains, including flora, fauna and water quality for future site management. Through the CLLMM Recovery Project, the Coorong, and Lakes Alexandrina and Albert system was reaffirmed as a wetland of international importance against the Ramsar nomination criteria, including the provision of an updated Ramsar Information Sheet to the Ramsar secretariat.

The CLLMM Recovery Project continued implementation of the community involvement component of the vegetation program. The Community Nursery Network, the Goolwa to Wellington Local Action Planning Group and the Milang and Districts Community Association, coordinated community propagation and planting activities. This resulted in the propagation and planting of 100 000 native plants to help restore the ecological resilience of the site, with approximately 19 000 community planting volunteer hours recorded.

River Murray – flows

Weir pool operations as part of the Riverine Recovery Project support SASP Target 76: *River Murray – flows*, by both seeking water from the Commonwealth Environmental Water Holder and using environmental water more efficiently to inundate the fringing floodplain. This included the completion of investigation and in 2012-13 the development of a plan for the Commonwealth to release funding for delivery of weir pool operations in 2013-14 and beyond.

CLLMM sought to achieve outcomes in line with SASP Target 76 through the provision of information regarding environmental watering objectives, implementation of environmental water delivery via intra and cross agency forums.

In 2012-13, the department completed a feasibility study and Business Case to secure funding for the South East Flows Restoration Project, which is a departmental priority. If funded for implementation in 2013-14, the South East Flows Restoration Project will support SASP Target 76 by reducing the reliance of the Coorong South Lagoon on flows from the River Murray and assist in the maintenance of salinity within the range known to support the diverse and ecologically valuable species within this Ramsar site.

Achievements that support DEWNR's Strategic Outcome: *Resilient landscapes and livelihoods* include:

- Community participation in the development of options for the long-term management of water quality issues in Lake Albert and the Narrung Narrows.
- Support of Ngarrindjeri community participation in natural and cultural resource management, as well as community participation through the Community Advisory Panel, the Lakes Hubs at Milang and Meningie and through community capacity building activities.
- Significant community and Ngarrindjeri involvement in delivery of the community vegetation program through propagation and planting activities.

Achievements that support DEWNR's Strategic Outcome: *Sustainable Water Resources for all* include:

- Ensuring sustainable environmental water savings are made through the Riverine Recovery Project by reinstating wetting and drying cycles in wetlands, thus providing environmental water savings through reduced evaporation.
- Assessment of the draft Murray-Darling Basin Plan water recovery scenarios and provision of advice to the Premier's Basin Plan Taskforce on the draft Basin Plan.
- The development of a Business Case to secure funding for the South East Flows Restoration Project.
- Continued finalising compensation payments under the *Upper South East Dryland Salinity and Flood Management Act 2002*.
- Reviewed legislation and implemented policies to manage the total South East drainage system, including facilitating the passage of the South East Drainage System Operation and Maintenance (SEDSOM) legislation through Parliament.

Achievements that support DEWNR's strategic outcome: *Effective and informed services and advice* include:

- Monitoring of surface and ground water quality, aquatic biota, wetland and floodplain vegetation and acid sulfate soils to inform adaptive management and support the update of the CLLMM Ecological Character Description.
- Research such as modelling of historical wetland inundation patterns, and acid sulfate soil research into risks, bioremediation, and key hazards associated with managing variable water levels to improve understanding and reporting of natural resource condition.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

In 2013-14, the outcomes of the Lake Albert Scoping Study Business Case will be submitted to the Commonwealth seeking funding for the preferred management action(s) identified as a result of the scoping study. The business case is being developed with significant community input in order to meet community expectations of actions that will support the long-term improvement of water quality in Lake Albert and the Narrung Narrows.

DEWNR is committed to developing environmentally driven guidelines for the operation of the River Murray barrages through formalised operating principles developed in consultation with SA Water, the MDBA, Ngarrindjeri, key industry groups and the community.

Sub-program 2.3: River Murray Operations

To lead and coordinate local, state and basin level actions in operating the River Murray in South Australia to achieve water security for critical human needs, sustainable irrigation, industry development and enhanced environmental conditions.

To implement River Murray water sharing, accounting and reporting and deliver The Living Murray Icon Site Management program and broader environmental water outcomes.

HIGHLIGHTS

- Successfully implemented all aspects of the 2012–13 South Australian River Murray Annual Operating Plan providing 'fit for purpose' River Murray water resources for all uses.
- Developed the South Australian River Murray Annual Operating Plan 2013–14, with support from the multi-agency South Australian River Murray Operations Working Group.
- Implemented River Murray infrastructure operations and maintenance at department-owned infrastructure sites, including the Lower Murray levees, the River Vessel Waste Disposal Stations and at the various evaporation basins in South Australia's Riverland.
- Re-opened the Walker Flat River Vessel Waste Disposal Station.
- Carried out capital works to upgrade critical drainage infrastructure at Renmark and the Morgan River Vessel Waste Disposal Station.
- Commenced a new phase of revegetation work at Noora Disposal Basin to enhance the visual amenity and biodiversity of the site.
- Supported negotiations for, and successfully delivered, over 1000 gigalitres of environmental water to agreed watering sites in South Australia, including the Chowilla Floodplain, the River Murray channel and the Lower Lakes, Coorong and Murray Mouth region.
- Developed and implemented Environmental Water Management Plans for the Chowilla Floodplain and Lower Lakes, Coorong and Murray Mouth Icon Sites.
- Implemented monitoring program to track ecological condition and responses to environmental watering at the Chowilla Floodplain and Lower Lakes, Coorong and Murray Mouth Icon Sites.
- Demonstrated improved vegetation health, breeding of important fish species, increased numbers of migratory birds and fish-eating birds, and increased abundance of estuarine fish in the Coorong.
- Maintained hydrological connectivity between the River Murray, Lower Lakes and Coorong.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Water Resources Operations

Implementation of South Australia's River Murray Annual Operating Plan 2012-13 aligns with the government's strategic priority: *Premium food and wine from our clean environment*. The successful implementation of the plan enables primary producers to access River Murray water of a reasonable quality and quantity to provide premium food and wine.

It also supports South Australia's Strategic Plan targets:

- 75 – Sustainable water use;
- 76 – River Murray – flows; and
- 77 – River Murray – salinity.

The plan includes objectives and targets for River Murray salinity, water quality and water levels, and recognises different flow scenarios and best use of the water under those flow scenarios.

Implementation of South Australia's River Murray Annual Operating Plan 2012-13 supports DEWNR's Strategic Outcome: *Sustainable water resources for all* as it ensures that South Australians have access to sufficient and reliable water, which supports critical human water needs, food and wine production, liveability of our cities and the health of our environment. In particular, successful implementation of the River Murray Annual Operation Plan supports DEWNR's strategic priority: *Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan*. The River Murray Annual Operation Plan is developed with input from the cross-government River Murray Operations Working Group. This ensures that multiple interests (critical human water needs, environment, irrigator, industry and recreation) are considered to achieve the best outcome for South Australia with the volume of River Murray water that is available to the state.

Implementation of South Australia's Storage Right under Schedule G of the Commonwealth *Water Act 2007* and the associated carryover arrangements supports DEWNR's Strategic Outcome: *Effective and informed services and advice* as Water Access Entitlement Holders are provided with effective customer-focussed services, advice and solutions, informed by robust and accessible knowledge. Regular updates are provided to the community through the provision of advice in the weekly River Murray Flow Report and through a monthly presentation to the River Murray Advisory Committee.

The carryover arrangements support South Australia's Strategic Plan through:

- Target 75 – *Sustainable water use*. Private carryover arrangements were developed through a process of community consultation to provide a mechanism to allow more sustainable use of River Murray allocations in South Australia.

The following key objectives of the River Murray Annual Operating Plan were achieved:

- *Optimisation of water accessibility for all users*
In 2012-13, River Murray water was accessible by all water users. Critical human water needs were met. Water access entitlement holders were entitled to use 100 per cent water allocation from the start of the water year and environmental water was delivered to environmental assets.
- *Improved water quality in Lake Albert (target to reduce to 2 000 EC)*
Water quality in Lake Albert improved throughout 2012-13. Although the salinity target of 2 000 EC was not achieved, there was as a significant reduction in the salinity level (reduced by approximately 1 000 EC).
- *Water levels in the Lower Lakes to be maintained above 0.4 m AHD*
The water level in the Lower Lakes was maintained above 0.4 m AHD for the entire year. The water level was generally managed between 0.55 m AHD to 0.85 m AHD (normal operating range).
- *Fishways to be operated during the peak migration periods (July to January)*
The fishways were operated throughout 2012-13, not just in the peak migration period.

- *Delivery of consumptive water aligned with anticipated timing demands*
The delivery of water to meet consumptive demand was achieved as South Australia received its full Entitlement Flow in 2012-13, plus Additional Dilution Flow to early January 2013, plus unregulated flow until the end of October 2013.
- *Water quality and salinity to remain within defined targets*
With the exception of Lake Albert, water quality and salinity remained within the defined targets, including Morgan salinity of less than 800 EC.
- *Optimise the use of unregulated flow*
As unregulated flows started to recede, environmental water was used to prolong the recession. Large volumes of unregulated flow travelled the length of the River Murray in South Australia to reach the Coorong and Murray Mouth. This had a positive impact on water levels in the Lower Lakes, resulted in good flows over the barrages, lowered salinity levels in the Lower Lakes, improved fish passage and contributed to maintaining an open Murray Mouth.

Infrastructure Operations

The activities achieved during 2012-13 support SASP Target 76: *River Murray – flows* and the future health of South Australia's River Murray and its floodplains and wetlands. The department operates and maintains thirteen River Vessel Waste Disposal Stations in South Australia, each located approximately 50km apart from the Victorian border to Goolwa near the Murray Mouth. These sites enable participants in recreational boating to dispose of all categories of waste from their vessels. By reducing the risk of contamination of the River, this not only benefits the water quality in the main channel but helps to sustain a healthy tourism industry by supporting recreational boating.

Achievements during the year also support DEWNR's strategic outcome: *Sustainable Water Resources for all* as it ensures healthy management of other potential river contaminants. For example, the numerous drainage basins managed by the department receive and help to manage the surplus water from highly productive Riverland irrigation areas. This protects water quality in the main channel by storing contaminated water until higher flow conditions can be used to flush the basins.

With increased water use efficiency, these drainage basins have evolved into important refuges for endangered fish species such as the population of Murray Hardyhead (*Craterocephalus fluviatilis*) living in Disher Creek near Renmark.

Further benefits to River health to support SASP Target 77: *River Murray – salinity* are derived from the Salt Interception Schemes operated in the state. The department's operational oversight of these schemes helps South Australia limit the quantity of saline groundwater accessing the main channel of the River Murray.

Infrastructure management by the department also supports DEWNR's strategic priority: *Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan*. A series of levee banks are maintained in the Lower Murray region between Mannum and Wellington. These structures help to define the River channel and deliver water by gravity to low-lying irrigation areas along the floodplains. The department maintains these levees, which have the additional function of protecting this prime agricultural land from inundation at normal or above normal River operating water levels.

Environmental Water Operations

In 2012-13, DEWNR negotiated the allocation of, and successful delivery of, over 1000 gigalitres of environmental water to agreed watering sites in South Australia, including the Chowilla Floodplain, the River Murray channel and the Lower Lakes, Coorong and Murray Mouth region.

Delivery of environmental water plays a vital role in supporting the future health of South Australia's River Murray and its floodplains and wetlands. In recent years, environmental watering has ensured the

maintenance of drought refuges, prevented the loss of species and habitat and enabled re-colonisation and re-establishment of species and ecosystem functions when higher flows returned.

During 2012-13, environmental water delivery provided benefits in vegetation (including River Red Gum) health, breeding of important fish species including Golden Perch, Freshwater Catfish and Murray Cod in the River Murray, and increased numbers of migratory birds, particularly waders and ducks, fish-eating birds such as cormorants, egrets, and some species of terns. It also increased the abundance of estuarine fish such as yellow-eyed mullet and greenback flounder in the Coorong. These achievements support SASP Targets 69: *Lose no species.*

Delivery of environmental water supports DEWNR's strategic outcome: *Sustainable water resources for all* as it ensures improved health of our environment. In particular, successful environmental water delivery supports DEWNR's strategic priority: *Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan.*

Successful environmental water delivery during 2012-13 also supports SASP targets:

- 75 – *Sustainable water use;*
- 76 – *River Murray – flows;* and
- 77 – *River Murray – salinity.*

In 2013-14, DEWNR will continue to negotiate with environmental water holders, coordinate delivery of water to South Australia and ensure the effective use of environmental water allocations.

Delivery of environmental water aligns with the government's strategic priority: *Premium food and wine from our clean environment.* The successful delivery of significant volumes of environmental water assists in ensuring the health of the River Murray environment.

Implementation of The Living Murray Program

Implementation of The Living Murray Program (TLMP) targets six discrete icon sites for environmental restoration including the River Murray Channel. In addition to the River Murray Channel, South Australia's icon sites are the Lower Lakes, Coorong and Murray Mouth and the Chowilla Floodplain (part of the Chowilla Floodplain and Lindsay–Wallpolla Islands Icon Site). Each icon site has an Environmental Water Management Plan outlining ecological objectives and water requirements.

In 2012-13, DEWNR successfully implemented TLMP. This included:

- the planning and delivery of 289 gigalitres of environmental water to priority sites at Chowilla and the Lower Lakes, Coorong and Murray Mouth;
- the implementation of monitoring programs to track ecological condition and responses to environmental water;
- the continuation of engagement and communication with stakeholders including Indigenous and local communities and scientific organisations at the Chowilla and the Lower Lakes, Coorong and Murray Mouth Icon Sites; and
- the continued construction of and operational planning for major water management infrastructure at Chowilla.

Implementation of TLMP supports DEWNR's Strategic Outcome: *Sustainable Water Resources for all* as it ensures the improved health of our environment. In particular, successful environmental water delivery supports DEWNR's strategic priority: *Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan.*

Living Murray Program implementation also supports SASP targets:

- 75 – *Sustainable water use;*
- 76 – *River Murray – flows;* and
- 77 – *River Murray – salinity.*

KEY CHALLENGES AND INITIATIVES FOR 2013-14

In 2013-14, South Australia's River Murray Annual Operating Plan will have regard to the objectives of the Basin Plan and the 2013-14 Annual Environmental Watering Plan for the South Australian River Murray. It will contribute to the achievement of 'Basin Plan' objectives in South Australia and assist in meeting the South Australian Government's obligations under the Basin Plan. It will also support the objectives in the 2013-14 Annual Environmental Watering Plan for the South Australian River Murray to achieve the best outcomes for the state.

The cross-government River Murray Operations Working Group will be fully engaged to provide input on River Murray operations and management actions to be undertaken in 2013-14.

Opportunities may exist in 2013-14 to defer and store Entitlement Flow for use in future dry years to meet critical human water needs and private carryover. DEWNR proposes to actively pursue opportunities to defer and store Entitlement Flow when water resource conditions permit. This requires consultation and agreement with the Murray-Darling Basin Authority. A preliminary plan has been endorsed by the Murray-Darling Basin Coordinating Committee for implementation.

The operation of River Murray infrastructure in South Australia in the coming twelve months will focus on the delivery of new systems for infrastructure decision-making and the management of River data, strengthening the links with major projects and regional operations. Focus will also be on implementation of the 2013-14 capital works program and routine delivery of operations and maintenance at existing infrastructure sites.

The delivery of environmental water will increase flow rates and the area of floodplain and wetlands watered. In planning these activities, it is critical to balance the potentially conflicting requirements of the environment with other interests such as floodplain construction activity. Careful planning and scheduling will be undertaken to minimise delays to works and enable effective delivery of environmental water.

Effective water delivery requires the coordination of a range of stakeholders and water holders. DEWNR will continue to engage with all parties and pursue integrated planning processes to ensure the most effective use of environmental water in South Australia.

The Living Murray Icon Site management will continue to be undertaken in collaboration with the science community, Traditional Owners and stakeholder community reference committees.

Sub-program 2.4: Botanic Gardens

Management of the Botanic Gardens of Adelaide as a collections-based cultural and scientific institution, linking plants, people and culture and encouraging their use for conservation, education, tourism, recreation and cultural events. The program also has a lead role in promoting the development of green infrastructure and sustainable urban landscapes, providing environmental and horticultural education and community awareness of the importance of plants and contributing to habitat restoration through seed conservation programs.

HIGHLIGHTS

- Completed civil construction of the First Creek Wetland project in the Adelaide Botanic Garden and commenced planting of wetland plant species.
- Constructed a Universal Access Trail at Mount Lofty Botanic Garden to improve garden accessibility and usability.
- Commenced running nationally accredited horticultural training programs from the Botanic Gardens of Adelaide through The Australian Centre for Horticultural Excellence (TACHE), a partnership with TAFE SA.
- Engaged the community through implementation of a Volunteer Strategy (including a corporate volunteering program), development of a Kitchen Gardens SA website and planting and harvesting a wheat crop in the Adelaide Botanic Gardens to support the Year of the Farmer.

- Attracted over 185 000 visitors to seven major cultural events and two major exhibitions in the Santos Museum of Economic Botany in partnership with external collaborators.
- Developed and distributed the Evidence Base for Green Infrastructure in South Australia discussion paper, which outlines the value and benefits of Green Infrastructure to the Government of South Australia, industry and community.
- Completed a Master Plan for the Wittunga Botanic Garden
- Sixty one per cent of the state's threatened plant species are now held in secure long-term storage in the South Australian Seed Conservation Centre seed bank at the Adelaide Botanic Garden.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Resilient landscapes and livelihoods

Green Infrastructure has been a focus for the Botanic Gardens to influence the liveability of the urban environment. The Green Infrastructure concept supports the government's priority: *Creating a vibrant city and safe communities, healthy neighbourhoods*, as well as supporting DEWNR's strategic priority: *Enhance the liveability of Adelaide through better planning and design that connects people to the natural world, reduces environmental impacts and enhances the beauty of our urban landscapes*.

The Green Infrastructure Project is a collaborative partnership between the Department of Environment, Water and Natural Resources; Renewal SA; Department of Planning, Transport and Infrastructure and the Adelaide and Mount Lofty Ranges Natural Resources Management Board. It has evolved from the highly awarded and successful Sustainable Landscapes Project which began in 2004. Green Infrastructure is the network of green spaces and water systems that delivers multiple environmental, social and economic values and services to urban communities.

The project has been instrumental in raising awareness of Green Infrastructure through the development and distribution of information and resources to facilitate more sustainable outcomes for communities and by various presentations, lectures and workshops. Development of the Green Infrastructure Evidence Base, *Green Infrastructure: Life Support for Human Habitats – the compelling evidence for incorporating nature into urban environments*, provides resource information for key audiences including state and local government, the development industry, planners and policy makers.

An important tool to assist in achieving Green Infrastructure goals has been the development of *Plant Selector +*, an extension and upgrade of the Landscapes Alive Plant Selector, to include over 400 trees suitable for various urban applications with detailed information about each tree's appearance, growth requirements, behaviour, purpose and suitability in urban environments. This work has been achieved with the assistance of SA Water and the Local Government Research and Development Scheme. Key audiences include local government, developers, landscape designers, the nursery and garden industry and urban residents.

Lose no species

The South Australian Seed Conservation Centre at the Botanic Gardens of Adelaide is the only resource for the active long-term conservation of seed of South Australian plant species. Achievements of this program supports SASP targets: 69: *Lose no species* and 72: *Nature conservation*.

In 2012-13, up to 61 per cent of South Australia's threatened plant species are conserved in secure long-term storage in the Botanic Gardens of Adelaide South Australian Seed Conservation Centre seed bank. A total of 53 seed collections were added to the seed bank during the year. The focus areas for field work were the Murray-Darling Basin, Murray Mouth Coorong and Lower Lakes, South East and Eyre Peninsula regions. The collections included 27 threatened species listed under the *National Parks and Wildlife Act 1972*, with 16 of these being new to the South Australian Seed Conservation Centre. In addition, over 3000 seedlings of 30 native plant species have been provided to community and regional partners for restoration and

revegetation programs in the Woorinen District, South East Region, Eyre Peninsula and the Murray-Darling Basin.

Continued work at the Seed Centre is dependent on partnerships and external funding. New projects have been established that integrate with existing on-ground restoration programs and community nurseries. Through these projects opportunities have arisen for more extensive germination research to achieve a higher level of biodiversity in on-ground projects. Current project partners that contribute to seed collection and storage include Santos Ltd and the Australian Seed Bank Partnership. Seed germination projects have been supported by the Coorong Lower Lakes and Murray Mouth Project, the South Australian Murray-Darling Basin NRM Board and the Native Vegetation Council. Seed viability and dormancy research has been supported by the Goolwa to Wellington Local Action Planning Association (LAP), Murray Mallee LAP, Australian Landscapes Trust Calperum Station and ecologists from the South East Region. Seed biology for restoration technology development post-mining has been supported by Iluka Resources Ltd and Hillgrove Resources Ltd through a three year research partnership.

The Seed Conservation Centre also works in partnership with the University of South Australia PhD program providing facilities, resources and supervision.

Sustainable water resources

The Botanic Gardens demonstrate efficient management, use and application of water while maintaining plant collections and landscapes of high recreational and aesthetic appeal. The First Creek Wetland and Aquifer Storage and Recovery project will demonstrate good water management and provide an outstanding interpretive and educational experience connecting people, water and plants. Civil construction of the wetland was completed in December 2012 with the granting of practical completion. Planting of the wetland plant species by Botanic Garden staff commenced in October 2012 and will continue through the coming year. Installation of interpretative components commenced and will continue through the first half of 2013-14.

Community benefits from parks, public places and heritage

Approximately 1.8 million visitors continue to experience and enjoy the three Botanic Gardens of Adelaide sites each year. This outcome supports the government's priority: *Creating a vibrant city and safe communities, healthy neighbourhoods*, as well as supporting DEWNR's strategic priority: *Provide exceptional opportunities for people to enjoy and use our parks and public places, and increasingly involve the community in their management*.

A Master Plan was completed for the Wittunga Botanic Garden with stakeholder consultation provided through a community based reference group. The Master Plan provides future direction for the planning and development of the garden and its collections.

The Santos Museum of Economic Botany provides significant exhibitions for community benefit, utilising the unique heritage of the building within the Adelaide Botanic Garden. A partnership with the Art Gallery of South Australia saw the exhibition *Paper, ink and ochre* present a selection of work from the Art Gallery's Indigenous works on paper collection. The works selected celebrated the role of art in sharing cultural knowledge of plants, animals and country. *Paper, ink and ochre* was programmed to coincide with the National Museums Australia conference in Adelaide in September and attracted nearly 29 000 visitors.

WOOD: art design architecture was a Jam Factory and Botanic Gardens of Adelaide national touring exhibition. It represented a cross-section of current creative practises, modes of thinking and relationships to this fundamental material and combines furniture and functional objects, sculptural works (including wood carving by Indigenous artists), interiors and architectural work. The exhibition, which attracted 10,000 visitors, examined the use of wood through three lenses: place and identity, sustainability and ecology, craftsmanship and technology.

The relationship between art, science and nature, utilising the collections of the Botanic Gardens of Adelaide, has been explored through a PhD project titled *The Botanic Garden: Photographic Relation and Exchange*. The Botanic Gardens has supported this research by providing access to the archive, photographic collection and museum collection and will culminate with a PhD exhibition being installed and assessed in the Santos Museum of Economic Botany in September 2013.

The Kitchen Garden project has become a central resource for people requiring assistance with kitchen gardening in South Australia and contributes to the government's strategic priority: *Safe communities, healthy neighbourhoods*. The project works extensively with a wide variety of organisations that have an involvement with healthy eating and social inclusion. Information and resources have been provided to several organisations including local authorities, government departments, not for profit organisations and members of the public. The creation of a statewide website for edible gardening has allowed dissemination of information to the general public on edible gardening.

Approximately 50 000 school students have utilised the Botanic Gardens through both formal and informal plant-based learning programs. A theme-based education program was introduced, aligning one theme to each school term, aimed at promoting resources to teachers and expanding curriculum options to teachers.

World Environment Day attracted approximately 2200 school students and over 500 teachers and parents to a planned environmental program provided through 28 learning stations located throughout the Adelaide Botanic Garden. Considerable assistance was provided by volunteers, staff, students and external environmental organisations. Digital technology has been trialled and implemented with the introduction of a tablet computer electronic education delivery system for school children's learning programs within the Botanic Gardens. This will be further extended in the coming year along with social media based resources for teachers and digital technology based applications for garden visitors.

Understanding of Aboriginal culture

In 2012-13, the following achievements supported SASP Target 28: *Aboriginal leadership* and DEWNR's strategic priority: *Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate*. Achievements also support the government's strategic priority: *Creating a vibrant city* and SASP Target 72: *Nature conservation*.

Indigenous consultation has been a major component for development of the interpretive plan and interpretative materials for the First Creek Wetland development, with indigenous plant use and significance highlighted. Community and school education initiatives incorporate traditional plant knowledge into activities and resources and through the engagement of traditional guides and instructors.

The Botanic Gardens facilitated a traditional ecological knowledge workshop to increase understanding of the subject by departmental scientific and operational staff.

Volunteering

In 2012-13, there was a number of community and volunteers involved in projects which supports the government's strategic priority of *Creating a vibrant city* and SASP Target 72: *Nature conservation*.

The implementation of the Botanic Gardens of Adelaide Volunteer Strategy 2012-2014 has seen an increased focus on event-based, corporate and horticultural volunteering, as well as renewed attention for existing programs. Over 40 000 volunteer hours were contributed to the Botanic Gardens of Adelaide and State Herbarium this year, an increase of 30 per cent from the previous year. The number of volunteers providing professional and expertise-based support for the Botanic Gardens has increased, with new volunteers supporting the gardens with specialised expertise, such as web development, social media, marketing and educational skills.

Volunteer opportunities and partnerships with specialist plant societies such as the Rose Society and the Dahlia Society greatly assist in the presentation of high quality plant displays for garden visitors.

Community volunteer events were held at Mount Lofty Botanic Garden, with a regular weekly *Hands on Horticulture* opportunity at Wittunga Botanic Garden. A corporate volunteering event was also held this year for the first time, with staff from Deloitte Touche Tohmatsu providing hands-on support in Mount Lofty Botanic Garden. A corporate volunteering prospectus has been developed and is available on the Botanic Gardens website.

A Volunteer Management Framework was developed to assist in ensuring the health and safety of all volunteers and in registering and monitoring volunteer activity.

Effective and informed services and advice

The Botanic Gardens of Adelaide, in partnership with TAFE SA, commenced delivery of nationally accredited horticultural training programs through The Australian Centre for Horticultural Excellence (TACHE) with the aim of providing high level horticultural training and development to the ornamental horticulture sector. Through the program a number of Botanic Gardens staff have increased their knowledge and skills by undertaking Certificate IV in Training and Assessment and Diploma of Horticulture qualifications. In 2012-13, TACHE commenced providing a Certificate III in Horticulture program to external student applicants. 2013-14 will see commencement of a Certificate II in Horticulture qualification as well as horticultural master classes. The Certificate III and Diploma in Horticulture courses will be further offered and extended.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

Security of the valuable collections and Garden visitors is an ongoing concern with significant rises in recent years in the incidence of burglary, theft, assault, fire and damage to assets, including the living collections and displays. The installation of CCTV equipment in several key locations assists in monitoring detrimental activity.

The aging tree component of the Botanic Garden collections provides an ongoing challenge of having an effective replacement program to retain the tree character. Aging tree collections may also present safety issues for garden visitors and users. As such, increasing emphasis is placed on a continuing program of tree risk assessment and remedial actions.

The Botanic Gardens of Adelaide Internal Review 2012 was undertaken to realign Gardens operations, programs and resources. Many of the review recommendations have been implemented, however achieving full implementation of the remaining recommendations presents an ongoing challenge.

Community support groups for the Mount Lofty and Wittunga Botanic Gardens have been formed to scrutinise garden management in terms of local community needs and aspirations. The Botanic Gardens is continuing to work and consult with the support groups to retain support and to identify collaborative opportunities.

Increasing the accessibility of the Gardens' collections through interpretation, education & exhibitions and through presentation of public facilities, including toilets, is of high importance to meet community expectations and satisfaction.

Sub-program 2.5: Commercial Services

Provide a commercial framework for DEWNR's key visitor sites (including Cleland Wildlife Park, Naracoorte Caves and Seal Bay Conservation Park) and the State Flora nurseries, by implementing sustainable business models that support the creation of exceptional opportunities for people to enjoy South Australia's national parks and a specialist propagation capacity for the state's native flora.

HIGHLIGHTS

- Developed and implemented a commercial framework aimed at improving productivity and long-term growth across the key visitor sites and State Flora nurseries.

- Achieved improved business performance at key sites including an increase in visitation of 10.2 per cent at Cleland Wildlife Park and an overall revenue growth of 6 per cent across Commercial sites as result of marketing initiatives, better product alignment with emerging markets and business improvement strategies.
- Established a koala transfer program with Ocean Park (Hong Kong) as a lead strategy to develop tourism networks in Asia.
- Completed infrastructure upgrades at Seal Bay to position the site as a leading provider of nature-based tourism on Kangaroo Island. Commenced work on the interpretation which includes the use of electronic devices to deliver the customer experience in eight languages.
- Completed the propagation of 380 000 seedlings for the Coorong, Lower Lake and Murray Mouth (CLLMM) project, which included the collection of source material and successful propagation of 5500 River Club Rush (*Schoenoplectus validus*) grown in purpose-built water tanks. This brings the total to 1.012 million seedlings supplied to CLLMM since 2010.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Business Performance

Business performance is linked to SASP Target 70: *Sustainable land management*. In 2012-13, DEWNR continued to focus on business performance in line with the framework which includes:

- Significant increase in visitation at Cleland Wildlife Park of 10.2 per cent from 2011-12 as a result of an awareness campaign at Cleland including TV advertising and external media advertising on buses and bus shelters and a promotion around "entry for kids for free" during the second half of the school holidays with a paying adult.
- Revenue growth in excess of 10 per cent was achieved at the major sites, including 10.3 per cent at Cleland Wildlife Park, 12.7 per cent at Mt Lofty Summit and 12.3 per cent at Naracoorte Caves National Park. Growth at Seal Bay Conservation Park was 4.3 per cent.
- Retail sales at key visitor centres rose by 9 per cent reflecting efforts to diversify away from a reliance on entry and tour fees.

Koala transfer program with Ocean Park in Hong Kong

In April 2011, the South Australian Government announced its support for the gifting of eight koalas to Ocean Park in Hong Kong in response to a request from the finance secretary of Hong Kong which was coordinated by staff at Cleland Wildlife Park. The Lieutenant Governor of South Australia, Mr Hieu Van Le AO assisted in the facilitation of these arrangements and continues to support this important project.

The exportation of koalas falls under the Federal Government's Conditions for the overseas Transfer of Koalas, under the *Environment Protection and Biodiversity Conservation Act 1999*, with the project adhering strictly to this framework. The first two of the eight koalas are scheduled for delivery in 2014.

To meet the full quota of koalas gifted and to maintain the current collection, the Cleland Wildlife Park has re-established its koala breeding program. The program is a major focal point for developing the relationship between the South Australian and Hong Kong governments.

The program holds significant value to not only Cleland Wildlife Park and DEWNR but to South Australia as a whole. The exhibit at Hong Kong will ultimately house eight Koalas, three Red-Necked Wallabies and a pair of Kookaburras. The theme of the exhibit has been tightened from an Australian theme to a South Australian theme with Cleland Wildlife Park advertised as the major point of reference for Australian fauna.

The exhibit will also highlight Adelaide and its major attractions including the Barossa Valley, McLaren Vale and Kangaroo Island. The advertising is expected to generate much interest in Adelaide and South Australia. Ocean Park received seven million visitors last year and over the next couple of years an increased number of visitors are anticipated.

Seal Bay Improvements

A foreign language interpretation strategy at Seal Bay has been developed and employment of guides with foreign language skills at Naracoorte and Seal Bay commenced.

In 2012-13, initiatives were implemented to assist in handling increasing visitation from Chinese tourists. Work with Chinese tour operators and businesses, on Kangaroo Island in particular, will see an increasing need for Chinese cultural awareness.

The strategy also covers upgrades to interpretation at Seal Bay, and new technologies allow some of the self-guided and guided tours to use audio/visual devices for delivery of interpretation. This material has also been made available in nine different languages.

Contributions towards researching threatened species

The staff at Seal Bay work with the South Australian Research and Development Institute to support research and monitoring of the threatened Australian Sea-Lion through tagging and monitoring seal colonies, conducting pup counts and collecting data. Work of staff at Naracoorte Caves also contributes towards the research and monitoring of bat species inhabiting the caves. These activities support SASP Target 69: *Lose no species*.

Contributions towards DEWNR's Coorong Lower Lakes and Murray Mouth Program

In 2012-13, State Flora contributed significantly towards DEWNR's Coorong, Lower Lakes and Murray Mouth Project, which aligns with SASP Target 69: *Lose no species*. Since 2010, State Flora has delivered over 1 million seedlings. The most recent work involved the propagation of 380 000 seedlings which included 5500 River Club Rush (*Schoenoplectus validus*) which were grown in purpose-built water tanks. The rushes were then transferred to hessian bags and moved to the lakes for planting. It is hoped the rushes will help control erosion on the lakes edge and contribute towards maintaining and establishing native aquatic species.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

A key challenge for DEWNR in 2013-14 is to continue to grow revenue in a cost-constrained environment. Work will continue on developing exceptional opportunities for people to enjoy South Australia's National Parks.

DEWNR plans to implement practices that enable the tourism sector to access our key commercial sites, and in particular to take advantage of opportunities that are encouraged by the South Australian Tourism Commission's *China Strategy*.

Master Planning for sites at the world heritage listed Naracoorte Caves and at Cleland will continue to ensure that the experience that is offered will continue to be rated as a significant destination for South Australians and the national and international tourist markets.

There are opportunities and risks in managing key tourism sites in our protected areas due to the changing nature of tourism expectations and the global economic climate. Our major destination business at Seal Bay is particularly affected by the volatility of the Australian Dollar and the global economic climate.

DEWNR operates the commercial sites within a framework that is sensitive to the requirements of its competitive neutrality obligations to deliver a wide range of community service functions. DEWNR will continue to look at ways of providing opportunities to enable commercial operators to interface with exceptional experiences in our parks and public places.

Sub-program 2.6: Licensing and Permits

To support the management of the 27 prescribed water resource areas in South Australia, in partnership with regional NRM boards, through the provision of management and regulatory services. This includes the administration of water licences, permits and trades, and investigation and compliance activities such as the collection and management of water meter data.

To provide policy advice and property services in relation to the administration of the Crown lands estate and to coordinate the administration of permits that allow for the take, keep and sale of fauna.

HIGHLIGHTS

- Improved the administration of River Murray water licensing processes by implementing a single online SmartForm for water allocation, entitlement trades and other customer transactions, combining 12 former hard copy forms into one online form.
- Commenced issuing existing user water licenses for the Western Mount Lofty Ranges Prescribed Water Resource Area and enhanced the customer experience through implementing a new process for issuing licences.
- Commenced the conversion of area-based water allocations to volumetric allocations, in accordance with the Mallee Prescribed Wells Area Water Allocation Plan.
- Provided a conveyancing service to ForestrySA to facilitate the sale of the forward rotation lease.
- Contributed to the development of the Common Registry System, a component of the National Water Market System, by completing 50 business dealing specifications and lodging them with Commonwealth. This is more than the contributions of all other Australian jurisdictions combined.
- Promoted education and compliance across a range of prescribed water resource areas to ensure extraction of water occurs within sustainable limits and in accordance with licence conditions through the development of a community engagement strategy.

PROGRAM COMMENTARY AGAINST STRATEGIC PRIORITIES

Improve the management and operation of the River Murray

DEWNR is currently supporting the South Australian Murray-Darling Basin Natural Resources Management Board in the review of the River Murray Water Allocation Plan and implementation of a River Murray Private Carryover Policy. This supports the department's strategic priority: *Streamline and improve water allocation planning processes across the state, and Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan* which underpins the government's strategic priority, *Premium food and wine from our clean environment* and also supports DEWNR's lead role of delivering SASP Targets:

- 75 – Sustainable water use;
- 76 – River Murray – flows; and
- 77 – River Murray salinity.

As part of supporting the review of the River Murray Water Allocation Plan by providing representation on the Steering Committee and technical advice relating to licensing and permits, the Water Licensing Team is also managing sub-projects that support the Water Allocation Plan review. The review of the River Murray Water Allocation Plan is scheduled for completion in June 2014.

In December 2011, the South Australian Government adopted a River Murray Private Carryover Policy that became operational for the 2012-13 water year. Private Carryover arrangements were made possible in the 2011-12 water year through the adoption of Schedule G of *the Murray-Darling Basin Agreement 2008*. This sets out the rules giving effect to, and accounting for, South Australia's right to store (defer) water in upstream storages and subsequently deliver South Australia's Entitlement Flow for Critical Human Water Needs and private Carryover.

A draft Standard Operational Procedure (SOP) for the *Deferral and Storage of South Australia's Entitlement Flow for Private Carryover* has been developed. The SOP has been developed to assist with the process for deferring and storing a portion of the South Australian annual entitlement flow of 1850 gigalitres. The SOP will be incorporated into the *South Australian Annual River Murray Operations Plan* in order to provide improved coordination of the River Murray water resources available to South Australia.

An Operational Procedure for *Calculation of River Murray Private Carryover* allocations has also been developed to set out the process for calculating and allocating River Murray Private Carryover allocations in an equitable and transparent manner.

Manage Prescribed Water Resources in the Western Mount Lofty Ranges

The rollout of water licences to existing water users in the Western Mount Lofty Ranges Prescribed Water Resources Area supports DEWNR's strategic priorities: *Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate, and Streamline administration, permit and licensing arrangements to improve customer service*. These priorities underpin SASP Target 75: *Sustainable water use*.

The process of issuing of water licences to existing users in the Western Mount Lofty Ranges Prescribed Water Resources Area has been streamlined by developing and implementing an iterative, customer-focused approach. This involved issuing a proposed licence package to existing water users in advance of the licence being issued. This process provided existing water users with an insight into how their water allocation was calculated and an opportunity to raise any concerns with DEWNR before the licence was issued.

In 2012-13, 1700 proposed water licence packages were issued to existing water users (excluding secondary existing users) in the Western Mount Lofty Ranges Prescribed Water Resources Area, which is 95 per cent of existing users. In addition, 867 actual water licences were issued to existing users (excluding secondary existing users), which is 48 per cent of existing users.

The adoption of a *Meter Implementation Plan* for the water users in the Western Mount Lofty Ranges in May 2013 gives effect to the objective of the *South Australian Licensed Water Use Metering Policy* to be flexible and to accommodate on-ground implementation issues. It also contributes to DEWNR's strategic priority: *Streamline and improve water allocation planning processes across the state*.

The *Meter Implementation Plan* for the Western Mount Lofty Ranges was developed in consultation with key industry stakeholders to ensure a consistent and transparent application of flexibility provisions for water users across the region. Under the Plan, water users taking water from surface water dams that are less than five megalitres, used for stock and domestic purposes or where the dam is assessed to be low-risk, will generally not be required to install water meters.

Progress towards South Australia's position for a Common Registry System

DEWNR continued to progress towards the establishment of a Common Registry Solution (CRS), which meets several of the department's strategic priorities, including:

- *Strengthen the regional natural resources management system and make it relevant for all South Australians, including by increasing opportunities for the community to participate;*
- *Implement a series of initiatives to improve the sustainable use of water in the South East;*
- *Streamline administration, permit and licensing arrangements to improve customer service; and*
- *Improve the management and operation of the River Murray, especially through the opportunities provided by the Murray-Darling Basin Plan.*

The CRS Project also supports DEWNR's lead role of delivering SASP Targets:

- 75 – *Sustainable water use;*
- 76 – *River Murray – flows; and*
- 77 – *River Murray salinity.*

The CRS is a key action of the Intergovernmental Agreement on the National Water Initiative and a component of the National Water Market System to provide a publicly accessible, compatible system for registering water access entitlements and trades, including cross-jurisdictional water trades. The CRS will eventually replace the existing departmental water licensing system with an online customer-centric, standardised National Water Register to improve the efficiency of transactions and ensure the timely availability of water market information for consumers.

To date, the CRS Project Team has reviewed all remaining dealings authored by other jurisdictions, involved in the development of the CRS. This will ensure that applicability requirements for South Australia have been satisfied. South Australia finished Stream 1 (High Level Design) of the Common Registry Solution in 2012-13 and has commenced work on Stream 2, making South Australia one of the lead design partners along with other basin states, Queensland and New South Wales. Stream 2 initiates the detailed design tasks and involves preparing all jurisdictional systems for integration. The CRS is on track for delivery in mid-2015.

Administration of Water Allocations

In 2012-13, a number of initiatives have improved the administration of water allocations and contributed towards DEWNR's strategic priorities: *streamline and improve water allocation planning processes across the state and Streamline administration, permit and licensing arrangements to improve customer service.*

The Water Licensing Team continued to collaborate with regional Natural Resources Management Boards to ensure that DEWNR maintained a community-centric focus on water allocation and licensing programs, particularly in licensing rollout and water allocation plan review projects.

Improving customer service outcomes continues to be a focus by engaging with community and industry groups to develop and implement initiatives aimed at reducing red tape and automating services. In November 2012 and March 2013, irrigators in the McLaren Vale Prescribed Wells Area were engaged in workshops to discuss metering and compliance models and further develop improvements to water trade processes.

The online SmartForm for the River Murray went live in June 2013 and has received positive feedback from customers. The SmartForm combined 12 former hard copy application forms into one online SmartForm which enables customers to submit applications and payments at any time of day or night.

SmartForms were also implemented for water trading, well construction permits, annual water-use reporting and online meter notifications, reducing the time and cost of customer service transactions. Early indications also show that SmartForms have, in some cases, significantly improved water trade processing timeframes.

Volumetric Conversion of Water Licences

The volumetric conversion of water licences supports SASP Target 75: *Sustainable water use* including the following strategic outcomes in the DEWNR Corporate Plan:

- *Streamline and improve water allocation planning processes across the state.*
- *Streamline administration, permit and licensing arrangements to improve customer service.*
- *Use the Natural Resources Management Framework to align monitoring arrangements and improve our understanding of the state and condition of the state's natural resources.*

The conversion of former area-based water allocations to volumetric allocations is a key element of the Water Allocation Plan for irrigators in the Mallee Prescribed Wells Area. This means that irrigators will be issued with an allocation to take a maximum volume of water, rather than an allocation to take water for a maximum area of crop.

The conversion brings South Australia in-line with other Murray-Darling Basin states and national policy agendas. It also ensures allocations for water resources are within the sustainable yield. Water usage can be measured against the reaction of the resource, making it easier to report against and manage the condition of the resource.

KEY CHALLENGES AND INITIATIVES FOR 2013-14

In 2013-14, the department will continue to collaborate with community and industry stakeholders to identify and implement strategies for sustainable water resource management.

Managing competing demands on water resources will be important to ensure equitable water allocations are made to water users within sustainable limits, and in a way that fosters and maintains positive stakeholder engagement.

The department will continue to focus on promoting self-service and self-regulation, particularly in the areas of risk-assessment and compliance for water use.

As part of ongoing collaborations with other government agencies, DEWNR provides services to the Department of Planning, Transport and Infrastructure to assist titling parcels of Crown land, developed for government employee housing in the name of the Minister for Transport and Infrastructure, to facilitate disposal of the assets.

ABORIGINAL RECONCILIATION STATEMENT

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

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

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

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

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

Reconciliation actions

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

- on-ground delivery of DEWNR/ NRM board business
- consulting and working with Traditional Owners for DEWNR/ NRM board business
- cooperative management arrangements
- Native Title resolution
- Alinytjara Wilurara (AW) Region
- projects in partnership with Aboriginal communities such as the Coorong Lower Lakes and Murray Mouth program's Ngarrindjeri Partnerships and a wide range of projects in partnership with Anangu Pitjantjatjara Yankunytjatjara (APY), Yalata and Maralinga Tjarutja.

DEWNR employs a number of Aboriginal staff to increase the Aboriginal workforce and to ensure the organisation provides genuine opportunities for Aboriginal employees to participate, prosper and progress.

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

The DEWNR Reconciliation agenda for 2012-13 has included the following actions:

- The DEWNR Reconciliation Executive Sub-Committee, a Committee of the Executive, was formed and includes senior Aboriginal staff to provide leadership for DEWNR's strategic directions. The committee supports the development and implementation of initiatives that help DEWNR achieve the State Government's reconciliation objectives.
- The DEWNR Reconciliation Network was established and is made up of interested staff to promote reconciliation actions throughout the department. The Network drives DEWNR's reconciliation activities and monitors the implementation of the DEWNR Reconciliation Action Plan.
- The Customer and Corporate Services Group has provided support for Aboriginal staff, employment and training as well as providing leadership for Aboriginal engagement and reconciliation within the agency.
- Work has been undertaken to promote the value of Traditional Ecological Knowledge and coordinating the development of culturally appropriate mechanisms for its application and protection.

DEWNR delivers services across the state and has four areas of reconciliation activities:

- Land, Water and Biodiversity,
- Heritage and Native Title,
- Communications and Awareness, and
- Employment and Training.

Land, Sea and Biodiversity

DEWNR supports land, water and biodiversity management programs on Aboriginal lands in partnerships with Aboriginal land managers and communities.

DEWNR is currently engaging Aboriginal nations in the delivery of two Murray Futures Program initiatives: Riverine Recovery Project (RRP) and Coorong, Lower Lakes and Murray Mouth (CLLMM) Recovery Project. The department also takes a leading role in the coordination and implementation of the Kungun Ngarrindjeri Yunnan Agreement (KNYA) Taskforce.

DEWNR has entered in the RRP Ngarrindjeri Partnerships Project funding and service agreement with the Ngarrindjeri Regional Authority (NRA). The agreement supports the NRA and its member organisation, Mannum Aboriginal Community Association Incorporated (MACAI) to engage in the RRP. This program has four components:

- Building the capacity of Traditional Owners to play a major role in RRP and The Living Murray (TLM)
- Protecting Traditional Owners unique relationship with their Country
- Coordinating DEWNR engagement with Traditional Owners
- Supporting Traditional Owners to make informed decisions and consent for RRP and TLM.

DEWNR is engaging the First People of the River Murray and Mallee, represented by the River Murray and Mallee Aboriginal Corporation (RMMAC) and the Ngarrindjeri, represented by the NRA.

DEWNR is also engaging RMMAC in the delivery of the RRP between Morgan and the border, including other locations south of Morgan of interest to RMMAC.

The TLM program continues to work collaboratively with Ngarrindjeri and First Peoples of the River Murray and Mallee Region through an Indigenous Partnership Project. The Project is facilitated through DEWNR, funded by the Murray-Darling Basin Authority and has been operating since 2006. TLM employees work with traditional owners in the planning and development of icon site environmental water management plans, annual environmental water bids, wetland management plans, and communication and media activities.

The Indigenous Partnership Project also supports traditional owners to build capacity in the management of their cultural heritage. TLM employees work with Ngarrindjeri communities in the, CLLMM icon site and First Peoples of the River Murray and Mallee Region (FPRMMR) within the Chowilla Floodplain icon site.

The South East Aboriginal Focus Group (SEAFG) was established in 2005 by Kungari Aboriginal Incorporation at the request of the SE Natural Resources Consultative Committee (the SE NRM Boards predecessors). Since

then, the SE NRM Board has worked in partnership with the SEAFG to source funding to continue Aboriginal engagement and has developed and maintained a strong working relationship.

SEAFG play a lead role in Aboriginal NRM issues in the SE and provide advice and input into regional NRM processes and links into the wider Aboriginal community. The SEAFG also assist in the identification of opportunities to deliver on-ground NRM activities within the SE Region including, Aboriginal managed or owned land, Crown lands and private land tenure.

Working in conjunction with the Aboriginal Lands Trust, communities are engaged in the Memorandum of Understanding for Conservation Action Planning that covers the entire Northern and Yorke Region. Communities at Point Pearce and Yappala are involved in multiple projects to achieve improved environmental outcomes in their areas.

DEWNR in conjunction with the Alinytjara Wilurara NRM Board supports effective ways of communicating and working in partnership with organisations, agencies, communities, traditional owners, elders and individuals for mutual benefit 'ngapartji ngapartji'. The Board is the only NRM board in Australia with entirely Aboriginal membership.

In 2012-13, the Anangu Pitjantjatjara Yankunytjatjara Water Conservation Project progressed to address water supply security and sustainability in the Amata and Mimili communities. This innovative project combines upgraded water supply and treatment infrastructure with an extensive engagement and water education program. This project will be completed in 2013-14.

Heritage and Native Title

The DEWNR Aboriginal Heritage Strategy fosters cooperation between Aboriginal communities and the department's field staff in protecting Aboriginal cultural heritage on parks and Crown land, and ensures field staff are trained in native title and Aboriginal heritage issues.

Work has progressed to facilitate the co-management of more protected areas and engage and support Aboriginal communities in the management of their traditional lands.

Cooperative Management Agreements (CMAs) have been created with local Aboriginal groups including:

- Mamungari Conservation Park with Maralinga Tjarutja and Pila Nguru.
- Breakaways Conservation Park with the Antakirinja Matuntjara Yankunytjatjara (Aboriginal Corporation) and the District Council of Coober Pedy. The Board will also have an advisory function over Tallaringa Conservation Park.
- Vulkathunha-Gammon Ranges National Park with Adnyamathanha Traditional Lands Association.
- Witjira National Park with Irrwanyere Aboriginal Corporation.
- Flinders Ranges National Park with Adnyamathanha Traditional Lands Association. The Board has an advisory function over Ediacara Conservation Park, Bimbowrie Conservation Park, Black Rock Conservation Park and Yalpara Conservation Park.
- Lake Gairdner National Park with Gawler Ranges Aboriginal Corporation. The Board will also have an advisory function over Lake Gilles Conservation Park.
- Ngaut Ngaut Conservation Park with Mannum Aboriginal Community Incorporated).
- Coongie National Park with Yandruwandha Yawarrawarrka Traditional Land Owners (Aboriginal Corporation). The Board has an advisory role over Innamincka Regional Reserve and portion of Strzelecki Regional Reserve.
- Gawler Ranges National Park with Gawler Ranges Aboriginal Corporation.
- Wabma Kadarbu Mound Springs Conservation Park with Arabana Aboriginal Corporation. The Board will also have an advisory function over Lake Eyre National Park and Elliot Price Conservation Park.

Negotiations are also advanced for the Coorong National Park with the Ngarindjeri People and for the Far West Coast parks with a native title claim. Under these arrangements, traditional knowledge and contemporary park management skills contribute to both park management and reconciliation.

South Australia is subject to 24 native title claims that are intrinsically linked to all Crown land under DEWNR management including parks. DEWNR is involved in negotiations over these claims with the Attorney-General's Department, which is the lead negotiator on behalf of the South Australian Government.

Communications and awareness

DEWNR recognises the interests of Aboriginal people, acknowledging their profound connection to land and communities across the state which is recognised in the form of the 'Welcome to Country Protocol' (a written or spoken expression of acknowledgment of Aboriginal peoples' connection with the land).

The Kungun Ngarrindjeri Yunnan Agreement (KNYA) between the NRA and the South Australian Government establishes a consultation and negotiation framework aimed at supporting Ngarrindjeri participation in natural and cultural resource management. DEWNR leads the implementation of the agreement on behalf of the state.

In partnership with NRM boards, DEWNR facilitates Aboriginal community engagement initiatives across its Natural Resource Management (NRM) regions that utilises a range of strategies to support Aboriginal participation, employment and development of NRM projects with Aboriginal communities and organisations. These programs increase Aboriginal participation through developing broad-based skills and leadership in NRM and enhance relationships with a range of stakeholders across the state.

Employment and Training

At 30 June 2013 Aboriginal people were identified as 2.22 per cent of DEWNR's workforce, exceeding the SASP target of two per cent. Aboriginal employees are represented across ASO1 – ASO7 levels and equivalent.

Partnership arrangements with NRM boards, the Australian Government and other state organisations have combined to deliver employment outcomes for Aboriginal people in NRM through projects such as Aboriginal Learning on Country, Alinytjara Wilurara arrangements with APY and other communities, Working on Country and Aboriginal Community engagement programs. These partnerships have contributed to DEWNR being involved in employment outcomes for more than 100 Aboriginal people.

As part of DEWNR's reconciliation plan, the agency reviewed its Aboriginal Workforce Strategy and a 2012-2015 Strategy was endorsed and implemented in November 2012. Highlights during 2012-13 include a one day networking event for Aboriginal employees from around the state and creating employment pathways for Aboriginal students into future employment through secondary and tertiary scholarships.

In 2012-13, DEWNR supported two Gavin Wanganeen Indigenous Scholarships in partnership with the University of South Australia. These students will be given networking opportunities and undertake work experience within the department. The department also supports Indigenous Cadetships in partnership with the National Indigenous Cadetship Support Program. One Cadet is based at Cleland Wildlife Park.

Another opportunity to develop career pathways for Aboriginal people includes a partnership with Para West Adult Campus to support Indigenous Students to complete Certificate II in Conservation and Land Management. Now in its second year, the Para West Students will come from the South Australian Aboriginal Sports Training Academy which partners with Rio Tinto and the Port Adelaide Football Club to form the Power Cup.

The Department of the Premier and Cabinet sponsored a part scholarship to enable aspiring Aboriginal Leaders in the SA Public Sector to participate in the Integral Leader Program that was run by the Leaders Institute of SA. Two aspiring Aboriginal employees in DEWNR successfully completed the program in 2012-13.

A revised Aboriginal Cultural Awareness program was piloted in November 2012 and another session held in June 2013. The program is designed for employees to develop their engagement skills with Aboriginal people, as well as learn more about culture and history.

In partnership with Flinders University and the National Centre for Groundwater Research and Training, DEWNR continued to support the two Aboriginal Groundwater Scholarship recipients for 2012-13. One has commenced Honours in Environmental Science and the other will complete a Bachelor of Science degree in 2013. Both have been continuing to receive work experience in DEWNR to gain further knowledge and understanding of applied water science.

Coordinated by the Department of Further Education, Employment, Science and Technology, a Public Sector Aboriginal Employment Cluster Committee has been formed which contains a number of senior level representatives from South Australian Government agencies. The committee has developed a Public Sector Pre-Employment / Traineeship Program to provide 21 employment outcomes for Aboriginal job seekers across the public sector. DEWNR is represented on this Committee and has committed to support a minimum of one Trainee from this employment program.

DEWNR engages Aboriginal communities on a fee for service basis to provide heritage protection and management services. Two heritage teams of up to four representatives are employed under this arrangement in accordance with the Attorney General's Guideline for Heritage Payments.

FINANCIAL COMMENTARY

Financial Overview

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

With effect 1 July 2012, the department's program structure was changed to two core programs due to the amalgamation of the Department of Environment and Natural Resources and the Department for Water.

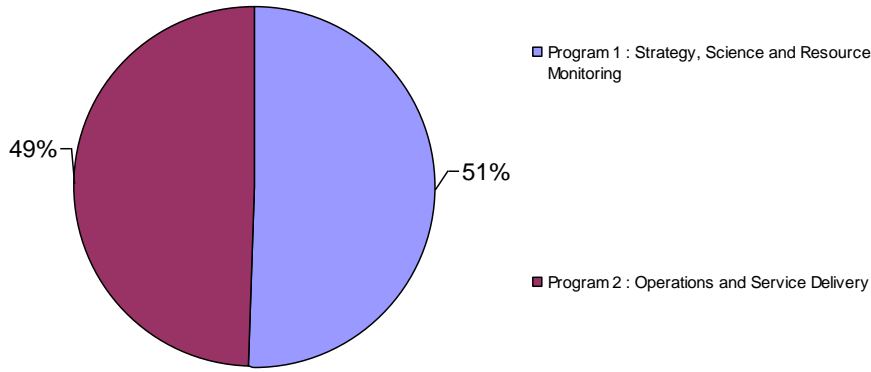
These are:

- Strategy, Science and Resource Monitoring; and
- Operations and Service Delivery.

The audited DEWNR financial statements are published on the department's website www.environment.sa.gov.au. The following report makes comparison between the revised budget for 2012-13 as tabled in Parliament in June 2013 as part of the 2013-14 Agency Statements, and an abridged version of the actual financial statements as at 30 June 2013. The abridged report is formatted to include the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; and Statement of Changes in Equity.

Note the published budget excludes a payment to consolidated account of \$6.694 million which has been included as a payment to the South Australian Government in the Audited Financial Statements.

Program Expenditure



Actual Expenditure by Program

The two programs actual expenditure as a percentage of total expenditure is Strategy, Science and Resource Monitoring (51 per cent) and Operations and Service Delivery (49 per cent).

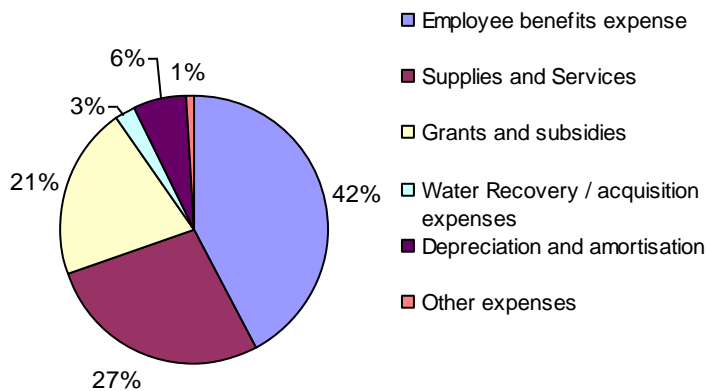
Income Statement

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2013

	Budget 2012-13 (\$'000)	Actual 2012-13 (\$'000)
Operating expenses	398 259	376 123
Operating revenues	175 947	150 221
Net cost of providing services	222 312	225 902
Revenues from Government	212 545	213 756
Net Result	(9 767)	(12 146)
Other Comprehensive Income	-	41 259
Total Comprehensive result	(9 767)	(12 146)

The actual comprehensive result was a net deficit of \$12.146 million.

Operating Expenditure



Actual Operating Expenditure by Program

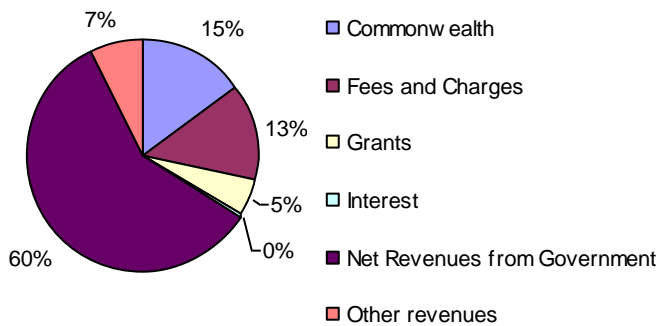
Operating expenses were approximately \$22.1 million lower than expected, largely as a result of:

- Under spend relating to various Commonwealth, external party and cabinet approved initiatives for which carryover has been sought (\$14.8 million);
- Under spend relating to projects funded by external parties where matching revenue was not received (\$7.8 million);
- Under spend relating to salaries and wages expenditure recovered from Natural Resource Management (NRM) Boards (\$2.3 million).

This is offset by:

- A net lost from the disposal of non-current assets (\$1.5 million)
- Unbudgeted expenditure relating to the capitalisation of prior period capital projects (\$0.9 million non cash expense); and
- Additional one-off expenditure relating to TVSP payments funded from Treasury contingencies (\$0.7 million);

Operating Revenues



Actual Operating Revenue

Operating revenue was approximately \$25.7 million lower than expected, largely as a result of:

- Under budget revenue relating to Lower Lakes and Coorong projects (\$14.4 million), revenue was received in 2011-12;
- Under budget revenue relating to projects funded by external parties (\$7.8 million); and
- Under budget revenue relating to salaries and wages expenditure recovered from NRM boards (\$2.3 million).

Net revenue from government was approximately \$1.2 million higher than budget for 2012-13 primarily as a result of an increase in appropriation relating to TVSP payments funded from Treasury contingencies.

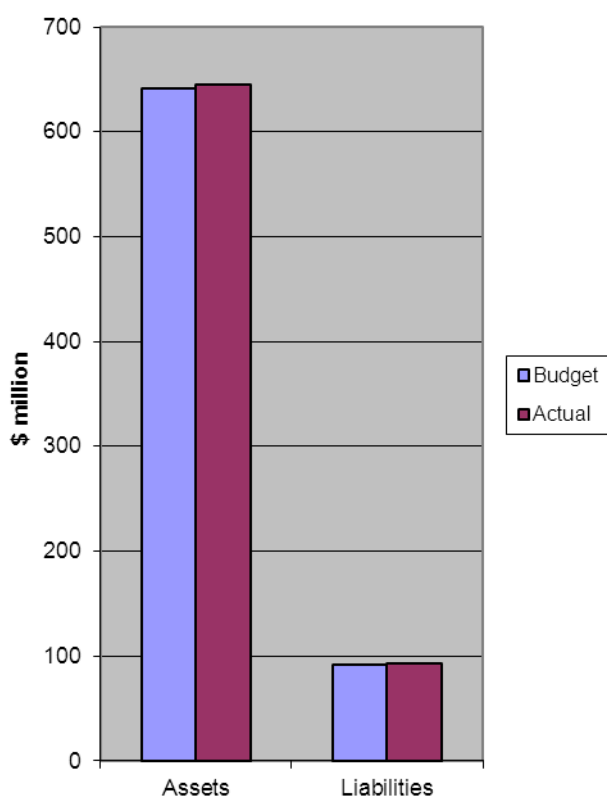
SUMMARY STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2013

	Budget 2012-13 (\$'000)	Actual 2012-13 (\$'000)
Current assets	143 314	147 996
Non-current assets	497 608	496 456
Total assets	640 922	644 452
Current liabilities	59 244	57 090
Non-current liabilities	32 702	35 798
Total liabilities	91 946	92 888
Net assets	548 976	551 564
Equity	548 976	551 564

	Budget 2012-13 (\$'000)	Actual 2012-13 (\$'000)
Equity at 30 June 2012	-	391 950
Surplus/(deficit) for the year	-	(12 146)
Net Increment for Asset First time recognition	-	1 711
Net Increment for Asset Valuation adjustments	-	3 049
Net Assets received from Administrative Restructure	-	155 281
Equity Contribution received	-	11 719
Assets transferred	-	-
Equity	548 976	551 564

Net Assets and Equity is approximately \$2.6 million higher than budget.

Assets and Liabilities



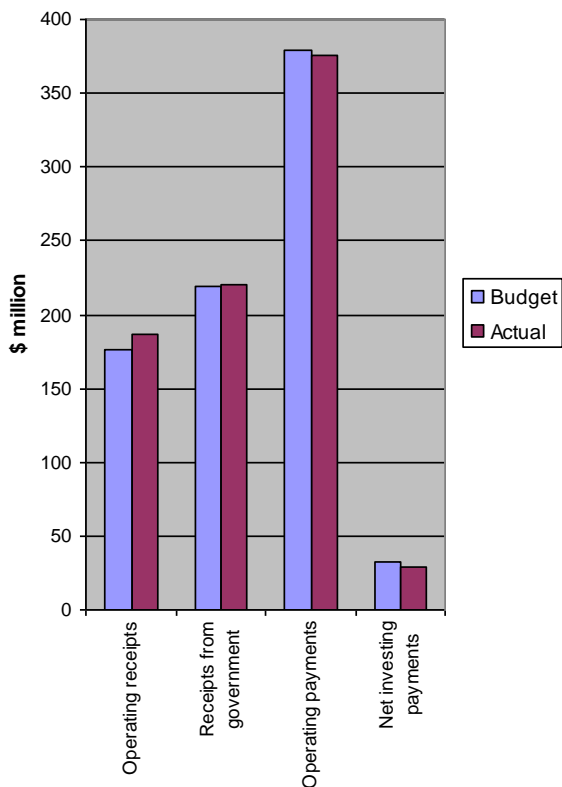
Current Assets for the department are \$4.7 million higher than budget, primarily due to an increase in cash balances (\$19.2 million) offset by decrease in receivables (\$15.0 million). Non Current Assets are \$1.2 million lower than budget.

Current Liabilities are \$2.2million lower than budget primarily due to below budget payables. Non Current Liabilities are \$3.1 million higher than budget primarily due to higher payables.

	Budget 2012-13 (\$'000)	Actual 2012-13 (\$'000)
Cash flows from operating activities:		
Payments	378 957	375 982
Receipts	175 773	186 524
Cash flows from Government	219 239	220 450

	Budget 2012-13 (\$'000)	Actual 2012-13 (\$'000)
Net cash provided by operating activities	16 055	30 992
Cash flows from investing activities:		
Payments	32 726	28 513
Receipts	-	-
Net cash used in investing activities	32 726	28 513
Cash flows from financing activities:		
Payments	-	-
Receipts	48 042	48 042
Net cash provided by financing activities	48 042	48 042
Net increase (decrease) in cash held	31 371	50 521
Cash at 1 July 2012	71 204	71 204
Cash at 30 June 2013	102 575	121 725

Cash Receipts and Payment



SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

The department's budget provided for a net increase in cash of \$31.4 million. The actual result was an increase of \$50.5 million.

This \$19.1 million variation is made up of:

- An operating cash increase of \$14.9 million is explained, in general, by the same influences that impacted the Income Statement; and
- An investing cash increase of \$4.2 million.

APPENDICES

Public Lands and Coastal Conservation

SPECIAL CIRCUMSTANCE SALES UNDER THE CROWN LAND MANAGEMENT ACT 2009

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

Perpetual Leases

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

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

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

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

LAND DESCRIPTION	MARKET VALUE	CONSIDERATION
Sections 123, 131 and 132 Hundred of Bowaka	\$1 225 000	\$6 000
Sections 415 and 416 Hundred of Wirrega	\$1 230 000	\$6 000
Allotment 102 DP88799	\$850 000	\$8 561
Section 205 Chaffey Irrigation Area	\$290 000	\$6 000
Sections 253, 254, 255 and 256 Hundred of Angas	\$295 000	\$6 000
Section 465 Hundred of Joanna	\$560 000	\$16 648
Section 541 Hundred of Penola	\$1 300 000	\$16 448
Section 47 Hundred of McPherson	\$235 000	\$6 000
Allotment 50 DP 84420	\$220 000	\$1
Section 68 Hundred of Warrenben and Allotments 22 and 23 DP90174	\$182 000	\$6 000
Allotment 1651 DP 54962	\$420 000	\$20 000
Section 191 Hundred of Randell	\$185 000	\$6 000
Allotment 3002 DP 89185	\$20 000	\$6 000

LAND DESCRIPTION	MARKET VALUE	CONSIDERATION
Section 373 Hundred of Rivoli Bay	\$1 050 000	\$28 678
Section 98 Berri Irrigation Area	\$144 000	\$456
Section 88 Hundred of Forster	\$52 000	\$6 000
Allotment 12 DP50912	\$235 000	\$18 000
Section 377 Hundred of Yaranyacka and Allotment 2 DP56991	\$330 000	\$14 108
Allotment 63 in DP 69340	\$80 000	\$6 000
Section 490 Moorook Irrigation Area	\$35 500	\$6 000
Section 275 Cobdogla Irrigation Area	\$67 000	\$6 000
Section 508 Berri Irrigation Area	\$84 000	\$6 000
Sections 106, 109, 110, 112, 125, 126, 127, 129, 130, 131, 132, 133, 134, 135, 136, 137, 143, 144, 145, 146, 147, 213, 214, 225, 226 and 227 Hundred of Parnaroo	\$252 000	\$13 200
Section 259 Chaffey Irrigation Area	\$145 000	\$6 000
Section 1261 Jervois Irrigation Area	\$44 500	\$6 000
Sections 167 and 168 Hundred of Mantung	\$340 000	\$6 000
Section 403 Hundred of Mingbool	\$2 500 000	\$16 648
Sections 219 and 220 Hundred of Fox	\$1 275 000	\$24 174

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

In the 2012-13, there have been no other properties that have been sold without a market process or for less than market value due to special circumstances.

Reporting under the *National Parks and Wildlife Act 1972*

National Park Fees and Charges

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

Aggregated totals of revenue from fees and charges for 2012-13 are categorised below:

REVENUES FROM FEES AND CHARGES	\$
Admissions and guided tours	6 934 000
Fees, levies and licences	70 000
Property rental and related income	1 281 000
Sale of goods	1 863 000
Camping accommodation and equipment hire	1 298 000
Total: Fees and charges	11 446 000

Assessment of conservation status under the Act

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

This biennial assessment was provided in a predecessor department's (Department of Environment and Natural Resources) Annual Report for 2011-12. An update will be provided on the assessment's progress in the 2013-14 Annual Report.

Report against Tackling Climate Change: South Australia's Greenhouse Strategy

Tackling Climate Change: South Australia's Greenhouse Strategy is a framework for meeting all of South Australia's greenhouse targets and commitments in a comprehensive and coordinated way.

This report outlines the state's achievements in progressing the Strategy during 2012-13. Its purpose is to meet the reporting requirements of the Strategy and the *Climate Change and Greenhouse Emissions Reduction Act 2007*.

The report identifies the key actions and achievements against each strategic objective, under the eight key areas of the Strategy:

1. Government Leadership
2. Adaptation
3. Community
4. Industry
5. Energy
6. Transport and Planning
7. Buildings
8. Natural Resources

Many of the objectives and their associated actions and achievements are interrelated. For example, the government leadership objective of building capacity to tackle climate change (1.3) is related to and aligned with the adaptation objective of increasing our understanding of risks, vulnerabilities and opportunities (2.1) and the community objective of promoting individual, household and community behaviour change (3.1). Each action or achievement is reported under only the most relevant objective.

Key highlights

The Australian Government Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education has reported that South Australia's net greenhouse gas emissions were 30.8 million tonnes of carbon dioxide equivalents (CO₂-e) in 2011, almost 9 per cent lower than the 1990 baseline. An increase in renewable energy production has helped reduce the greenhouse gas intensity of electricity consumed in South Australia by 30 per cent since 2000.

1. GOVERNMENT LEADERSHIP

Goal: *South Australia will lead the nation in tackling climate change.*

South Australia has built a national and international reputation for climate change leadership, through involvement in the Climate Group's States and Regions Alliance, the Intergovernmental Panel for Climate Change's Renewable Energy Report, and the United Nations Conference on Sustainable Development (Rio+20).

Objective 1.1: To encourage early action in reducing greenhouse gas emissions.

Premier's Climate Change Council

- In 2012-13, the Premier's Climate Change Council has:
 - Provided advice to the Minister for Sustainability, Environment and Conservation regarding 'Facilitating Climate Smart Precincts in South Australia' to improve the performance of urban development in resource efficiency and climate resilience.
 - Made submissions to the Parliamentary Select Committee on Port Augusta Power Stations to encourage the support of renewable energy; and to the Expert Panel on Planning Reform to encourage better support within the planning system for climate smart development.
 - Conducted forums with South Australian businesses and local government to identify opportunities for transitioning to a low carbon economy and facilitating climate change adaptation in South Australia.

Leadership for Geothermal Energy

- The South Australian Government has provided national leadership for Australia's embryonic geothermal sector by:
 - Representing Australia on the Executive Committee to the International Energy Agency's geothermal cluster under the Geothermal Implementing Agreement
 - Providing of information to support geothermal research, demonstration, development and deployment across Australia and reduce information asymmetries.
 - Being Australia's only Coordinating Lead Author for the Renewable Energy Report published by the Intergovernmental Panel for Climate Change, with a focus on chapters for policy makers and geothermal energy.

State of the Environment Reporting

- South Australia's State of the Environment Report for 2011-12 has been drafted and includes a chapter on climate change. The report will be released in early 2013-14.

Objective 1.2: To demonstrate best practice in reducing emissions.

Government Energy Efficiency – SASP Target 61

- Since 2000-01, the South Australian Government has improved the energy efficiency of government buildings by 21.1 per cent, bringing the state more than two-thirds towards achieving the target of 30 per cent reduction by 2020.
- Energy efficiency improvements have been achieved by moves to more energy efficient buildings, building upgrades or refurbishments that include more efficient equipment and space utilisation, behaviour change programs, and increasing the efficiency of service delivery.

Government Fleet Vehicles

- For the passenger and light commercial motor vehicle fleet, positive progress continued towards the government's target to reduce greenhouse gas emissions per kilometre travelled by 10 per cent by 2014-15 over the 2009-10 level.
- The pilot of electric vehicle use continued, with two Mitsubishi iMiEVs being trialled within the Department of Planning, Transport and Infrastructure (DPTI) and Department for Community and Social Inclusion (DCSI) fleets.

Solar Panels for Government Buildings

- Solar panels continued to be installed on all new and substantially refurbished State Government owned and operated buildings in accordance with the *Solar Panels for Government Buildings Policy*.

Objective 1.3: To build capacity to tackle climate change.

South Australia's International Leadership and Engagement

- The Premier of South Australia is one of the Co-Chairs of The Climate Group's² States and Regions Alliance, a group of sub-national governments that are committed to accelerating action on climate change. The Alliance was formed following the signing of the Montreal Declaration of the *Federated States and Regional Governments on Climate Change in 2005*.
- The South Australian Government provides leadership of the following Alliance working groups:
 - The Energy Efficiency Financing Working Group, which assists sub-national governments to increase their knowledge of innovative financing instruments to promote energy efficiency investments in their constituencies.
 - The Adaptation Working Group, which encourages global best practice in strategic climate change adaptation by actively monitoring and promoting innovative adaptation actions as they occur.

² The Climate Group is an international not-for-profit working with leading businesses, governments and individuals

- The South Australian Government had formal representation at the United Nations Conference on Sustainable Development (Rio+20), which took place on 20-22 June 2012 in Rio de Janeiro.

2. CLIMATE CHANGE ADAPTION

Goal: South Australia will be equipped to the best of its ability to adapt to climate change and capture opportunities.

The Climate Change Adaptation Framework and the accompanying Government Action Plan were adopted and launched in August 2012. The Framework facilitates the involvement of local communities and experts in regional climate change planning. The Plan will ensure relevant South Australian Government agencies take climate change into account in service delivery planning.

Objective 2.1: To increase our understanding of risks, vulnerabilities and opportunities.

South Australia's Climate Change Adaptation Framework

- The *Climate Change Adaptation Framework*, and the accompanying *Government Action Plan*, was adopted and launched in August 2012.
- Two rounds of the Prospering in a Changing Climate Grants Scheme were launched in October 2012 and April 2013. Grants were awarded to the South Australian Local Government Association, Adelaide & Mount Lofty Ranges Natural Resources Management Board, the Yorke and Mid North Regional Alliance (through the Central Local Government Region of South Australia) and Horse SA.
- The South Australian Climate Change Adaptation Showcase was held in March 2013, with more than 170 delegates from business, government, universities and community organisations to share the leading edge research and practical knowledge from across the state.
- In June 2013, the Climate Change Adaptation Program received the prestigious National Climate Change Adaptation Research Facility (NCCARF) *Climate Adaptation Champions Award* in the Government category. This award was shared between program partners, the South Australian Government and the Local Government Association of South Australia.

Regional Climate Change Adaptation Plans –SASP Target 62

- The *Climate Change Adaptation Framework* requires State Planning Regions to undertake an Integrated Vulnerability Assessment (IVA). An IVA identifies climate change impacts and opportunities for the region, and supports and informs the development of a regional Climate Change Adaptation Action Plan. The SASP target aims for adaptation plans in all 12 regions by 2016. Eight of the twelve regions are undertaking or have already completed their IVA. A further three regions are undertaking business planning with a view to commencing this process next financial year. One region has yet to commence business planning.

Primary Industry Adaptation

- Primary Industries and Regions SA (PIRSA) mapped areas of primary production significance for inclusion in the 30-Year Plan for Greater Adelaide. This will assist in managing landscape resilience to climate change within local government development plans.
- South Australia is participating in the development of a new national drought policy that focuses on landholder resilience through building capacity in risk management and business skills.
- PIRSA is investigating the climate change impacts on various marine fish species and exploring options for climate change adaptation of the fisheries sector.
- A forest pest network was established to improve landscape scale pest management in the South East, which should improve responsiveness of the forestry industry to climate change.

Objective 2.2: To build resilient and healthy communities.

Public Health

- SA Health continued to undertake research on the adaptation needs of the state's population, focussing on risks to health during extreme hot weather and the prevention of adverse health effects in populations at risk, including older people and the culturally and linguistically diverse community.

- The emergency unit of SA Health is a partner in the State Emergency Service's (SES's) extreme weather arrangements. A number of preventative strategies were developed to inform the public about staying healthy in the heat.
- SA Health has produced a *State Public Health Plan* under the provisions of the *Public Health Act 2011*. The Plan lays out a new system for securing the health and wellbeing of communities and sets the scene for further local government public health planning.

Water Resource Management

- Significant progress was made in implementing Water for Good actions.
- The Basin Plan was adopted in November 2012, introducing a water recovery target of 3200 gigalitres. The Basin Plan aims to address over-allocation of water resources and salinity management, and help to restore the health and resilience of the River Murray system.
- The state entered into an intergovernmental agreement with other basin states and the Australian Government, which will provide \$13 million in funding over eight years to underpin implementation of the Basin Plan.
- The *Murray-Darling Basin Plan: South Australian Implementation Strategy 2013–2019* was released in June 2013, which, along with the intergovernmental agreement, outlines how the state will work to achieve the aims of the Basin Plan.
- The Adelaide Desalination Plant was fully commissioned, enhancing the security of Adelaide's water supply for critical human needs.
- Regional demand and supply statements incorporate climate change modelling to forecast the balance between supply and demand of water resources. These statements will be prepared for the eight Natural Resources Management Regions in the state. The 2012 annual reviews for the Eyre Peninsula and Northern and Yorke regional demand and supply statements were released.

Landscape Futures Analysis

- The Eyre Peninsula and SA Murray Darling Basin Natural Resource Management regions, the University of Adelaide and CSIRO developed a process of science based 'optioneering' to help regional resource managers to plan for and facilitate land use changes. The optioneering process was implemented in 2011-12 and continued in 2012-13.

Objective 2.3: To improve hazard management and minimise risks.

Coastal Management

- The Coast Protection Board aims to prepare South Australia for the anticipated impacts of climate change, particularly sea level rise and the frequency and magnitude of extreme weather events. The Department of Environment, Water and Natural Resources continued to provide direct support to the Board, including funding projects that are aligned to the Board's strategic priorities.

SA Emergency Risk Management Programs

- In 2012-13 the Natural Disaster Resilience Program (NDRP) supported:
 - Development of regional Climate Change Adaptation Plans and Integrated Vulnerability Assessments, which are encouraged under the *Climate Change Adaptation Framework*.
 - DEWNR to investigate the development of a Total Flood Warning System for South Australia.
 - Development of data that will enable DEWNR to better understand how bushfires behave at the state and emergency management zone level.
 - Completion of a Land Use Planning Investment and Capability Plan for South Australia.
- In February 2013 the Australian Government announced funding of \$47 million, to be matched by jurisdictions, to establish a new Bushfire and Natural Hazards Cooperative Research Centre (CRC).

3. COMMUNITY

Goal: The South Australian community will be leaders in reducing greenhouse gas emissions and adapting to climate change in a way that promotes social equity and health.

The Residential Energy Efficiency Scheme has, to date, saved 645 thousand tonnes of carbon dioxide equivalents and 4.1 petajoules of energy. It has saved households \$100 million in energy costs and delivered a private benefit of \$3.50 for every \$1.00 spent on energy efficiency equipment.

The Solar Feed-in Scheme has been successful in promoting the uptake and community acceptance of rooftop solar photovoltaic installations. As at 31 May 2013, almost 140,000 solar systems have been installed and connected to the grid in South Australia.

South Australia's recycling efforts in 2011-12 saved approximately 1.28 million tonnes of carbon dioxide equivalents.

Objective 3.1: To promote individual, household and community behaviour change.

Prospering in a Changing Climate Grants Scheme

- The Prospering in a Changing Climate Grants Scheme supported projects aiming to raise awareness and change behaviours related to climate change.

TAFE SA Sustainable Industries Education Centre (SIEC)

- SIEC has developed a program to embed sustainability skills in TAFE SA training for the building services and construction, water, and renewable energy industries. Training will commence at SIEC from February 2014.
- SIEC will improve links between green technology, research and design by actively connecting industry and training opportunities in this sector.

Objective 3.2: To improve the efficient use of resources by households and communities.

Residential Energy Efficiency Scheme

- This program requires South Australian gas and electricity retailers, through conditions on their licence, to provide energy saving measures to households, with a certain proportion of measures delivered to low-income households.
- In 2012 the overall targets were met, with the bulk of energy saving measures involving low cost methods such as energy efficient lighting and standby power controllers.

Solar Feed-in Scheme

- The Solar Feed-in Scheme has been very successful in promoting the uptake and community acceptance of rooftop solar photovoltaic installations. As of 31 May 2013, almost 140 000 solar systems had been installed and connected to the grid in South Australia.

Solar Hot Water Rebate Program

- Since the rebate program commenced in 2001, approximately \$15.4 million has been paid in rebates for about 24 000 solar hot water heaters. The scheme ended on 30 June 2013.

SA Water H₂OME Rebate Program

- Since the rebate scheme began in November 2007, more than 209 200 rebates worth \$43.7 million have been granted on water efficient products, saving hundreds of millions of litres of water.

Waterwise Communities Program

- More than 100 South Australian schools have pledged their commitment to the Waterwise Communities Program so far. The Program aims to reduce water consumption and enable participants to measure and understand their water use.

Irrigated Public Open Space (IPOS) Program

- This program provides a best practice guideline for the management of turf. It has approximately 285 current participants, using the Code of Practice to maximise water efficiency.
- Two new Irrigation Management Toolkits were released, which provide guidance on efficient public space irrigation. Seven workshops delivered to train Program participants on use of the Toolkit.

Waste Avoidance, Reduction and Recycling Programs

- Through its grant programs and activities, Zero Waste SA continues to offer a range of financial incentives to local government, businesses, schools, community groups, and waste and recycling enterprises to encourage diversion of materials from landfill to recycling.
- Annual Recycling Activity Surveys indicate that South Australia's recycling efforts in 2011-12 saved approximately 1.28 million tonnes of carbon dioxide equivalents.

Australian Service Excellence Standards for Community Organisations

- To gain accreditation under the Australian Service Excellence Standards, community organisations are required to show evidence that they have implemented environmental initiatives within their organisation.
- There are 202 organisations engaged and working through the standards, with a further 92 organisations accredited.

Objective 3.3: To build greenhouse friendly communities.

Housing SA Design Guidelines for Sustainable Housing and Liveable Neighbourhoods

- The *Design Guidelines for Sustainable Housing and Liveable Neighbourhoods* are updated annually to reflect changes to available information and legislative amendments. The Design Guidelines are available from the Department for Communities and Social Inclusion website.

Off-Grid Remote Area Energy Efficiency Program

- The final stage of the Australian Government funded Renewable Remote Generation program ended on 30 June 2013. Under this stage about \$0.9 million was spent on energy efficiency measures for commercial customers in Coober Pedy and solar hot water systems installed in Aboriginal community housing in a number of remote communities.

Safer, Greener and More Active Travel Community Programs

- The Department of Planning, Transport and Infrastructure (DPTI) provided community grants to encourage safer, greener and more active travel. Over the last two years, July 2011 – June 2013, 44 grass roots projects were funded.
- Delivery of the TravelSMART households project commenced in Prospect and surrounding suburbs, for approximately 15,000 households. The project aims to support individuals to understand and modify their travel behaviour.

4. INDUSTRY

Goal: South Australia's industry will be a leader in managing greenhouse emissions and tackling climate change.

Government programs provided support and information for key industries such as primary producers, tourism and the cleantech sector to actively improve business resource efficiency.

A survey of members of the Zero Waste SA Industry Program in 2012 indicated annual savings of 8,435 tonnes of carbon dioxide equivalents through reductions in electricity and gas consumption and waste diverted from landfill.

Objective 4.1: To manage business risk associated greenhouse and climate change.

Primary Industry Mitigation

- Long-term climate change research trials by PIRSA continued across a range of sites and tree species to determine which South Australian native tree species can adapt to low rainfall and produce carbon absorbing dense timber.
- Oil mallee trials were established by PIRSA to test the suitability of the species for plantation forestry, as they absorb carbon and have the potential to provide renewable biofuel, ameliorate soil erosion and enhance biodiversity.

South Australian Tourism Commission

- South Australia contributed to the National Industry Resilience Working Group under the National Tourism 2020 Strategy. The Group prepared the *Don't Risk It!* Kit to enable small and medium sized tourism businesses and Regional Tourism Organisations to be better prepared for risk and crises, including long-term impacts of climate change and extreme events. The Kit has been provided to the South Australian Tourism Industry Council to be made available for use in South Australia.

Cleaner Production and Water Efficiency

- Four cleaner production workshops were held at Bolivar Sewerage Treatment Plant, to support businesses in reducing costs for treatment and disposal of waste water.
- More than 600 South Australian businesses are participating in the *National Water Efficiency Benchmarking Scheme*, which aims to support businesses in reaching maximum water efficiency.
- There were 145 businesses with water consumption of over 25 megalitres participating in the Water Efficiency Plan program, which provides a toolkit and mandates the development of a plan to become water efficient.

Objective 4.2: *To reduce greenhouse gas emissions while driving and improving business competitiveness.*

Zero Waste SA Industry Program

- There were 29 organisations across 58 sites that joined the **Zero Waste SA** Industry Program in 2012-13. A further 95 organisations attended one or more of the 11 business sustainability training sessions delivered in 2012-13.
- A survey of 62 members was completed in August 2012, with a total of 24 responses received. The responses indicated annual savings of 8,435 tonnes of carbon dioxide equivalents, 2.26 Gigawatt hours of electricity, 13.21 Terajoules of gas consumption, 8 060 tonnes of waste diverted from landfill, and reductions in water consumption and wastewater disposal.

Environment Protection Authority (EPA)

- New landfill bans came into effect on 1 September 2012 under the *Environment Protection (Waste to Resources) Policy 2010* for fluorescent lighting, televisions and computers in metropolitan Adelaide and whole earthmover tyres across the state.
- From 1 September 2012, the *Environment Protection (Waste to Resources) Policy 2010* requires suitable waste produced in metropolitan Adelaide to be subject to resource recovery processes prior to being disposed to landfill.
- In October 2012, the EPA commenced a waste reform project to assist in reducing the climate impacts of industry waste. The program involves actively engaging with industry to assess perceived waste problems and identify and implement solutions.

Objective 4.3: *To target commercial opportunities and develop products and services of the future.*

Premier's Research and Industry Fund

- The Premier's Research and Industry Fund (PRIF) invested \$4.2 million in key science and research initiatives, particularly those that generate economic, social and/or environmental benefits for the state.

Green Skills and Vocational Training

- The *Skills For All'* strategy subsidises a range of training courses related to environmental sustainability in areas such as Environmental Monitoring and Technology, Conservation and Land Management, Forest Industry Sustainability, and Renewable Energy and Photovoltaic Systems.

Environmental Sustainability Action Forum

- The Department of Further Education, Employment Science and Training (DFEEST) has established an Environmental Sustainability Action Forum to inform and coordinate activity and investment in environmental sustainability through skill development and innovation in South Australia.

Cleantech Industry Development

- *Manufacturing Works*, a strategy for delivering high value manufacturing in South Australia, was released in October 2012. It outlines strategies and actions to transition the manufacturing industry from predominantly low value-added activities competing on cost, through medium value-added to high value-added activities competing on value for money in global markets. The strategy identifies the clean technology sector providing an opportunity for industry growth in South Australia.
- In 2012-13 the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) led a number of initiatives to support the development of South Australia's clean technology sector, including:
 - The final round of innovation and commercialisation grants under the three year Cleantech Partnering Program being completed. This takes the total amount of funding awarded to small and medium enterprises to assist with the commercialisation of new cleantech ideas and projects to nearly \$1.5 million across 30 projects.
 - The Business Sustainability Alliance Energy Efficiency Program which continued to assist South Australian manufacturers to undertake audits which identify energy efficiency initiatives within their operations, as a means of reducing costs and improving environmental performance. 32 of the total 39 funded audits have been completed, and have collectively identified more than \$18 million worth of energy efficiency initiatives, which if implemented would generate nearly \$4.5 million of annual savings and annual reductions of 25 000 tonnes of carbon dioxide equivalent. To date approximately \$5.8 million worth of projects have been implemented, which have collectively leveraged nearly \$2.9 million in Australian Government funding support.
 - The final round of grants under the three year CleverGreen™ Eco-Innovation Program being completed, which provided support to companies to develop innovative solutions that promote resource efficiency and re-use, to facilitate the greening of South Australia's manufacturing industry.

5. ENERGY

Goal: South Australia's energy systems will significantly reduce greenhouse emissions while continuing to support productivity and prosperity.

2011-12 was the first year in which wind generation overtook coal to become the second most predominant fuel source for electricity generation (after gas). This performance was replicated in 2012-13, when wind contributed 28% of the state's total electricity generation.

In 2012-13, rooftop photovoltaic systems are estimated to have generated 497 Gigawatt hours in South Australia, equivalent to 3.8% of the state's annual electricity generation.

Objective 5.1: To improve the efficiency of energy use.

Residential Energy Efficiency – SASP Target 60

- The State Government undertook a number of measures to achieve the residential energy efficiency target, including state and national energy efficiency initiatives and programs.
- The energy efficiency index describes the number of residential dwellings that can have their annual energy needs met by 1 terajoule of energy. Results for 2011–12 (25.71) exceeded the SASP 2014 milestone (23.9) and 2020 target (24.98), but this may be partially due to a mild winter and summer during this period.
- There has been a significant take-up of photovoltaic generation in households, which has resulted in a reduction in grid-supplied energy in nearly 140 000 homes.

SA Water Energy Use Efficiency

- SA Water is an active participant in the Australian Government's mandatory Energy Efficiency Opportunities Program and has continued to demonstrate full compliance, leadership and savings in energy, cost and emissions.
- SA Water has achieved the renewable energy target in its sector agreement with the Minister for Sustainability, Environment and Conservation through:

- Self-generating renewable energy from the wastewater treatment process
- Purchasing Renewable Energy Certificates from GreenPower™ accredited electricity generators.
- A full scale SA Water co-digestion trial is underway and is now accepting high strength waste directly from customers. The trial adds various high strength industrial organic waste products to regular sewage sludge for co-digestion, which produces renewable biogas.

Objective 5.2: To increase take-up of renewable and low emission technologies.

RenewablesSA

- RenewablesSA worked with companies to take advantage of Australian Government funding opportunities. Highlights include:
 - Sundrop Farms: RenewablesSA originally funded a pilot renewable energy seawater greenhouse near Port Augusta. The company has now secured funding from the Clean Energy Finance Corporation for an expansion of their greenhouse.
 - Muradel: RenewablesSA assisted in identifying suitable land for a micro-algae plant. The company has been awarded \$4.4 million from the Australian Renewable Energy Agency (ARENA) for their plant near Whyalla.
 - Oceanlinx: RenewablesSA assisted with project advice and securing a site. The company are now building their wave energy plant at Port MacDonalld and received \$3.9 million from ARENA.
 - Tindo Solar and Unity Housing: RenewablesSA brokered an agreement with Unity Housing, an affordable housing provider to use South Australian manufactured photovoltaic panels from Tindo Solar. The panels will be used on regional housing and reduce electricity costs for low income tenants.
- RenewablesSA is developing a whole-of-government low carbon investment strategy which will have an economic development focus.
- RenewablesSA is reducing barriers for renewable energy investment on Crown land, subject to pastoral lease requirements, through an amendment to the *Pastoral Land Management and Conservation Act 1989*.

Geothermal

- The South Australian Government is leading national development of the geothermal industry. The number of South Australian geothermal licences has grown from 3 in 2002 to 184 as of 31 July 2013.
- South Australia has attracted 89 per cent (an estimated \$727 million of \$816 million total) of all investment in Australian geothermal energy exploration projects from 2002 to 2013.
- South Australian geothermal projects have been offered 77 per cent (\$134 million of \$175 million total) of all Australian Government grants for geothermal projects across the nation.

Mini Wind Turbine Trial

- In February 2013, the South Australian Government, in partnership with the West Beach Trust, completed a 12-month trial of four residential scale mini wind turbines at the West Beach Boating Precinct. It was the first trial of its kind to occur in Australia, and it served to demonstrate the benefits and considerations for mini wind turbine investment.

Unconventional Gas

- Gas is recognised as a transition fuel to a lower carbon economy. In 2010, the South Australian Government established the Roundtable for Unconventional Gas Projects in South Australia (Roundtable) with industry and other stakeholders, to assess the adequacy of supply chain infrastructure and technologies necessary to support unconventional gas prospects, and to inform industry strategies and government policies. DMITRE leads the roundtable with representation from more than 280 organisations, including DEWNR, the NRM Council, the EPA, PIRSA and DPII.
- DMITRE released the Roadmap for Unconventional Gas Projects in South Australia on 12 December 2012, to support the development of South Australia's unconventional gas resources and foster the security of competitively priced natural gas supplies.

Objective 5.3: To ensure investment and markets follow a transition pathway to low greenhouse gas emissions.

Carbon Capture and Storage

- One gas storage retention licence exists in the Otway Basin and 26 gas storage exploration licences have been granted for areas in the Officer and Simpson Basins. A further 38 gas storage exploration licence applications are pending determination over lands in the Arckaringa and Officer Basins.

6. TRANSPORT AND PLANNING

Goal: South Australia will substantially reduce transport related greenhouse emissions while maintaining accessibility and economic development.

South Australia is actively planning for a more compact urban form and there has been significant investment in upgrading the passenger rail network and increasing the size of the bus fleet.

Adelaide's network of bicycle lanes and paths has been extended from around 480 kilometres in 2002 to 1,120 kilometres in 2013. Annual Adelaide City Cordon Counts indicate that people cycling to and from the city on a typical day increased by 46% from 2007 to 2012.

Objective 6.1: To reduce trip lengths and the need for motorised travel through integrated land use and transport planning.

South Australian Planning Strategy

- The South Australian Government has continued to progress implementation of the South Australian Planning Strategy, including the 30-Year Plan for Greater Adelaide. The Strategy provides an important vision of a shift towards a low carbon society, more sustainable and liveable environments, more compact urban form, transit oriented development, and supporting green technologies and industry.
- Structure Plans are being developed for growth areas identified in the Planning Strategy. The Inner Metro Rim Structure Plan, providing for higher density, mixed use developments around key sites on transit corridors and activity nodes, was released in September 2012. The draft Playford Growth Area Structure Plan provides for appropriate infrastructure and services to be progressively implemented to complement new housing developments and employment.

Public Transport – SASP Target 63

- Work will be completed in early 2014 on upgrading the passenger rail network, including the extension and electrification of the Seaford line, purchase of new electric railcars, and increasing the size of the bus fleet.
- Investment was announced in 2012-13 to increase the capacity of park-and-rides at Paradise, Tonsley and Mount Barker, and construct new bus 'super stops' in Grenfell Street. New funding has allowed electrification of the Gawler line to recommence, with the next stage proposed to Dry Creek.

Objective 6.2: To achieve more sustainable travel behaviour.

Cycling and Walking – SASP Target 2

- Adelaide's network of bicycle lanes and paths has been extended from around 480 kilometres in 2002 to 1120 kilometres in 2013.
- A number of projects were constructed to nearly complete the cycling and walking access along the Marino Rocks Greenway and significant work began on the Outer Harbor and Gawler Greenways.
- Annual Adelaide City Cordon Counts indicate that people cycling to and from the city on a typical day have increased by 46 per cent from 2007 to 2012.

Objective 6.3: To improve emissions performance of vehicles and fuels.

South Australia's Low Emissions Vehicle Strategy 2012-2016

- The State Government commenced implementation of *South Australia's Low Emission Vehicle Strategy 2012-2016*, which was released in June 2012.

- Information packages and tools were developed for release in 2013-14, to improve decision making by fleets and private individuals in regard to lowering their vehicle emissions.

Automotive Australia 2020 CRC (AutoCRC)

- The South Australian Government is providing \$300 000 over three years from 2012-13 to the AutoCRC for two projects that will deliver outcomes to enhance the viability and sustainability of the automotive industry in South Australia through increased product and process innovation that takes into account economic, social and environmental impacts. The projects are:
 - Next Generation Automotive Coatings: through a combination of applied and strategic fundamental research (involving the application of thin film coatings to polymers), the University of South Australia will deliver high value add, advanced manufacturing technologies/products to SMR – one of Adelaide's key auto component manufacturers.
 - Stars for Cars: The University of South Australia will develop a new rating scheme for vehicles to apply Life Cycle Analysis (LCA) techniques to determine the relative costs during the manufacturing, use and disposal phases of a vehicle's life.

Objective 6.4: To shift transport to low greenhouse emission modes.

Electric Vehicle Recharging

- During 2012-13 the State Government implemented an Electric Vehicle Recharging Infrastructure Program (EVRI) which offered grants to encourage the establishment of electric vehicle charge points in key strategic locations. In total, seven grants of \$4000 each were awarded to private organisations to assist in the cost of providing publicly available recharging points in the Adelaide CBD (three), Stirling, Unley, Burnside and Edwardstown.

7. BUILDINGS

Goal: South Australia's building sector will anticipate and respond to climate change and become a world leader in the creation of a carbon neutral built environment.

South Australia's building sector continues to pursue improvements in building research, innovation and practice. These opportunities are supported with a regulatory and policy regime that continues to increase performance standards.

The work of Renewal SA and the Building Innovation Fund, for example, provide practical demonstrations that allow the South Australian community to experience the benefits of integrated design and sustainable urban development.

Objective 7.1: To develop high performance green standards for building design, construction and operation.

CRC for Low Carbon Living (CRC4LCL)

- In 2012, DEWNR became a member of the Cooperative Research Centre for Low Carbon Living. The CRC4LCL aims to be a knowledge hub for leading social and technological innovation and developing integrated products, materials and tools to deliver low carbon outcomes.
- The Capital City Design Review Panel was introduced in 2012 as part of a range of policy reforms to achieve sustainable development through integrated design, which included the Capital City Development Plan Amendment.

Objective 7.2: To optimise energy performance and subsequent cost effectiveness of buildings.

Sustainable Design in Urban Renewal

- Renewal SA is responsible for completing Lochiel Park, a green village which includes energy efficient building design, solar energy systems and improved waste management to minimise the impact on the environment.
- Renewal SA is delivering the Bowden project with a range of sustainability initiatives influenced by the project's One Plant Living targets. These include:
 - 5 Green Star rated buildings across the entire project and advice for developers.

- Alternative energy system, energy monitoring and rebates for developers.
- Sustainability incentive rebate scheme for residential and retail customers.
- Renewal SA will seek Green Star Communities certification for developments at Bowden and Tonsley Park, to demonstrate that they have reached a high level of performance for environmental, social and economic sustainability outcomes.
- It has been agreed that a dedicated Sustainability Manager will be appointed for the Tonsley Park redevelopment project, as a response to advice from the Premier's Climate Change Council on climate smart precincts. The aim is to create opportunities for sustainability to be integrated into all elements of project design and implementation.

Water Sensitive Urban Design

- The statewide Water Sensitive Urban Design (WSUD) policy was approved in June 2013. The policy outlines objectives for WSUD across South Australia and includes performance principles and targets which tailor WSUD to a South Australian context and facilitate monitoring of the extent to which WSUD is being incorporated into urban areas.

Objective 7.3: To increase market and community awareness of the benefits of improved building performance.

Building Innovation Fund

- The Building Innovation Fund aims to demonstrate innovative ways to reduce the carbon footprint of existing commercial buildings. Projects completed in 2012-13 include:
 - Development and installation of a hybrid living wall prototype system.
 - Installation and monitoring of several green roof systems to compare their performance in Adelaide's climate.
 - Installation of a solar façade.
- In March 2013, the Premier opened a zero operational carbon office building in Port Adelaide, which had been refurbished with fuel cells and a solar array.

Zero Carbon Challenge

- The Zero Carbon Challenge was won by a local consortium Collaborative Future (which included Cundall and TS4 Architecture) in early 2012, and the built project is now completed at Lochiel Park, Campbelltown.
- The affordable and environmentally friendly design boasts a 7.5 star energy rating and features solar power, state-of-the-art indirect evaporative cooling, bio-fuel heating, energy-efficient appliances and is oriented and landscaped to maximise solar-passive strategies. The design also incorporates high-performance insulated wall panels, fabricated off-site, dramatically cutting house construction time.

Objective 7.4: To develop sustainable built environments that are responsive to climate change.

Environmental Upgrade Finance

- The South Australian Government worked with key stakeholders from the local government, property and finance sectors, to develop a proposal for establishing Environmental Upgrade Finance for commercial buildings.
- The South Australian Government, Adelaide City Council and the Local Government Association provided their in principle support for establishing Environmental Upgrade Finance in South Australia.

Urban Heat Island Research Study

- A research project into the urban heat island (UHI) effect in Adelaide was completed by a team led by Flinders University. The project was supported by Adelaide City Council and the State Government through the University Sector Agreement Climate Change Research Fund. Implications for urban planning and building design in Adelaide were identified and presented at a national research conference and are now being considered as part of city planning policy.

8. NATURAL RESOURCES

Goal: *South Australia's natural resources sector and ecosystems will be managed sustainably with optimum resilience and capacity to adapt to climate change.*

A range of State Government programs support agencies and communities to manage our natural resources to build resilience and capacity to adapt to climate change.

Revegetation projects create carbon storage and support ecosystem resilience. By September 2013, 1.1 million trees, shrubs, grasses and sedges were planted by the Coorong, Lower Lakes and Murray Mouth (CLLMM) Vegetation Program. More than 1,000 hectares of plantings have been established with over 2 million trees and associated understorey species planted under the Million Trees Program.

The State Government has supported the development of eight stormwater harvesting and reuse schemes in Greater Adelaide, which when completed will have the capacity to harvest eight gigalitres of stormwater annually.

Objective 8.1: To strengthen the resilience of industries reliant on natural resources in the face of the potential impacts of climate change.

State Natural Resources Management (NRM) Plan

- The State NRM Plan *Our Place, Our Future 2012-2017* includes a guiding target to improve capacity of individuals and community to respond to climate change.
- The NRM Reporting Framework trial has progressed the drafting of report cards on the scientific understanding of the causes and potential impacts of climate change.
- The NRM Boards received funding from the Australian Government to develop climate change ready NRM plans.

Soils and Land Management

- Under the State Natural Resources Management Plan, DEWNR supports a landscape scale approach to conservation and sustainable land use and management, in response to the challenges of climate change.
- DEWNR developed modelling and analytical tools to improve our understanding of the impacts of climate change and adaptation strategies on natural resources within cropping areas.

Objective 8.2: To incorporate climate change in the sustainable management of water resources and water supply.

Recycled Water

- SA Water has started capital projects to enable a further 50 hectares of SA Water land to be irrigated with recycled water, with projects to be completed in the next 12 months.
- SA Water has identified an opportunity to significantly increase the volume of reuse from the Glenelg to Adelaide Parklands Recycled Water Scheme, and is developing a trial to test the feasibility of this proposal.
- The State Government supported the development of eight stormwater harvesting and reuse schemes in Greater Adelaide, which when completed will have the capacity to harvest eight gigalitres of stormwater annually.

Impacts of Climate Change on Water Resources Project

- Reports from the Impacts of Climate Change on Water Resources Project will be used to inform various aspects of water planning in South Australia, including analysing risks and potential rates of change in water resources under future climate conditions.
- The first completed report is a statewide risk assessment of climate change on water dependent ecosystems.

Objective 8.3: To increase the capacity of ecosystems to adapt to climate change.

NatureLinks

- *NatureLinks* is a component of the State Government's *No Species Loss Nature Conservation Strategy* and SASP Target 72 of increasing participation in nature conservation.
- Since the new *NatureLinks* website was released in October 2012, 50 new projects that contribute to SASP Target 72 have been listed by non-government organisations, community groups, landholders and businesses.

Coorong, Lower Lakes and Murray Mouth (CLMM) Project

- Approximately 1.1 million trees, shrubs, grasses and sedges will have been planted by the CLMM Vegetation Program by September 2013.
- Planting sites have been selected based on their contribution to increasing the ecological resilience and climate change adaptability of the Lower Lakes and Coorong.

Transects for Environmental Monitoring and Decision Making (TREND)

- The TREND program is funded through the Premier's Science Research Fund.
- Strong progress has been made in 2012-13, with a focus on consolidating and publishing results, identifying opportunities for preserving TREND infrastructure and data, and continuing research.
- Substantial progress has been made in integrating TREND in to the newly created Australian Transect Network, a component of the Terrestrial Ecosystem Research Network (TERN).
- TREND's Citizen Science theme has produced a second mobile application and further developed image capture and processing technology to support ecosystem monitoring using mobile platforms and community volunteers.

Threatened Species and Ecological Communities

- DEWNR works in partnership with other government agencies, NGOs, research institutes, industry, and community groups to provide national, state and regional policy guidance, technical expertise and recovery plans for listed Threatened Species and Ecological Communities (TSECs) in South Australia.
- Identification and prioritisation of objectives and actions for TSECs includes assessment of threatening processes such as climate change. Recovery planning is integrated with landscape-scale conservation projects at state and national levels, implemented through an adaptive management approach.
- The main actions addressing climate change have been three-fold: firstly, a majority of South Australia's threatened plant species have had seeds collected and stored at the State Seed Conservation Centre; secondly, fire management planning incorporates assessments of the risks of population extinctions due to either increased fire frequencies or increased extent of wildfires due to climate change; and thirdly, threatened species demographic and habitat data collected as part of ongoing recovery projects have been used as the basis for several informative climate change modelling projects.

Objective 8.4: To reduce greenhouse gas emissions from the natural resources sector and increase carbon sinks.

River Murray Forest Project

- The River Murray Forest project establishes local native trees and shrubs along the River Murray corridor, from the state border to the Coorong, for biodiversity and carbon sequestration outcomes.
- Monitoring and reporting continued in 2012-13, with most of the 19 contracted sites now completed.

Million Trees Program

- The Million Trees Program continues to progress towards its goal of planting three million local native trees and plants on public land in Greater Adelaide by 2014. More than two million trees and associated understorey species have been planted to date.
- Over 1000 hectares of plantings have been established. When completed, the program will have reconstructed approximately 2000 hectares of predominantly woodland habitat, building the capacity of the urban environment and ecosystems to respond to climate change.

Carbon Farming Initiative

- In 2012-13, Carbon Farming Initiative (CFI) seminars were held in South Australia by the Australian Government and non-government organisations.
- PIRSA consulted key agencies, Aboriginal landowners and representative Aboriginal groups to identify opportunities for Aboriginal South Australians arising from the CFI.

Seed Conservation Centre - Seed Bank

- The Seed Bank collects, processes and stores native seeds for conservation purposes, which will assist with long-term ecosystem resilience to climate change.
- A total of 53 seed collections (totalling 373 604 individual seeds) were added to the Seed Conservation Centre's Seed Bank during 2012-13. The collections included 27 species listed as threatened under the *National Parks and Wildlife Act 1972*, with 16 of these being new Seed Bank.
- Viability and germination testing of all new Seed Bank acquisitions has been completed.

Human Resource Management

Details of human resources management within the Department of Environment, Water and Natural Resources for 2012-13 are outlined in the following tables.

EMPLOYEE NUMBERS, GENDER AND STATUS

Total Number of Employees		
Persons	1802	
FTEs	1670.1	(FTEs shown to 1 decimal place)

Gender	% Persons	% FTEs
Male	52.05	54.51
Female	47.95	45.49

Number of Persons During the 2012-13 Financial Year	
Separated from the agency	308
Recruited to the agency	909

Recruited to agency figures has been affected by amalgamation of DENR, NRM and DFW.

Number of Persons at 30 June 2013	
On Leave without Pay	58

NUMBER OF EMPLOYEES BY SALARY BRACKET

Salary Bracket	Male	Female	Total
\$0 - \$53,199	184	173	357
\$53,200 - \$67,699	233	282	515
\$67,700 - \$86,599	306	285	591
\$86,600 - \$109,299	189	116	305
\$109,300+	26	8	34
TOTAL	938	864	1802

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

STATUS OF EMPLOYEES IN CURRENT POSITION

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	562.92	123.0	213.61	10.84	910.37
Female	397.58	130.5	203.14	28.51	759.73
TOTAL	960.5	253.5	416.75	39.35	1670.1

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	570	124	217	27	938
Female	441	144	222	57	864
TOTAL	1011	268	439	84	1802

EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

Classification	Ongoing		Term Tenured		Term Untenured		Other (Casual)		Total				
	Male	Female	Male	Female	Male	Female	Male	Female	Male	%	Female	%	Total
EXEC0A	1	0	0	0	0	0	0	0	1	3	0	0	1
EXEC0E	0	0	0	0	1	0	0	0	1	3	0	0	1
SAES1	0	0	0	0	19	8	0	0	19	58	8	24	27
SAES2	0	0	0	0	4	0	0	0	4	12	0	0	4
Total	1	0	0	0	24	8	0	0	25	76	8	24	33

AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type	2009-10	2010-11	2011-12	2012-13*
Sick Leave	6.46	7.6	7.68	6.78
Family Carer's Leave	.99	1.34	1.23	1.11
Miscellaneous Special Leave	0.6	.64	.75	.82

*Average FTE used for 2012-13 calculations = 1667.66

ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYEES

Salary Bracket	Aboriginal Employees	Total Employees	% Aboriginal Employees	Target* (%)
\$0 - \$53,199	17	357	4.76	2
\$53,200 - \$67,699	19	515	3.69	2
\$67,700 - \$86,599	2	591	0.34	2
\$86,600 - \$109,299	2	305	0.66	2
\$109,300+	0	34	0	2
TOTAL	40	1802	2.22	2

* Target from SASP

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER

Age Bracket	Male	Female	Total	% of Total	2013 Workforce Benchmark*(%)
15-19	1	0	1	0.06	6.2
20-24	26	28	54	3.0	9.7
25-29	71	105	176	9.77	10.9

Age Bracket	Male	Female	Total	% of Total	2013 Workforce Benchmark*(%)
30-34	103	149	252	13.98	9.8
35-39	119	137	256	14.21	10.1
40-44	130	137	267	14.82	11.8
45-49	141	97	238	13.21	11.2
50-54	123	103	226	12.54	11.3
55-59	152	78	230	12.76	9.0
60-64	63	24	87	4.83	6.1
65+	9	6	15	0.83	3.7
TOTAL	938	864	1 802	100	100

* Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at Feb 2013.

CULTURAL AND LINGUISTIC DIVERSITY

	Male	Female	Total	% of Agency	SA Community*
Number of employees born overseas	129	103	232	12.87	22.1%
Number of employees who speak language(s) other than English at home	43	38	81	4.5	14.4%

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

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

Male	Female	Total	% of Agency
13	12	25	1.4

TYPES OF DISABILITY (WHERE SPECIFIED)

Disability	Male	Female	Total	% of Agency
Disability Requiring Workplace Adaptation	9	5	14	0.8
Physical	7	3	10	0.6
Intellectual	0	1	1	0.1
Sensory	3	1	4	0.2
Psychological/Psychiatric	1	1	2	0.1

VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER

	Male	Female	Total
Purchased Leave	2	10	12
Flexitime	758	749	1507
Compressed Weeks	20	8	28
Part-time	69	277	346
Job Share Positions	0	8	8
Working from Home	5	14	19

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

DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Employees with ...	% Total Workforce
A review within the past 12 months	42
A review older than 12 months	15

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

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

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$655 053	0.43
Total leadership and management development expenditure	\$123 554	0.08

Note: The merger of all agencies into DEWNR during the year has meant that not all details of training and development expenditure for the year has been captured

ACCREDITED TRAINING PACKAGES

The following table refers to employees currently enrolled in an accredited training package or who have attained a qualification or statement of attainment during the 2012-13 financial year and who were 'active' or on leave with pay with the agency as at the end of the last pay period in the 2012-13 financial year. The table includes executives.

Classification	Number of Accredited Training Packages
CMW4	1
GSE4	14
GSE5	1
ASO2	4
ASO3	3
ASO4	2
ASO5	4
ASO6	7

Classification	Number of Accredited Training Packages
ASO7	3
ASO8	5
OPS2	5
OPS3	1
OPS4	1
PO1	9
PO2	9
PO3	12
PO4	2
SAES1	1

Equal Employment Opportunity Programs

Traineeships, cadetships and apprenticeships

In 2012-13 DEWNR employed nine trainees in the three year horticultural discipline. In 2013-14 DEWNR expects to recruit further trainees in horticulture as existing trainees graduate from TAFE.

Aboriginal Recruitment Programs

As at 30 June 2013, 2.22 per cent of DEWNR's workforce were identified as of Aboriginal decent. This figure exceeds South Australia's Strategic Plan target of 2 per cent. When appropriate, DEWNR has sought referrals from the Aboriginal Employment Register for potential placement into vacancies.

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

DEWNR has also continued to support two Aboriginal Groundwater Scholarship recipients in 2012-13 In partnership with Flinders University and the National Centre for Groundwater Research and Training.

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

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

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

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

Disability Employment Register

DEWNR uses demographic data from employment forms to monitor the employment rate of people with disabilities. As at 30 June 2013, a total of 25 people were identified as having a disability.

Work Health and Safety and Injury Management

Following the amalgamation of the former Department of Environment and Natural Resources (DENR) with the Department for Water (DFW) the key focus of the 2012-13 financial year has been the development of a new Department of Environment, Water and Natural Resources (DEWNR) Work Health and Safety and Injury Management system and associated activities.

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

Commitment to the Management of Safety and Wellbeing

In line with the department's commitment to safety and wellbeing, the Chief Executive has endorsed a CE Commitment Statement for WHS and Injury Management in DEWNR and has also established a sub-committee of Executive (the Executive Health and Safety Sub-Committee) to manage the development and implementation of WHS and IM systems. The terms of reference of this Committee reflect its role in:

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

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

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

Accountability for Safety and Wellbeing Performance

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

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

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

The Chief Executive has provided a Ministerial Safety report on SWIPS performance, tabled in Cabinet, and a Responsible Officer report accounting for safety performance to WorkCover SA.

Integrated Risk Management

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

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

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

All hazard management policies and procedures are under review following the amalgamation of DENR and DFW to ensure that they meet legislative requirements of the WHS Act and the needs of the new department.

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

Effective Measurement and Evaluation

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

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

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

WorkCover SA

The former departments had different registration levels and renewal periods with WorkCover SA. A renewal period for DEWNR was negotiated with WorkCover SA and a revised Partnership Plan has been developed to guide activities under the Natural Consequences model for self-insurers.

Key aims and activities of the Partnership Plan include:

- Addressing outstanding non-conformances from the ex-DENR 2011 WorkCover Evaluation; identifying and implementing strategies to close these out
- Supporting the development of the DEWNR work health and safety and injury management systems, with a particular focus on:
 - System framework and associated programs, objectives and performance measures
 - Hazard management systems
 - Volunteer safety management
 - Injury management systems

A Responsible Officer report was provided to WorkCover SA summarising activities during 2011 -12 under the Partnership Plans of both former departments.

Consultative Arrangements

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

DEWNR has a network of approximately 50 Health and Safety Representatives from all regions of the State. Consultation occurs with HSRs as part of hazard management processes including incident investigation, risk assessment and worksite inspection.

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

Table 1: OHS Notices and Corrective Action taken

Number of notifiable incidents to WHS Act Part 3	2
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices)	1

Note: In relation to the Prohibition notice placed on shooting operations undertaken by volunteers, the department is currently undertaking a comprehensive review of all firearm related procedures and practices across the department.

Table 2: Agency gross workers compensation expenditure³ for 2012-13 compared with 2011-12⁴

EXPENDITURE	2012-13 (\$)	2011-12 (\$)	Variation (\$) + (-)	% Change + (-)
Income Maintenance	341 560	278 789	+62 771	+22.5
Lump Sum Settlements Redemptions – Sect.42	70 000	141 800	-71 800	-50.6
Lump Sum Settlements Permanent Disability – Sect. 43	39 418	59 804	-20 386	-34.1
Medical/Hospital Costs combined	140 110	157 790	-17 680	-11.2
Other	94 486	25 083	+69 403	+276
Total Claims Expenditure	685 574	663 266	+22 308	+3.4

Table 3: Meeting Safety Performance Targets⁵

	Base: 2009-10	Performance: 12 months to end of June 2013*			Final Target
	Number s or %	Actual	Notional Quarterly Target**	Variation	Numbers or %
1. Workplace Fatalities	0	0	0	0	0
2. New Workplace Injury Claims	52	45	44	1	39

³ Before 3rd party recovery

⁴ Information available from The Self Insurance Management System (SIMS)

⁵ Information available from Self Insurance Management System (SIMS) (SIPS Target report)

	Base:	Performance: 12 months to end of June			Final
	2009-10	2013*			Target
	Number s or %	Actual	Notional Quarterly Target**	Variation	Numbers or %
3. New Workplace Injury Claims Frequency Rate	18.57	18.44	15.79	2.65	13.93
4. Lost Time Injury Frequency Rate ***	8.21	7.79	6.98	0.80	6.16
5. New Psychological Injury Frequency Rate	0.72	2.08	0.61	1.47	0.54
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	80.77%	68.89%	80.00%	-11.1%	80%
6b. Early Intervention within 5 days	100.00%	71.43%	90.00%	-18.57%	90%
6c. LTI have 10 business days or less lost time	75.00%	55.56%	60.00%	-4.44%	60%
7. Claim Determination:					
7a New claims not yet determined, assessed for provisional liability in 7 days	9.52%	77.78%	100.00%	-22.22%	100%
7b. Claims determined in 10 business days	69.23%	79.17%	75.00%	4.17%	75%
7c. Claims still to be determined after 3 months	7.69%	6.25%	3.00%	3.25%	3%
8. Income Maintenance Payments for Recent Injuries:					
2010-11 Injuries (at 24 months development)		\$130 449.39	\$79 047.06	\$51 402.34	Below previous 2 years average
2011-12 Injuries (at 12 months development)		\$124 787.71	\$77 465.78	\$47 321.93	Below previous 2 years average

* Except for Target 8, which is YTD.

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

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

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

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

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

Disability Action Plan

Work during the year has been focused on developing a new Disability Action Plan for the 2013-2015 period.

The Plan includes key actions and accountabilities for the following areas:

- Accessibility to facilities and services
- Information and Communication
- Raising awareness of and understanding of the issues affecting people with disabilities
- Effective consultation and Complaints Process
- Compliance with the *Disability Discrimination Act 1992* (Cwlth) and the *Equal Opportunity Act 1984* (SA)
- Increased Employment Rates

Accessibility to Facilities and Services

The DEWNR *People and Parks Visitor Strategy* was developed to build community-based stewardship of parks and to ensure that South Australia's national parks and marine parks meet the recreational needs of South Australians. The strategy also identifies a suite of initiatives including improving our understanding of the needs of economically, socially and mobility disadvantaged groups as a long-term priority.

An ongoing schedule of capital works is in place to improve visitor access - taking into consideration the needs of people with disabilities.

Information and Communication

The DEWNR website (www.environment.sa.gov.au) is accessible to people with disabilities that enables the use of assistive technology to read or hear content on the site. The website includes information about disabled access when visiting DEWNR facilities.

Raising Awareness of an understanding of the issues affecting people with disabilities - Disability Awareness Training

DEWNR provides an online Disability Awareness Training Program for all staff as part of the Induction process. This training program provides staff with valuable information about working with people with disabilities and providing appropriate services to members of the community with disabilities and their carers.

The DEWNR paper based Induction booklet provides information to new staff on what a disability is, that not all disabilities are easy to detect and how all staff are to be treated equal in the workplace.

Development of a new Online Induction Program is almost completed. This program will include a section on disability awareness and it is anticipated the program will be launched in 2013-14.

The department currently has 25 employees with disabilities and through strategies identified in the Disability Action Plan, is aiming to achieve the SASP Target 50: *People with Disabilities: increasing by 10% the number of people with a disability employed in South Australia by 2020.*

The former Department for Water and the former Department of Environment and Natural Resources had disability action plans in operation which were included in the new DEWNR Disability Action Plan.

Ensure access to facilities and services

A *Disability Policy Statement* is in operation which outlines the principles and responsibilities of managers and staff in implementing the Government's Promoting Independence Strategy across the agency.

A Procedure on Promoting Independence for People with Disabilities complements the Policy Statement. It informs key stakeholders of their responsibilities in developing and implementing the Disability Action Plan and its key elements of planning and policy development, consultation, promotion, monitoring and review, training, and reporting.

Consultation and Complaints Process

All managers are expected to take the *Disability Policy Statement* into account when undertaking community consultation on an ongoing basis. An assessment of appropriate consultation mechanisms and audience is undertaken before the consultation.

Compliance with the Disability Discrimination Act 1992 and the Equal Opportunity Act 1984

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

Increased Employment Rates

DEWNR uses demographic data and regular reporting to Executive to monitor the employment rate of people with disabilities.

Contractual Arrangements

The Department of Environment, Water and Natural Resources did not enter into any contractual arrangements in the 2012-13 financial year, where the total value of the contract exceeded \$4 million and the contract extended beyond one year.

Account Payment Performance

Treasurer's Instruction 11 *Payment of Creditors' Accounts* requires public authorities to forward account payment performance reports to the Department of Treasury and Finance. The table below shows the number and value of creditors' accounts paid in 2012-13.

Particulars	Number of accounts paid	% of accounts paid (by number)	Value in \$A of accounts paid	% of accounts paid (by value)
Paid by due date*	39 624	90.7	233 062 533	78.0
Paid late, but paid within 30 days of due date	2 830	6.5	57 978 599	19.4
Paid more than 30 days from due date	1 236	2.8	7 895 971	2.6

*Note: The due date is defined under section 11.7 of Treasurer's Instruction 11 *Payment of Creditors' Accounts*.

Explanation of Account Payment Performance

During 2012-13, DEWNR paid 90.7 per cent of all invoices, by volume, within the due date, as defined by Treasurer's Instruction 11. The payment rate of invoices paid by the due date, by value, was impacted primarily as a result of delaying payments that were subject to funds availability, acquittal feedback, or contractual delays. The department continues to work in conjunction with Shared Services SA to focus on improving invoice payment processes.

Fraud

There were no reported incidents of fraud in the 2012-13 financial year.

DEWNR has in place defined business procedures and internal controls to lower the risk of fraud occurring in the agency. Any anomalies identified are investigated internally and appropriate action taken.

Consultants

Consultant	Purpose of Consultancy	Number	Total \$
Value below \$10 000			
Various	Various	17	\$51 745

Consultant	Purpose of Consultancy	Number	Total \$
Value \$10 000 - \$50 000			
Face the World	Consultancy services of Charles Manning for pre-work, interviews, design and facilitation of integration and team building exercise for initiatives workshop held for the corporate services leadership team.	1	\$10 841
Mutton DR	Regional integration meetings and advice.	1	\$18 120
Do Consulting Pty Ltd	Project development services - River Murray Water Allocation Plan.	1	\$20 124
Adelta Legal	Legislative Review of the <i>Natural Resources Management Act 2004</i> .	1	\$37 500
Sinclair Knight Merz	Currency Creek Regulator - removal investigation.	1	\$49 907
Value above \$50 000			
Coffey Geotechnics	Review of recommendations for the long-term management options for riverbank collapse (high risk sites).	1	\$51 256
Deloitte	Corporate Services review undertaken on merger of DFW and DENR. Provided DEWNR with a transitional structure for its Corporate Services teams that enabled the integration of DENR and DFW corporate staff, provided clarity in reporting lines and accountability and identified possible savings.	1	\$69 950
Avril Gold	Corporate Services business model development and final report and recommendations for revised corporate model for DEWNR. Also includes advice and supporting implementation of the DEWNR Executive Re-structure, as well as advice on DEWNR change management implementation.	1	\$162 500
Total for 2012-13		25	\$471 943

Overseas Travel

No of staff	Destination/s	Reasons for Travel	Total Cost to Agency ♦
2	Arusha, Tanzania	To attend the International Rangers Federation - 7th World Rangers Congress (4-9 November 2012).	\$13 533
1	Johannesburg, Cape Town South Africa	On a Gwen Thomas Scholarship to visit a number of Botanic Gardens throughout South Africa to study the diversity of flora, their variety of habitats and the close relationships with Australian plants.	\$3 521
1	Vaasa, Finland	To attend the 7th International Acid Sulfate Soil Conference (26 August to 1 September 2012).	\$4 833

No of staff	Destination/s	Reasons for Travel	Total Cost to Agency ♦
1	Seeley Lake, Montana, USA	To attend the Community Based Collaboration Transferability Conference (24 to 28 September 2012) and gave a presentation on Naturelinks.	\$5 839
2	Netherlands	To complete commitments related to the International Flood Intelligence Proof of Concept between South Australia and the Dutch Flood Control 2015 program.	\$16 730
1	Arcadia, California, USA	To attend the 46th North American Forest Commission's Fire Management Working Group Meeting.	\$3 616
1	Shijiazhuang, China	To participate in a Regional Consultation on Groundwater Resources Governance for Asia and the Pacific Region - organised by UNESCO.	\$3 143
1	Denver, Colorado	To attend the 2013 George Wright Society Conference - Protected Areas in a Changing World. Also presented three papers on Co-managing Parks with Aboriginal Communities, Protected Areas on Private Lands and South Australia's Naturelinks program.	\$15 648
1	Geneva, Switzerland and Bangkok	To undertake a secondment (2 February to 17 March 2013) to the CITES Secretariat of the United Nations Environment Program, to build networks and knowledge of contemporary environment issues and approaches at an international level.	\$19 643
Total Expenditure for 2012-13			\$86 506

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

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

Asbestos Management in Government Buildings

DEWNR has modified and verified as correct the standard report provided by Department of Transport, Energy and Infrastructure from the Strategic Asset Management Information System (SAMIS). This is detailed in the following table as at 30 June 2013.

Category	Number of Sites		Category Description	Interpretation One or more items at these sites
	At start of year	At end of year		
1	5	4	Remove	Should be removed promptly.
2	13	15	Remove as soon as practicable	Should be scheduled for removal at a practicable time.
3	11	11	Use care during maintenance	May need removal during maintenance works.

Category	Number of Sites		Category Description	Interpretation One or more items at these sites
	At start of year	At end of year		
4	12	13	Monitor condition	Has asbestos present. Inspect according to legislation and policy.
5	5	5	No asbestos identified / identified asbestos has been removed	All asbestos identified as per OHS&W Regulations 2010 (Division 2 – Asbestos) has been removed.
6	56	56	Further information required	These sites not yet categorised or some asbestos items do not have recommended actions.

Urban Design Charter

No events occurred in 2012-13 that required DEWNR to consider the principles of urban design contained in the South Australian Urban Design Charter.

Greening of Government Operations Report

Energy Efficiency

In accordance with the requirements of the across-government Energy Efficiency Action Plan (EEAP), DEWNR's energy use for 2012-13 is presented in relation to previous annual consumption. It should be noted that the financial year data reflects the first year of the amalgamation of the previous Department for Environment and Natural Resources and Department for Water which cannot be compared to previous reported information.

Total Energy Use

Table 1 below shows the total energy used by DEWNR in delivering its programs and services, listed in the end-use categories required for reporting to Government. In accordance with the EEAP implementation requirements, DEWNR has determined its energy use from primary-source data. Complexities associated with this include continuing improvements in DEWNR's capture of this data, which results in apparent increased use in some categories.

	Office Light & Power	Other Buildings	Other Transport	Other Uses	Passenger Vehicles	TOTAL GJ
2000-01	15 849	16 596	3 016	8 158	17,955	61 574
2001-02	4 998	15 866	2 910	8 158	17 955	49 887
2002-03	4 576	16 717	2 805	8 158	17 955	50 211
2003-04	4 810	15 875	1 606	8 158	23 697	54 146
2004-05	6 963	14 790	1 787	6 993	23 813	54 346
2005-06	6 724	8 060	646	10 225	21 415	47 070
2006-07	3 836	15 590	2 059	12 335	22 721	56 541
2007-08	3 897	12 657	3 265	8 891	20 900	49 611
2008-09	3 109	14 034	2 142	11 426	19 824	50 535

Table 1: Total DEWNR Annual Energy Use (Giga Joules - GJ)

	Office Light & Power	Other Buildings	Other Transport	Other Uses	Passenger Vehicles	TOTAL GJ
2009-10	4 616	4 977	908	9 645	27 145	47 291
2010-11	4 975	5 191	478	9 166	27 948	47 758
2011-12	7 384	7 705	530	7 064	14 247	36 930
2012-13	10 821	11 292	1 002	6 804	39 088	69 007

Note: Office Light and Power is made up of Electricity Office. Other Buildings is made up of Electricity Other Buildings. Other Transport is made up of Avgas. Other Uses is made up of Diesel Other, Electricity Other Uses, ULP Other, Natural Gas and LPG Bottled/Bulk. Passenger Vehicles is made up of Diesel Vehicle, LPG Vehicle and ULP Vehicle. This data includes all fuels used by Fleet Vehicles. All fuel charged to fuel cards associated with DEWNR-owned vehicles and all fuel recorded on FRF001 and FRF002 forms. As of 31 July 2013 there were 477 Fleet Vehicles.

Buildings' Energy Use

South Australia's Strategic Plan (SASP) has a target to improve energy efficiency in government agency buildings by 30 per cent by 2020 – Target 61 (baseline 2000-01), milestone of 25 per cent by 2014. In addition to the office premises leased by DEWNR, the department owns and operates a buildings asset folio of 1410 structures that cover 101 370m². These buildings have a range of energy requirements. As a result of difficulties in accurately identifying energy use associated with these assets it has been necessary to report it across both the 'Other Buildings' and 'Other Uses' categories in Table 1 above. Therefore DEWNR's total buildings energy use cannot be accurately calculated by simply aggregating that for 'Office Light & Power' and 'Other Buildings'. A complete breakdown of the updated DEWNR energy data for use, emissions and cost, by type, is shown in Tables 2.1 - 2.3 on the following pages.

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

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

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

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

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

¹Reflects revision of emissions factors by AGO

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

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

Specific DEWNR Energy Management Achievements in 2012-13

Energy Savings Achieved	Energy Created/Saved	CO ² Offset Per Annum
LED Lights at Cleland Wildlife Park	105 Halogen 55 watt lights were replaced with 10 watt LED lights. Total saving of 5.775 kw for every hour that lights would normally be on. 16,863 kw over a year based on 8 hours for every day of the year.	273 Tonnes
16 Kw Grid Connect System at Murray Bridge State Flora	26,630 kwh per annum approximate	432 Tonnes
2.25 Kw Grid Connect System at Belair State Flora	3,744 kwh per annum approximate	61 Tonnes
9 Kw Grid Connect for Deep Creek	13,599 Kwh per annum approximate	220 Tonnes
8.5 Kw Grid Connect Mt Lofty Botanic Gardens	11,174 Kwh per annum approximate	181 Tonnes

DEWNR Water Management

The total use of metered mains water during 2012-13 was \$1,162,691 which includes supply charges, service charges, sewerage charges and the 'Save the Murray Levy'.

Metered Mains Water Use 2012-13 – Water Use (kL)	
Total as per SA Water accounts for which DEWNR was charged for mains water usage	538 631

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

Specific DEWNR Water-Management Achievements

- Mt Lofty Botanic Gardens - Bore Water metering upgrade
- Wilpena Pound water wastage improvement
- Maintenance upgrades have been implemented within sites where applicable; smaller hot water services and the install of efficient appliances and equipment
- Reset Chilli Billi Hot water unit timers to operate in business hours only.

Paper Cost and Volume

- DEWNR purchased 10,632 reams of A4 paper and 543 reams of A3 paper in 2012-13, at a total cost of \$52,917.18.
- The A4 paper consisted of 8 per cent non-recycled, 17 per cent of 100% recycled, 2 per cent of 50% recycled and 73% carbon neutral paper.
- The A3 paper consisted of 7 per cent non-recycled, 16 per cent of 100% recycled, 1 per cent of 50% recycled and 76 per cent carbon neutral paper.
- The amount of paper purchased in 2012-13 has decreased by 8 per cent compared to 2011-12

Note: Coloured paper has been included in these figures.

Regional Impact Assessment Statement

The department did not undertake any Regional Impact Assessment Statements in 2012-13.

Freedom of Information

Department of Environment, Water and Natural Resources publishes a Freedom of Information Statement on its internet site which can be viewed at: www.environment.sa.gov.au

Whistleblowers Statement

The *Whistleblowers Protection Act 1993* requires the department to report on the number of occasions on which public interest information has been disclosed to a Responsible Officer of the agency. Accordingly, there were no disclosures made during 2012-13.

Intellectual Property

DEWNR is committed to the whole-of-government Intellectual Property (IP) Policy. Currently DEWNR does not commercialise any IP and there are no IP ownership issues. The Chief Executive supports a culture where IP is recognised and appropriately managed.

FINANCIAL STATEMENTS

Department of Environment, Water and Natural Resources

Annual Financial Statements

For the Year Ended 30 June 2013



Our ref: A13/110

26 September 2013

Mr A Holmes
Chief Executive
Department of Environment, Water and Natural Resources
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Dear Mr Holmes

**The audit of the Department of Environment, Water and Natural Resources
for the year ended 30 June 2013**

The audit of the accounts of Department of Environment, Water and Natural Resources (DEWNR) for the year ended 30 June 2013 has been completed.

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

The notable areas of audit coverage included the review of:

- revenue
- payroll
- accounts payable
- fixed assets
- procurement
- purchase cards
- contracts register
- financial accounting - general ledger review.

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

Two important outcomes result from the annual audit process:

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

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

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

In addition, during the year audit management letters were forwarded to DEWNR detailing findings and recommendations from the audit. Responses to the letters and matters raised were received and will be followed up in the 2013-14 annual audit.

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

Yours sincerely



S O'Neill
AUDITOR-GENERAL

enc



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**To the Chief Executive
Department of Environment, Water and Natural Resources**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Environment, Water and Natural Resources for the financial year ended 30 June 2013. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2013
- a Statement of Financial Position as at 30 June 2013
- a Statement of Changes in Equity for the year ended 30 June 2013
- a Statement of Cash Flows for the year ended 30 June 2013
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2013
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2013
- a Statement of Administered Financial Position as at 30 June 2013
- a Statement of Administered Changes in Equity for the year ended 30 June 2013
- a Statement of Administered Cash Flows for the year ended 30 June 2013
- Schedule of Administered Expenses and Income attributable to administered activities for the year ended 30 June 2013
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Basis for Qualified Opinion

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

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


Disclosure of property, plant and equipment is contained in note A3 to the administered financial statements.

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

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

Qualified Opinion

In my opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraphs, the financial report gives a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2013, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



S O'Neill
AUDITOR-GENERAL
26 September 2013

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

Annual Financial Statements

For the Year Ended 30 June 2013

Department of Environment, Water and Natural Resources

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Department of Environment, Water and Natural Resources:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2013 and the results of its operations and cash flows for the financial year.

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



Allan Holmes
Chief Executive
Department of Environment,
Water and Natural Resources

19 September 2013



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

19 September 2013

Department of Environment, Water and Natural Resources

Statement of Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Expenses			
Employee benefits expenses	5	159,029	105,514
Supplies and services	6	101,792	65,503
Grants and subsidies	7	78,366	12,620
Water recovery / acquisition expenses	8	9,567	-
Depreciation and amortisation expense	9	24,296	17,437
Net loss from disposal of non-current assets	10	1,519	3,063
Other expenses	11	1,554	2,368
Total expenses		376,123	206,505
Income			
Revenues from fees and charges	13	49,085	27,294
Grant revenues	14	73,079	32,941
Interest revenues	15	1,119	119
Other income	16	26,938	3,010
Total income		150,221	63,364
Net cost of providing services		225,902	143,141
Revenues from / payments to SA Government			
Revenues from SA Government	17	220,571	127,018
Payments to SA Government	17	(6,815)	-
Total net revenues from SA Government		213,756	127,018
Net result		(12,146)	(16,123)
Other comprehensive income			
Changes in asset revaluation surplus	23	-	26,925
Total other comprehensive income		-	26,925
Total comprehensive result		(12,146)	10,802

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

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

Department of Environment, Water and Natural Resources
Statement of Financial Position
As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Current assets			
Cash and cash equivalents	18	121,725	71,204
Receivables	19	23,410	24,445
Inventories	20	1,949	2,050
Other assets	21	912	258
Total current assets		147,996	97,957
Non-current assets			
Receivables	19	88	59
Other financial assets	22	3	3
Property, plant and equipment	23	488,834	356,538
Intangible assets	24	7,531	1,525
Total non-current assets		496,456	358,125
Total assets		644,452	456,082
Current liabilities			
Payables	25	43,415	29,270
Employee benefits	26	12,685	7,304
Provisions	27	529	504
Other current liabilities	28	461	642
Total current liabilities		57,090	37,720
Non-current liabilities			
Payables	25	2,890	2,180
Employee benefits	26	30,213	22,006
Provisions	27	2,450	1,668
Other non-current liabilities	28	245	558
Total non-current liabilities		35,798	26,412
Total liabilities		92,888	64,132
Net assets		551,564	391,950
Equity			
Contributed capital	29	22,612	-
Retained earnings	29	252,964	177,914
Asset revaluation surplus	29	275,988	214,036
Total equity		551,564	391,950
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	31		
Contingent assets and liabilities	32		

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

Department of Environment, Water and Natural Resources

Statement of Changes in Equity

For the Year Ended 30 June 2013

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2011	29	-	187,111	186,088	373,199
Error correction - property, plant and equipment		-	-	211	211
Restated balance at 1 July 2011		-	187,111	186,299	373,410
Net result for 2011-12		-	-	(16,123)	(16,123)
Gain on revaluation of property, plant and equipment		-	26,925	-	26,925
Total comprehensive result for 2011-12		-	26,925	(16,123)	10,802
Asset adjustments - first time recognition of assets		-	-	4,529	4,529
Asset adjustments - ARAMIS revisions		-	-	3,480	3,480
Net assets received from an administrative restructure		-	-	(271)	(271)
Balance at 30 June 2012	29	-	214,036	177,914	391,950
Net result for 2012-13		-	-	(12,146)	(12,146)
Total comprehensive result for 2012-13		-	-	(12,146)	(12,146)
Equity transfer on asset disposal		-	(41)	41	-
Asset adjustments - first time recognition of assets		-	-	1,711	1,711
Asset adjustments - ARAMIS revisions		-	-	3,049	3,049
Transactions with SA Government as owner					
Net assets received from an administrative restructure	33	10,893	61,993	82,395	155,281
Equity contribution received		11,719	-	-	11,719
Balance at 30 June 2013	29	22,612	275,988	252,964	551,564

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

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



Department of Environment, Water and Natural Resources

Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(154,910)	(102,968)
Payments for supplies and services		(131,360)	(72,159)
Payments of grants and subsidies		(85,757)	(13,184)
Water recovery / acquisition expenses		(3,300)	-
Other payments		(655)	(4)
Cash used in operations		(375,982)	(188,315)
Cash inflows			
Fees and charges		64,129	17,740
Receipts from grants		75,866	35,757
Interest received		1,153	124
GST recovered from the Australian Taxation Office		17,410	11,088
Other receipts		27,966	3,010
Cash generated from operations		186,524	67,719
Cash flows from SA Government			
Receipts from SA Government		220,571	127,018
Payments to SA Government		(121)	-
Cash generated from SA Government		220,450	127,018
Net cash provided by operating activities	30	30,992	6,422
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(28,513)	(30,378)
Cash used in investing activities		(28,513)	(30,378)
Cash inflows			
Proceeds from the sale of property, plant and equipment		-	44
Cash generated from investing activities		-	44
Net cash used in investing activities		(28,513)	(30,334)
Cash flows from financing activities			
Cash inflows			
Cash received from restructuring activities		36,323	-
Capital contributions from government		11,719	-
Cash generated from financing activities		48,042	-
Net cash provided by financing activities		48,042	-
Net increase/(decrease) in cash and cash equivalents		50,521	(23,912)
Cash and cash equivalents at the beginning of the period		71,204	95,116
Cash and cash equivalents at the end of the period	18	121,725	71,204

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

Department of Environment, Water and Natural Resources
Disaggregated disclosures - expenses and income
For the Year Ended: 30 June 2013

	Strategy, Science and Resource Monitoring		Operations and Service Delivery		Total
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000
Expenses					
Employee benefits expenses	49,046	31,060	109,983	74,454	159,029
Supplies and services	61,358	13,393	40,434	52,110	101,792
Grants and subsidies	64,494	2,354	13,872	10,266	78,366
Water recovery / acquisition expenses	9,567	-	-	-	9,567
Depreciation and amortisation expense	5,278	586	19,018	16,852	24,296
Net loss from disposal of non-current assets	151	114	1,368	2,949	1,519
Other expenses	189	650	1,365	1,718	1,554
Total expenses	190,083	48,157	186,040	158,349	376,123
Income					
Revenues from fees and charges	14,341	1,315	34,744	25,979	49,085
Grant revenues	35,507	4,510	37,572	28,431	73,079
Interest revenues	825	13	294	106	1,119
Other income	200	122	26,738	2,888	26,938
Total income	50,873	5,960	99,348	57,404	150,221
Net cost of providing services	139,210	42,197	86,692	100,945	225,902
Revenues from / payments to SA Government					
Revenues from SA Government	67,425	-	153,146	127,018	220,571
Payments to SA Government	-	-	(6,815)	-	(6,815)
Total net revenues from SA Government	67,425	-	146,331	127,018	213,756
Net result	(71,785)	(42,197)	59,639	26,073	(16,123)

Department of Environment, Water and Natural Resources

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For the Year Ended 30 June 2013

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Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2013

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

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

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

Effective from 1 July 2012, the Department of Environment and Natural Resources (DENR) was renamed to DEWNR as part of a machinery of government change. Information relating to this change was published in The South Australian Government Gazette on 28 June 2012. Refer to Notes 2(d), 2(e) and 33.

2 Summary of significant accounting policies

(a) Statement of compliance

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

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by DEWNR for the reporting period ending 30 June 2013. Refer to Note 3.

(b) Basis of preparation

The preparation of the financial statements requires:

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

DEWNR's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented.

(c) Reporting entity

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

The financial statements and accompanying notes include all the controlled activities of DEWNR. Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to DEWNR's overall financial performance and position, they are disclosed in the administered financial statements (schedule of administered items) at the back of the controlled General Purpose Financial Statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2013

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

(d) Transferred functions

The *Public Sector (Reorganisation of Public Sector Operations) Notice 2012* (dated 28 June 2012) transferred all employees from the former Department for Water to the Department of Environment, Water and Natural Resources effective from 1 July 2012. Refer to Note 33 for further information in respect of this machinery of government change.

The *Public Sector (Reorganisation of Public Sector Operations) Notice 2012* (dated 21 June 2012) transferred all employees from the Natural Resources Management Boards, pursuant to the *Natural Resources Management Act 2004*, to the Department of Environment, Water and Natural Resources effective from 1 July 2012. Refer to Note 33 for further information in respect of this machinery of government change.

(e) Comparative information

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

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

The restated comparative amounts do not replace the original financial statements for the preceding period and only reflect DENR balances as at 30 June 2012.

(f) Rounding

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

(g) Taxation

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

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

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

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

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

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

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

(h) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(i) Income

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

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

The following are specific recognition criteria:

Fees and charges

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

Contributions received

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2013

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

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

All contributions received by DEWNR have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Resources received free of charge

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

Net gain on non-current assets

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

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

Revenues from SA Government

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

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

Other income

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

(j) Expenses

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

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

The following are specific recognition criteria:

Employee benefits expenses

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

Superannuation

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

Grants and subsidies

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

(k) Current and non-current classification

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

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

(l) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2013

(m) Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that DEWNR will not be able to collect the debt. Bad debts are written off when identified.

(n) Inventories

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

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

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

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

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

(o) Other financial assets

DEWNR measures financial assets at historical cost.

(p) Non-current assets acquisition and recognition

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

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

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

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

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

Error correction

An error correction of \$211 000 has been disclosed in the Statement of Changes in Equity in respect of the 2011-12 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to the carrying values of property, plant and equipment assets.

Heritage assets

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

Land

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

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

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

(q) Revaluation of non-current assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value). Revaluation of a non-current asset is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

DEWNR revalues its land, buildings and improvements, and other infrastructure assets on a three to five year basis. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

Property, plant and equipment assets due for revaluation are assessed to determine whether they should be classified as generic assets or unique assets.

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Generic building, infrastructure and road assets are valued using a data dictionary approach. The data dictionary model is contained within DEWNR's Asset Register and Management Information System (ARAMIS). The data dictionary model calculates a value for an asset based on description, grade / composition, condition and size / quantity. The model value is adjusted by a locality factor to take into account climatic conditions. The valuation model itself is reviewed every three years.

Unique assets are items which cannot be categorised within existing asset groups. Assets that are deemed to be unique are externally valued by independent professional valuers.

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

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

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

(r) Impairment

All non-current tangible and intangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective asset revaluation surplus.

(s) Depreciation and amortisation of non-current assets

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as computer software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land is not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful Life (years)
<u>Property, plant and equipment</u>	
Buildings and improvements	1-60
Groundwater monitoring wells	10-50
Lower Murray embankments	200
Park infrastructure	3-60
Patawalonga seawater circulation and Barcoo Outlet	7-97
Plant and equipment	2-40
Roads, tracks and trails	2-35
Salinity disposal schemes	10-86
Surface water monitoring network	40-80
Waste disposal stations	30-50
Other	3-60
<u>Intangible assets</u>	
Externally acquired	2-5
Internally generated	3-12
War services leases	45

(t) Intangible assets

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

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

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

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

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

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

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Department of Environment, Water and Natural Resources
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(u) Payables

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

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

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

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

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

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

DEWNR makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes. Refer to Note 2(j).

(v) Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries, wages, annual leave, skills and experience retention leave and sick leave

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

The annual leave liability and the skills and retention leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and the skills and retention leave liability are payable later than 12 months, the liability will be measured at present value.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The unconditional portion of the long service leave provision is classified as current as DEWNR does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of the long service leave relates to an unconditional legal entitlement to payment arising after ten years of service.

Employee benefit on-costs

Employee benefit on-costs (payroll tax, workers compensation and superannuation) are recognised separately under payables.

Provisions

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

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

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

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2013 provided by a consulting actuary engaged through the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet. The provision is for the estimated cost of the ongoing payments to employees as required under current legislation.

DEWNR is responsible for the payment of workers compensation claims.

(w) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

DEWNR has entered into operating leases.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

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Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by DEWNR in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

(x) Unrecognised contractual commitments and contingent assets and liabilities

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

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

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

(y) Interests in Joint Ventures

Murray Darling Basin Authority

DEWNR administers the State's interest in the Murray-Darling Basin Authority (MDBA). These transactions are reflected in the Administered Statements. Note A10 of the Administered Statements refers to changes in accounting for the MDBA, which came into being on 15 December 2008.

3 New and revised accounting standards and policies

DEWNR did not voluntarily change any of its other accounting policies during 2012-13.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by DEWNR for the period ending 30 June 2013. DEWNR has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the department.

4 Activities of the department

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

Activity 1: Strategy, Science and Resource Monitoring

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

Activity 2: Operations and Service Delivery

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

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

The disaggregated disclosures schedules of expenses and income present information regarding DEWNR's activities for the years ended 30 June 2012 and 30 June 2013.

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

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

	2013	2012
	\$'000	\$'000
Salaries and wages	116,952	72,283
Annual leave	11,047	6,790
Long service leave	1,973	6,100
Skills and experience retention leave	588	-
Employment on-costs - superannuation	13,443	9,494
Employment on-costs - other	8,462	5,945
Targeted voluntary separation packages (refer below)	5,371	4,388
Board and committees fees	505	251
Other employee related expenses	688	263
Total Employee benefits expenses	159,029	105,514

Targeted voluntary separation packages (TVSPs)

Amount paid during the reporting period to separated employees:

TVSPs	5,371	4,388
Annual leave and long service leave paid to those employees	1,889	1,481
	7,260	5,869
Recovery from the Department of Treasury and Finance	(5,296)	(5,387)
Net cost to department	1,964	482

Number of employees who received a TVSP during the reporting period

48	44
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Remuneration of employees

The table below includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$9.017 million (2012: \$6.565 million).

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

	2013	2012
\$134 000 – 137 999 *	n/a	-
\$138 000 – 147 999	1	7
\$148 000 – 157 999	8	6
\$158 000 – 167 999	6	4
\$168 000 – 177 999	2	2
\$178 000 – 187 999	4	3
\$188 000 – 197 999	4	1
\$198 000 – 207 999	2	1
\$208 000 – 217 999	3	1
\$218 000 – 227 999	2	1
\$228 000 – 237 999	1	1
\$238 000 – 247 999	2	1
\$258 000 – 267 999	1	-
\$298 000 – 307 999	2	-
\$308 000 – 317 999 **	1	1
\$328 000 – 337 999	1	-
\$338 000 – 347 999 **	1	-
\$348 000 – 357 999	-	1
\$358 000 – 367 999 **	-	1
\$368 000 – 377 999 **	1	-
\$378 000 – 387 999	1	1
\$398 000 – 407 999 **	-	1
Total number of employees	43	33

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

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

The table includes TVSPs paid where the employee's normal remuneration exceeds the executive base level threshold. In 2012-13, 3 employees (2011-12: 3 employees) in the table received a TVSP.

Department of Environment, Water and Natural Resources
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6 Supplies and services

	2013	2012
	\$'000	\$'000
Accommodation and property management	15,198	10,347
Consultants	472	39
Contractors	5,681	3,179
Cost of goods sold	1,423	1,161
Fee for service	36,372	18,021
General administration	9,909	6,768
Heritage advisors	13	386
Information technology & communication expenses	9,315	7,436
Minor works, maintenance & equipment	6,166	4,264
Monitoring fees	211	319
Sand replenishment	1,351	850
Scientific and technical services	687	524
Transportation	448	310
Travel and accommodation	2,181	1,753
Vehicle and aircraft	6,196	5,370
Staff development	1,829	1,803
Other	4,340	2,973
Total Supplies and services	101,792	65,503

Consultants

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

	2013	2012	2013	2012
	Number	Number	\$'000	\$'000
Below \$10 000	17	9	52	39
\$10 000 to \$50 000	5	-	136	-
Above \$50 000	3	-	284	-
Total paid/payable to consultants engaged	25	9	472	39

Supplies and services provided by entities within the SA Government

Accommodation and property management	7,562	5,285
Fee for service	497	609
General administration	4,045	2,922
Minor works, maintenance & equipment	332	-
Other	238	274
Total Supplies and services - SA Government entities	12,674	9,090

7 Grants and subsidies

	2013	2012
	\$'000	\$'000
Building Innovation Fund	-	467
Community engagement and communication	304	320
Goyder Institute	5,000	-
Monitoring and adaptive management	496	-
Murray Darling Basin Authority	28,962	-
NRM community grants	2,824	6,345
One Million Trees	231	334
Revegetation	2,224	487
River Murray Improvement Program	633	-
South East Infrastructure Operations and Maintenance	3,335	-
State Heritage Fund - grants program	249	-
Stormwater projects	27,299	-
Vegetation projects	1,506	1,545
Water industry alliance	768	-
Other	4,535	3,122
Total Grants and subsidies	78,366	12,620

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

NRM Community grants / projects	658	4,933
Monitoring and adaptive management	475	-
River Murray Improvement Program	440	-
South East Infrastructure Operations and Maintenance	3,200	-
Other	-	239
Total Grants and subsidies - SA Government entities	4,773	5,172

8 Water recovery / acquisition expenses

	2013	2012
	\$'000	\$'000
Environmental water purchase	9,567	-
Total Water recovery / acquisition expenses	9,567	-

Department of Environment, Water and Natural Resources

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For the Period Ended 30 June 2013

9 Depreciation and amortisation expense

	2013	2012
	\$'000	\$'000
Depreciation		
Buildings and improvements	3,515	3,530
Park infrastructure	4,918	5,263
Roads, tracks and trails	6,239	6,393
Plant and equipment	2,319	1,817
Groundwater monitoring wells	2,127	-
Surface water monitoring network	115	-
Waste disposal stations	106	-
Salinity disposal schemes	550	-
Patawalonga seawater circulation and Barcoo outlet	496	-
Lower Murray embankments	50	-
Other	19	18
Total Depreciation	20,454	17,021
Amortisation		
Application software - internally generated	3,689	386
Application software - externally purchased	131	8
Other - war services leases	22	22
Total Amortisation	3,842	416
Total Depreciation and amortisation	24,296	17,437

Revision of accounting estimates

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

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

	2013	2012
	\$'000	\$'000
Buildings and Improvements	(69)	428
Park Infrastructure	(12)	(152)
Roads, Tracks and Trails	(296)	(59)
	(377)	217

10 Net loss from disposal of non-current assets

	2013	2012
	\$'000	\$'000
Buildings		
Proceeds from disposal	-	-
Less net book value of assets disposed	(329)	(100)
Net (loss)/gain from disposal	(329)	(100)
Park infrastructure		
Proceeds from disposal	-	-
Less net book value of assets disposed	(413)	(2,367)
Net (loss)/gain from disposal	(413)	(2,367)
Roads, tracks and trails		
Proceeds from disposal	-	-
Less net book value of assets disposed	(220)	(557)
Net (loss)/gain from disposal	(220)	(557)
Plant and equipment		
Proceeds from disposal	-	44
Less net book value of assets disposed	(385)	(83)
Net (loss)/gain from disposal	(385)	(39)
Waste disposal stations		
Proceeds from disposal	-	-
Less net book value of assets disposed	(71)	-
Net (loss)/gain from disposal	(71)	-
Internally developed intangible assets		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(99)	-
Net loss from disposal	(99)	-
Externally acquired intangible assets		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(2)	-
Net loss from disposal	(2)	-
Total Assets		
Total proceeds from disposal	-	44
Less total net book value of assets disposed	(1,519)	(3,107)
Total Net loss from disposal of non-current assets	(1,519)	(3,063)

Department of Environment, Water and Natural Resources
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Assets transferred free of charge

These figures include the following assets transferred to the Board of the Botanic Gardens and State Herbarium, West Beach Trust and Coorong Council free of charge. These assets primarily relate to the Trails Statewide Investment Project (\$0.295m) and Mt Lofty Botanic Gardens-Class 1 Walk Project (\$0.194m) transferred to Botanic Gardens and State Herbarium. DEWNR also transferred assets valued at \$0.047m for the Meningie Lakefront Habitat Reserve Project to the Coorong Council, and \$0.173m to West Beach Trust.

	2013 \$'000	2012 \$'000
Buildings and improvements	96	-
Park infrastructure	283	1,858
Roads, tracks and trails	203	261
Plant and equipment	105	34
Other	40	-
Total Assets transferred free of charge	727	2,153

11 Other expenses

	2013 \$'000	2012 \$'000
Bad and doubtful debts	(40)	239
Capital project costs not capitalised	1,569	1,792
Audit fees	433	337
Other	(408)	-
Total Other expenses	1,554	2,368

Other expenses paid/payable to entities within the SA Government

Audit fees	381	337
Total Other expenses - SA Government entities	381	337

12 Auditors remuneration

	2013 \$'000	2012 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	376	337
Total audit fees	376	337

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

13 Revenues from fees and charges

	2013 \$'000	2012 \$'000
Admissions and guided tours	7,135	6,868
Fees, levies and licences	1,970	813
Property rental and related income	5,831	5,727
Taxation revenue	209	-
Service recoveries	16,524	-
Other property related income	15	89
Sale of goods	3,736	3,517
Sale of professional services	1,820	1,978
Sale of support services	11,008	6,912
Sale of spatial information	711	1,070
Sale of freehold titles	126	320
Total Revenues from fees and charges	49,085	27,294

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

Service recoveries	16,486	-
Sale of professional services	-	600
Sale of support services	2,412	3,740
Sale of spatial information	200	100
Total Fees and charges - SA Government entities	19,098	4,440

14 Grant revenues

	2013 \$'000	2012 \$'000
(a) Grant revenues from the Commonwealth		
Common Registry System	865	-
Community Engagement and Communications	91	216
Coorong, Lower Lakes and Murray Mouth program	222	1,556
GAP monitoring	460	159
Goolwa Channel Water Level Management	1,232	-
Implementing the Murray Darling Basin reform	446	-
Long Term Plan - Coorong, Lower Lakes and Murray Mouth	13,446	2
Long Term Plan - Vegetation	95	33
Meningie lakefront habitat reserve	167	433
Monitoring and adaptive management	-	1,320
Murray Futures - Coorong, Lower Lakes and Murray Mouth Early Works	1,575	-

Department of Environment, Water and Natural Resources

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Murray Futures - Lower Lakes, Coorong Adaptive Management	1,789	-
Murray Futures - Preparation of Business Case	900	-
Murray Futures - Riverine Recovery	3,500	-
Ngarrandjeri partnerships	412	1,267
National framework for compliance and enforcement systems	1,507	-
Research Projects	13	281
Restoring Pica Karst Wetlands	243	69
Restoration of Upper South East flows	669	495
Revegetation	166	4,662
Securing Additions to the National Reserve System	210	105
Stormwater Projects	18,524	-
The Living Murray - Chowilla	786	-
The Living Murray - Lower Lakes, Coorong and Murray Mouth	464	-
Vegetation projects	749	3,425
Water and wastewater in remote communities	3,390	-
Other	3,054	1,150
Total grant revenues from the Commonwealth	54,975	15,173
(b) Grant revenues from SA Government		
Aboriginal Learning on Country (Phase 2)	215	133
Adelaide Living Beaches strategy	2,363	2,292
Adelaide Mount Lofty Ranges - Bush Management Advisor	250	285
Biodiversity Assessments	354	440
Botanic Gardens - Aquifer Storage and Redraw	1,591	2,651
Bushfire Mitigation Program	242	4
Community Emergency Services Funding	1,959	2,519
Compliance and Monitoring	225	-
Dukes Highway Safety	530	-
East Plain Fire Trail (Part 3)	237	-
Ecologist Southern Flinders	207	104
Garden of Health	-	235
Highbury Aqueduct fire prevention	482	50
Long Term Plan - Vegetation	-	252
National Parks	-	1,158
One million trees	1,151	1,392
Protect Bool and Hacks Lagoons	124	234
Priority habitat enhancement	719	366
Recovering grey box woodlands	340	210
Riverine Recovery - Kattfish Floodplain	-	515
Threatened Plant Recovery - Kangaroo Island	150	381
Water Industry Act	151	-
Youth Creating Habitat	201	139
Other	5,404	3,334
Total grant revenues from SA Government	16,895	16,694
(c) Grant revenues from private industry and local government		
NHT-CARRS	250	-
SE Coop Coast Conservation	102	518
Other	857	556
Total grant revenues from private industry and local government	1,209	1,074
Total Grant revenues	73,079	32,941

Contributions with conditions of expenditure

The Department received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2013 \$15.568m (2012: 13.513m) of grants, which have been recognised as revenues in the Statement of Comprehensive Income, are yet to be spent in the manner specified by the contributors.

15 Interest revenues

	2013	2012
	\$'000	\$'000
Interest from entities within the SA Government	1,101	114
Interest from entities external to the SA Government	18	5
Total Interest revenues	1,119	119

16 Other income

	2013	2012
	\$'000	\$'000
Insurance recoveries	16	283
Salaries and wages recoveries	26,230	2,369
Sponsorships, donations, commissions and bequests	85	49
Other sundry revenue	607	309
Total Other income	26,938	3,010
Other income received/receivable from entities within the SA Government		
Insurance recoveries	16	283
Salaries and wages recoveries	14,868	2,157
Total Other income - SA Government entities	14,884	2,440

On 1 July 2012, 276 employees were transferred from the Natural Resources Management Boards to DEWNR. These employees now provide services back to the Boards under a fee for service arrangement earning DEWNR \$25.769m.

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

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17 Revenues from / payments to SA Government

	2013	2012
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	208,774	120,628
Appropriations from contingency funds	11,797	6,390
Total Revenues from SA Government	220,571	127,018
Payments to SA Government		
Return to consolidated account	(6,815)	-
Total Payments to SA Government	(6,815)	-

Total revenues from government consist of \$182.227m (2012: \$93.478m) for operational funding and \$26.547m (2012 \$27.150m) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

The revenues from SA Government include \$26.600m (2012: \$26.200m) which was paid into the Save The River Murray Fund (the 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 Fund was established under section 100 of the *Waterworks Act 1932* - this act was repealed and replaced by the *Water Industry Act 2012* (the Act) effective from 1 January 2013. Monies credited to the Fund may only be applied to purposes set out in the Act. The total monies applied from the Fund were \$24.925m (2012: \$29.059m). A special purpose financial report is prepared for the Fund.

18 Cash and cash equivalents

	2013	2012
	\$'000	\$'000
Deposits with the Treasurer	121,531	71,038
Imprest account / cash on hand	194	166
Total Cash and cash equivalents	121,725	71,204

Deposits with the Treasurer

This includes \$53.797m (2012: \$62.166m) held within the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use and can only be used in accordance with the Treasurer's or Under-Treasurer's approval.

Other short-term deposits

These are funds held on an "at call" basis with various commercial banking entities, and result from banking deposits in regional locations. Funds are only held in these accounts pending imminent transfer to DEWNR's normal banking arrangements with Treasury.

Interest rate risk

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. DEWNR invests surplus funds with the Treasurer. Interest is earned on the average monthly balances of the Wildlife Conservation Fund, General Reserves Trust account and SA Lower Lakes Bioremediation and Revegetation (CLLMM) account. Interest is paid quarterly at the Department of Treasury and Finance's 90 day average overnight cash interest rate. All other deposits with the Treasurer do not earn interest.

19 Receivables

	2013	2012
	\$'000	\$'000
Current		
Receivables	19,167	22,105
Less allowance for doubtful debts	(235)	(310)
	18,932	21,795
Accrued revenues	82	9
GST input tax recoverable	4,363	2,628
Workers compensation recoveries	33	13
Total Current receivables	23,410	24,445
Receivables from SA Government entities		
Receivables	14,690	5,864
	14,690	5,864
Accrued revenues	82	9
Total Receivables from SA Government entities	14,772	5,873
Non-current		
Workers compensation recoveries	88	59
Total Non-current receivables	88	59

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (ie calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2013	2012
	\$'000	\$'000
Carrying amount at the beginning of the period	310	75
Amounts written off	(108)	(4)
Increase in the allowance	33	239
Carrying amount at the end of the period	235	310

Department of Environment, Water and Natural Resources

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Interest rate and credit risk

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

20 Inventories

	2013	2012
	\$'000	\$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	514	391
Total Inventories held for distribution at no or nominal amount	<u>514</u>	<u>391</u>
Inventories held for resale - at cost		
Finished goods held for resale - at cost	1,435	1,659
Total Inventories held for resale - at cost	<u>1,435</u>	<u>1,659</u>
Total Inventories	<u><u>1,949</u></u>	<u><u>2,050</u></u>

21 Other assets

	2013	2012
	\$'000	\$'000
Current		
Prepaid supplies and services	911	257
Other	1	1
Total Other current assets	<u>912</u>	<u>258</u>

22 Other financial assets

	2013	2012
	\$'000	\$'000
Non-current		
Equity in listed entities	3	3
Total Non-current other financial assets	<u>3</u>	<u>3</u>

23 Property, plant and equipment

	2013	2012
	\$'000	\$'000
Land		
Independent valuation ⁽ⁱ⁾		
At cost ⁽ⁱⁱ⁾	204,386	203,762
Total Land	<u>213,443</u>	<u>208,270</u>
Buildings and improvements		
Independent valuation ⁽ⁱ⁾	144,165	142,796
At cost ⁽ⁱⁱ⁾	8,137	6,090
Less accumulated depreciation	(100,218)	(98,099)
Total Buildings and improvements	<u>52,084</u>	<u>50,787</u>
Park infrastructure		
Independent valuation ⁽ⁱ⁾	179,295	180,102
At cost ⁽ⁱⁱ⁾	8,692	5,410
Less accumulated depreciation	(159,080)	(154,768)
Total Park infrastructure	<u>28,907</u>	<u>30,744</u>
Roads, tracks and trails		
Independent valuation ⁽ⁱ⁾	190,674	192,241
At cost ⁽ⁱⁱ⁾	7,618	4,193
Less accumulated depreciation	(171,728)	(167,549)
Total Roads, tracks and trails	<u>26,564</u>	<u>28,885</u>
Groundwater monitoring wells		
Independent valuation ⁽ⁱ⁾	130,256	-
At cost ⁽ⁱⁱ⁾	932	-
Less accumulated depreciation	(83,889)	-
Total Groundwater monitoring wells	<u>47,299</u>	<u>-</u>
Salinity disposal schemes		
Independent valuation ⁽ⁱ⁾	44,751	-
Less accumulated depreciation	(18,060)	-
Total Salinity disposal schemes	<u>26,691</u>	<u>-</u>
Patawalonga seawater circulation and Barcoo outlet		
Independent valuation ⁽ⁱ⁾	30,774	-
At cost ⁽ⁱⁱ⁾	546	-
Less accumulated depreciation	(8,167)	-
Total Patawalonga seawater circulation and Barcoo outlet	<u>23,153</u>	<u>-</u>

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For the Period Ended 30 June 2013

Surface water monitoring network		
Independent valuation ⁽ⁱ⁾	8,469	-
At cost ⁽ⁱⁱ⁾	72	-
Less Accumulated depreciation	(3,587)	-
Total Surface water monitoring network	4,954	-
Waste disposal stations		
Independent valuation ⁽ⁱ⁾	4 882	-
At cost ⁽ⁱⁱ⁾	1 340	-
Less Accumulated depreciation	(2,756)	-
Total Waste disposal stations	3,466	-
Lower Murray embankments		
Independent valuation ⁽ⁱ⁾	10,062	-
Less Accumulated depreciation	(4,879)	-
Total Lower Murray embankments	5,183	-
Plant and equipment		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	33,004	27,472
Less accumulated depreciation	(20,621)	(18,074)
Total Plant and equipment	12,383	9,398
Other		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1,867	1,867
Less accumulated depreciation	(613)	(594)
Total Other	1,254	1,273
Capital works in progress		
Capital works in progress	43,453	27,181
Total Capital works in progress	43,453	27,181
Total Property, plant and equipment	488,834	356,538

Carrying amounts of property, plant and equipment

Classes of property, plant and equipment are valued as follows:

- i Independent valuation:
Generic assets are valued using the Data Dictionary model. Unique assets are items which cannot be categorised within the standard Data Dictionary groups. These assets are valued separately by independent professional valuers. Refer to Note 2(q) for further details.
- ii At cost (acquisition cost):
This class includes one or more items that have an acquisition cost exceeding \$1m. All assets within this class are temporarily held at cost pending revaluation that occurs no later than three years from acquisition date.
- iii At cost (deemed fair value):
These assets have an acquisition cost below \$1m and are deemed held at fair value pursuant to Accounting Policy Framework III.

Asset Revaluations

The valuers used by DEWNR are as follows:

- 1 July 2011, valuation of data dictionary: buildings, infrastructure and roads, Valcorp Australia Pty Ltd, Mr F. Taormina, BAppSc (Val), AAPI
- 1 July 2011, independent professional valuation of land, building and park infrastructure, Herron Todd White, Mr Paul Tilley, FAPI, AREI, CREI (Val)
- 1 July 2010, valuation of Mutton Cove levee bank, lands and aviary, Valcorp Australia Pty Ltd, Mr A.J. Lucas, MBA, BAppSc(Val), DipAcc, AAPI, ASA and Mr F. Taormina, BAppSc(Val), AAPI
- 30 June 2009, valuation of land and buildings, Southwick Goodyear Pty Ltd, Mr A.J. Lucas, MBA, BAppSc(Val), DipAcc, AAPI, ASA

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

Other specialised assets have been revalued per the schedule below.

Class of Asset	Date of Last Independent Valuation	Name of Valuer
Groundwater monitoring wells	30 June 2012	Sinclair Knight Merz
Surface water monitoring network	30 June 2012	Valcorp Pty Ltd
Waste disposal stations	30 June 2009	Valcorp Pty Ltd
Patawalonga seawater circulation and Barcoo outlet	30 June 2010	Currie and Brown Pty Ltd
Salinity disposal schemes	30 June 2010	Currie and Brown Pty Ltd
Lower Murray embankments	30 June 2009	Valcorp Pty Ltd
Plant and equipment*	-	

* Plant and equipment have been brought to account at cost or at officers' valuation for initial recognition purposes.

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Movement reconciliation of property, plant and equipment

	Land	Buildings	Park infra- structure	Roads, tracks & trails	Ground- water Monitoring Wells	Salinity Disposal Schemes	Patawai-o-nga Seawater Circulation	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2013								
Carrying amount at the start of period	208,270	50,787	30,744	28,885	-	-	-	
Acquisitions	2,465	1,280	71	-	-	-	-	
Acquisition through administrative restructuring	2,423	978	-	-	49,426	27,241	23,649	
Transfers to/(from) capital works in progress	-	374	2,924	2,634	-	-	-	
Depreciation expense	-	(3,515)	(4,918)	(6,239)	(2,127)	(550)	(496)	
Asset - First time recognition	285	886	274	243	-	-	-	
Disposals	-	(233)	(130)	(17)	-	-	-	
Disposals - transfers for nil consideration	-	(96)	(283)	(203)	-	-	-	
ARAMIS revisions upwards/(downwards)	-	1,623	225	1,261	-	-	-	
Capital WIP - expensed in current period	-	-	-	-	-	-	-	
Reversal of impairment loss	-	-	-	-	-	-	-	
Carrying amount at the end of period	213,443	52,084	28,907	26,564	47,299	26,691	23,153	
	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embank- ments	Plant & equipment	Other	Capital work in progress	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying amount at the start of period	-	-	-	9,398	1,273	27,181	356,538	
Acquisitions	-	130	-	2,184	-	23,272	29,402	
Acquisition through administrative restructuring	5,069	2,629	5,233	1,087	-	4,626	122,361	
Transfers to/(from) capital works in progress	-	402	-	2,455	-	(10,057)	(1,268)	
Depreciation expense	(115)	(106)	(50)	(2,319)	(19)	-	(20,454)	
Asset - First time recognition	-	-	-	23	-	-	1,711	
Disposals	-	(71)	-	(240)	-	-	(691)	
Disposals - transfers for nil consideration	-	-	-	(145)	-	-	(727)	
ARAMIS revisions upwards/(downwards)	-	-	-	(60)	-	-	3,049	
Capital WIP - expensed in current period	-	-	-	-	-	(1,569)	(1,569)	
Reversal of impairment loss	-	482	-	-	-	-	482	
Carrying amount at the end of period	4,954	3,466	5,183	12,383	1,254	43,453	-	488,834
	Land	Buildings	Park infra- structure	Roads, tracks & trails	Plant & equipment	Other	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012								
Carrying amount at the start of period	182,582	50,661	35,274	23,245	9,218	1,291	10,852	313,123
Transfers between classes	-	(13)	(88)	72	29	-	-	-
Acquisitions	586	553	249	-	1,258	(1)	27,756	30,401
Transfers to/(from) capital works in progress	-	1,131	3,428	4,313	763	-	(9,635)	-
Transfers to/(from) Intangibles	-	-	-	-	-	-	-	-
Depreciation expense	-	(3,530)	(5,263)	(6,393)	(1,817)	(18)	-	(17,021)
Net revaluation increment/(decrement)	22,834	831	(2,388)	5,648	-	-	-	26,925
Assets received for nil consideration	-	-	-	-	-	-	-	-
Asset - First time recognition	2,660	386	717	735	31	-	-	4,529
Disposals	-	(100)	(509)	(296)	(49)	-	-	(954)
Disposals - transfers for nil consideration	-	-	(1,858)	(261)	(34)	-	-	(2,153)
ARAMIS revisions upwards/(downwards)	(392)	868	1,182	1,822	(1)	1	-	3,480
Capital WIP - expensed in current period	-	-	-	-	-	-	(1,792)	(1,792)
Carrying amount at the end of period	208,270	50,787	30,744	28,885	9,398	1,273	27,181	356,538

Department of Environment, Water and Natural Resources
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24 Intangible assets

	2013	2012
	\$'000	\$'000
Internally developed intangible assets		
Computer software - at cost (deemed fair value)	19,553	3,189
Less accumulated amortisation	(15,195)	(2,523)
Total Internally developed intangible assets	4,358	666
Externally acquired intangible assets		
Computer software and water licences	2,918	95
Less accumulated amortisation	(582)	(95)
Total Computer software - external	2,336	-
Other		
Revenue stream (War services freehold leases) - At cost (deemed fair value)	1,000	1,000
Less accumulated amortisation	(163)	(141)
Total Other	837	859
Total Intangible assets	7,531	1,525

The department recognises the following intangible assets:

Computer software

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

Water licenses – acquired at no cost

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

Revenue stream

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

Intangible asset movement reconciliation schedule

	Internally Developed	Externally Developed	Revenue stream	2013 Sub-total	2012 Sub-total
	\$'000	\$'000	\$'000	\$'000	\$'000
2013					
Carrying amount at the start of the period	666	-	859	1,525	
Acquisition through administrative restructuring	6,212	2,469	-	8,681	
Transfers between classes	1,268	-	-	1,268	
Disposals	(99)	(2)	-	(101)	
Amortisation	(3,689)	(131)	(22)	(3,842)	
Carrying amount at the end of the period	4,358	2,336	837	7,531	
2012					
Carrying amount at the start of the period	1,052	8	881		1,941
Amortisation	(386)	(8)	(22)		(415)
Carrying amount at the end of the period	666	-	859		1,525

Assets Not Recognised

Acquisition of Water Licences for Environmental Flows

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

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

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

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

(ii) The Agreement on Murray-Darling Basin Reform (July 2008) gives effect that a Commonwealth-State National Management Partnership will be in a form of a bilateral agreement between the Commonwealth and each Basin jurisdiction known as the National Partnership Agreement on Water for the Future (Partnership Agreement). The Implementation Plan for Augmentation of the Adelaide Desalination Plant is created subject to the provisions of the Partnership Agreement.

The Implementation Plan describes the actions and milestones in relation to the acquisition of water licences and the establishment of an Environmental Provision for environmental purposes.

The transactions pertaining to the acquisition of water licences and subsequent application of these licences have been expensed on the basis that the future economic benefits attached to these transactions are not expected to flow directly to the department.

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25 Payables

	2013	2012
	\$'000	\$'000
Current		
Accrued expenses	966	697
Creditors	39,663	26,725
Employment on-costs	2,766	1,839
Paid Parental Leave Scheme payable	20	9
Total Current payables	43,415	29,270
Current payables to SA Government entities		
Accrued expenses	385	298
Creditors	10,668	13,826
Employment on-costs	1,436	1,093
Total Current payables to SA Government entities	12,489	15,217
Non-current		
Employment on-costs	2,890	2,180
Total Non-current payables	2,890	2,180
Non-current payables to SA Government entities		
Employment on-costs	1,560	1,140
Total Non-current payables to SA Government entities	1,560	1,140

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has remained at the 2012 rate of 40%. This rate is used in the employment on-cost calculation. As a result there is no net financial impact on the employment on-cost and employee benefit expense.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

26 Employee benefits

	2013	2012
	\$'000	\$'000
Current		
Accrued salaries and wages	8	16
Annual leave	10,129	6,207
Short-term long service leave	1,981	1,081
Skills and experience retention leave	567	-
Total Current employee benefits	12,685	7,304
Non-current		
Long service leave	30,213	22,006
Total Non-current employee benefits	30,213	22,006

AASB 119 contains the calculation methodology for long service leave liability. This year, the actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability rather than a benchmark for the measurement of long service leave. The effect of the change relating to the current period is immaterial.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth bonds has increased from 2012 (3.0%) to 2013 (3.75%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes in the current financial year is an decrease in the long service leave liability of \$1.690m and employee benefit expense of \$1.690m. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4%. As a result there is no net financial effect resulting from changes in the salary inflation rate.

27 Provisions

	2013	2012
	\$'000	\$'000
Current		
Provision for workers compensation	529	504
Total Current provisions	529	504

Handwritten mark

Department of Environment, Water and Natural Resources
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Non-current		
Provision for workers compensation	2,450	1,668
Total Non-current provisions	<u>2,450</u>	<u>1,668</u>

Provision movement		
Carrying amount at the beginning of the period	2,172	1,775
Additional provisions recognised	447	397
Transfer due to administrative restructure	360	-
Carrying amount at the end of the period	<u>2,979</u>	<u>2,172</u>

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

28 Other Liabilities

	2013	2012
	\$'000	\$'000
Current		
Lease incentive	314	314
Unearned revenue	146	232
Other	1	96
Total Current other liabilities	<u>461</u>	<u>642</u>
Current other liabilities payable to SA Government entities		
Unearned revenue	-	49
Total Current other liabilities payable to SA Government entities	<u>-</u>	<u>49</u>
Non-current		
Lease incentive	245	558
Total Non-current other liabilities	<u>245</u>	<u>558</u>

29 Equity

Equity represents the residual interest in the net assets of DEWNR. The State Government holds the equity interest in DEWNR on behalf of the community. The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

	2013	2012
	\$'000	\$'000
Contributed capital	22,612	-
Retained earnings	252,964	177,914
Asset revaluation surplus	275,988	214,036
Total Equity	<u>551,564</u>	<u>391,950</u>

30 Cash flow reconciliation

	2013	2012
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	121,725	71,204
Cash and cash equivalents disclosed in the Statement of Cash Flows	121,725	71,204
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	30,992	6,422
Less revenues from SA Government	(220,571)	(127,018)
Add payments to SA Government	6,815	-
Add/less non-cash items		
Depreciation and amortisation expense of non-current assets	(24,296)	(17,437)
Reversal of impairment of non-current assets	482	-
Capital work in progress expensed	(1,569)	(1,792)
(Loss) on disposal of non-current assets	(1,519)	(3,063)
Movement in assets and liabilities		
(Decrease)/increase in receivables	(14,759)	9,737
(Decrease)/increase in inventories	(101)	483
Increase/(decrease) in other assets	654	(637)
Decrease/(increase) in payables	1,339	(5,326)
(Increase) in employee benefits	(3,422)	(4,414)
(Increase) in provisions	(447)	(397)
Decrease in other liabilities	500	301
Net cost of providing services	<u>(225,902)</u>	<u>(143,141)</u>

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2013

31 Unrecognised contractual commitments

2013
\$'000

2012
\$'000

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

Within one year	9,088	5,650
Later than one year but not longer than five years	13,120	13,868
Later than five years	6,922	7,004
Total Operating lease commitments	29,130	26,522

During the 2005-06 financial year, DEWNR received lease incentives for two leased properties amounting to \$3.28 million. These lease incentives are being amortised at a rate of \$314,000 per annum until 2015.

The operating leases held by DEWNR are related to property leases with penalty clauses equal to the amount of the residual payments remaining for the lease terms. The leases are payable one month in advance and DEWNR has the right of renewal. There are no existing or contingent rental provisions.

Capital commitments

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

Within one year	3,093	4,406
Later than one year but not longer than five years	-	247
Total Capital commitments	3,093	4,653

DEWNR's capital commitments include amounts associated with the Heysen Trail upgrade (\$1.100m), Riverine Recovery (\$1.073), Adelaide Living Beaches Pipeline (\$0.563m), Seal Bay Boardwalk (\$0.193m), Gawler Ranges Co-Management (\$0.115m), Botanic Gardens Aquifer Storage and Recovery (\$0.038m) and Belair Infrastructure upgrade (\$0.011m).

Expenditure commitments - remuneration

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

	2013 \$'000	2012 \$'000
Within one year	6,539	3,531
Later than one year but not longer than five years	7,530	5,313
Total Remuneration commitments	14,069	8,844

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

Expenditure commitments - Other

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

	2013 \$'000	2012 \$'000
Within one year	26,745	-
Total Other commitments	26,745	-

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

32 Contingent assets and liabilities

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

DEWNR has a number of legal cases pending. At the time of this report the outcome of these cases is not known and the effects are not quantifiable.

The Minister has a statutory obligation under the *Upper South East Dryland Salinity and Flood Management Act 2002* (USE Act) to consider landholders' requests for compensation and pay landholders, if it is deemed that they are entitled to compensation. As at reporting date, no compensation claims had been lodged by eligible landholders.

33 Transferred functions

Transferred in

Under the *Public Sector (Reorganisation of Public Sector Operations) Notice 2012*, the Department for Water (DFW) was abolished on 1 July 2012 and administrative responsibilities including all staff, have been transferred to DEWNR. Notification of this administrative restructure was announced in the 2012-13 Budget papers released on 31 May 2012 and also published in the South Australian Government Gazette on 28 June 2012.

Under the *Public Sector (Reorganisation of Public Sector Operations) Notice 2012*, all employees from the Natural Resources Management Boards (NRMB), pursuant to the *Natural Resources Management Act 2004*, were transferred to DEWNR.

The effective date of the transfers for both DFW and NRMB was 1 July 2012.

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2013

Total income and expenses attributable to DFW and NRMB were:

	DFW	NRM	2013
	\$'000	\$'000	Total \$'000
Expenses			
Employee benefits expenses	31,058	25,769	56,827
Supplies and services	29,950	-	29,950
Grants and subsidies	67,042	-	67,042
Water recovery / acquisition expenses	9,567	-	9,567
Depreciation	7,143	-	7,143
Net loss from disposal of non-current assets	186	-	186
Other expenses	(39)	-	(39)
Total expenses	144,907	25,769	170,676
Income			
Revenues from fees and charges	23,813	-	23,813
Grant revenues	37,652	-	37,652
Interest revenues	825	-	825
Other income	56	-	56
Total income	62,346	-	62,346
Net cost of providing services	82,561	25,769	108,330
Revenues from SA Government			
Revenues from SA Government	77,151	-	77,151
Payments to SA Government	(6,694)	-	(6,694)
Total revenues from SA Government	70,457	-	70,457
Net Result	(12,104)	25,769	(37,873)

On transfer of DFW, DEWNR recognised the following assets and liabilities:

	DFW	NRM	2013
	\$'000	\$'000	Total \$'000
Assets			
Cash	36,323	-	36,323
Receivables	13,753	-	13,753
Property, plant and equipment	131,042	-	131,042
Total assets	181,118	-	181,118
Liabilities			
Payables	15,311	599	15,910
Employee benefits	10,166	3,860	14,026
Provisions	356	-	356
Total liabilities	25,833	4,459	30,292
Total net liabilities transferred	155,285	(4,459)	150,826

Net liabilities assumed by DEWNR as a result of the administrative restructure are the carrying amount of those liabilities in the transferor's Statement of Financial Position immediately prior to the transfer. The net liabilities transferred were treated as a contribution by the Government as owner.

34 Remuneration of board and committee members

Members of the board and committees during the 2012-13 financial year were:

South Australian National Parks & Wildlife Council

Carr P F
 Green S F (retired 23/06/2013)
 Humann D G (retired 23/06/2013)
 Leaman E G *
 McIntosh W R
 Miller S * (retired 5/06/2013)
 Podoljak J (retired 22/06/2013)
 Woodlands J F (retired 23/06/2013)

Adelaide Dolphin Sanctuary Advisory Board

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

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Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2013

South Australian Heritage Council

Carr J M *
Donaldson R T
Harry D B (deputy)
James J A
Leydon G J
McClurg J J
McKinnon J F (retired 23/02/2013)
O'Connell M B
Queale M (deputy)
Schulz J
Wigg C A

South Australian Heritage Council Register Committee

Beazley S L
Bell P G
Ben Kahn A
Butland R
Carr J M *
Klenke A T
Marsden S E
Queale M W
Wigg C A

Witjira National Park Board of Management

Ah Chee A
Ah Chee M R
Magor A B *
Naithsmith T * (retired 18/03/2013)
Naylon-Fuschtel V T
Pelton G A * (appointed 18/03/2013)
Tjami H
Walton J

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

Coulthard C C
Coulthard J M
Coulthard R R
Leaman E G *
McKenzie P J
Mooney P A (appointed 03/09/2012)
Naismith T L * (appointed 03/09/2012)
Toscano M *
Tree S K (deputy)

Animal Welfare Advisory Committee

Bigwood S
Carmichael I H *
Hamade S (retired 07/12/2012)
Hazel S J *
Noonan D E *
Ogilvie A D
Robb G C
Starick W J

Ngaut Ngaut Conservation Park Co-management Committee

Campbell I L
Campbell I M
Dillon B *
Dominelli S *
Gillen P G * (appointed 30/10/2012)
Haslam D * (retired 29/10/2012)
Hutchinson C

Kangaroo Management Reference Group (KMRG)

Ackland T M
Ashby D
Borda R
Crouch N *
Dunn E *
Greenfields C
Jarman R (retired 31/12/2012)
Lewis A G
Lindner J D (retired 31/12/2012)
Linton V *
McBride M P
Milne T
Mould J
Neal J
Pfitzner D B
Reddy X *
Richards S
Rossetto M *
Smith C
Starick S
Tansell G
Vickery F J
Warwick R M
Winen M
Wright L

Adelaide Living Beaches Steering Group

Foreman G
Iasiello W N
Roberts I N

Wilderness Advisory Committee

Bills C E M
Cohen B L
Leaman E G *
Lesslie R G
Whalen M A

Wildlife Ethics Committee

Davis K L *
Gillam S *
Hall A *
Hough I J * (retired 30/10/2012)
Hutchinson M N *
Johnson L M
Kemper C M *
Males K G
Manning B C *
McGrath K R
McLelland D J
O'Connor J (appointed 31/10/2012)
Peters M D *
Richards A J
Smith I G
Taylor L U
Van Weenan J * (retired 30/10/2012)
Williams S L * (retired 30/10/2012)

Marine Parks Council of SA

Burch L *
Dittmann S R
Ellis D C
Grady M A
James G
Kelly T M W
Lewis R K
Miller S L
Riseley P R
Warhurst K J
Wright L

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2013

Scientific Working Group

Behergaray L
Cheshire A C
Connell S D
Fairweather P G
Fernandes M B *
Gillanders B M
Huveneers C *
Kinloch M A *
Kirkman H
Moller L M
Shepherd S A
Vandeleur H M

Natural Resources Management Council

Ashby D C
Bell W A (retired 29/04/2013)
Colbung K P * (retired 27/11/2012)
Crisp A (appointed 9/05/2013)
Foster B J
Gartrell G (deputy)
Inglis A R
Keynes J L
Lewis F A
Milne T I
Rasheed F C (deputy)
Riseley P R (appointed 9/05/2013)
Wickes R B (retired 29/04/2013)

Natural Resource Management Council - Aboriginal Statewide

Advisory Committee

Agius P
Binell M R (retired 13/12/2012)
Chester J ***
Colbung K P * (retired 27/11/2012)
Hartman T J *
Liddle L M * (retired 9/05/2013)
Sansbury T
Smith C L
Thomas K K *
Vickery F J
Walker D C

Border Groundwater Review Committee (ex-DFW)

(South Australian and Victorian members) ¹¹

Hopton H J * (deputy)
Johnson A W *
Mensforth L J *
Nott R (Victorian Govt)
Cooke J (Victorian Govt)

* Denotes government employees

** Denotes government Minister

*** Denotes statutory employee

¹¹ The reference group is transferred every two years between DEWNR South Australia and the Department of Sustainability and Environment (DSE) Victoria. Therefore, from 2012 to 2013 the Border Groundwater Review committee falls under the responsibility of DSE and will return to DEWNR in 2014 for a further two years.

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

	2013	2012
	No. of members	No. of members
\$nil	92	60
\$1 - \$9 999	111	109
\$10 000 - \$19 999	9	1
\$20 000 - \$29 999	2	-
Total number of members	214	170

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

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$265,000 (2012: \$195,000).

* In accordance with the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year.

YYP A Committee Coongie Lakes National Park

Haynes J M
Nicholls F M
Allen C (appointed 12/09/2012)
Magor A B * (appointed 10/09/2012)
Agius G * (appointed 10/09/2012)
Singleton R * (appointed 12/09/2012)
Brown M * (appointed 10/09/2012)
Linton V M * (appointed 12/09/2012)

Pastoral Board

Anderson B J (deputy)
Iwanicki I M
Lamont H K (deputy)
Lillecrapp D G
Linton V M *
Mills G
Mould J
Vickery F J
Wickes R B (deputy)

Premier's Climate Change Council

Carter B J
Degaris R H
Foster B J
Gemmell J C *
Halsey N M
Kelly T M
McMichael P A
O'Brien J K
Palutikof J P
Sanders V J

Water Security Council (ex-DFW)

Ashby S W *
Bursill D B *
Caica P ** (retired 21/01/2013)
Chessell C I *
Gago G E **
Hallion J V *
Holmes A N *
Hook R G *
Hunter I K ** (appointed 21/01/2013)
Knight G R *
Nightingale I *
Ringham J F *
Rowse B G *

Department of Environment, Water and Natural Resources

Notes to and forming part of the Financial Statements

For the Period Ended 30 June 2013

Unless otherwise disclosed, transactions between members and DEWNR are on conditions no more favourable than those that it is reasonable to expect DEWNR would have adopted if dealing with the related party at arm's length in the same circumstances.

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members.

35 Events after the reporting period

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

36 Financial instruments/financial risk management

Table 36.1: Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 Summary of Significant Accounting Policies.

Statement of Financial Position line item	Note number	2013		2012	
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets					
Cash and cash equivalents	18	121,725	121,725	71,204	71,204
Receivables ^{(1) (2)}	19	19,014	19,014	21,804	21,804
Financial assets	22	3	3	3	3
Financial liabilities					
Payables ⁽¹⁾	25	40,248	40,248	27,124	27,124

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

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 21 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101.

Fair Value

DEWNR does not recognise any financial assets or financial liabilities at fair value. Refer to Note 2 Summary of Significant Accounting Policies and Notes relevant to financial assets and financial liabilities.

Credit risk

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

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

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

DEWNR has minimal concentration of credit risk. DEWNR has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. DEWNR does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 19 for information on the allowance for impairment in relation to receivables.

Table 36.2: Ageing analysis of financial assets

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

Financial assets item	Current (Not overdue) \$'000	Overdue for < 30 days \$'000	Overdue for 30–60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
2013					
Not impaired					
Receivables ⁽¹⁾	13,071	1,858	527	3,793	19,249
Financial assets	3	-	-	-	3
Impaired					
Receivables	-	-	-	(235)	(235)
2012					
Not impaired					
Receivables ⁽¹⁾	6,008	15,010	160	936	22,114
Financial assets	3	-	-	-	3
Impaired					
Receivables ⁽¹⁾	-	-	-	(310)	(310)

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2013

Table 36.3: Maturity analysis of financial assets and liabilities

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

Financial statements item	Contractual maturities		
	< 1 year \$'000	1-5 years \$'000	Carrying amount \$'000
2013			
Financial assets			
Cash and cash equivalents	121,725	-	121,725
Receivables	19,014	-	19,014
Financial assets	-	3	3
<i>Total financial assets</i>	<u>140,739</u>	<u>3</u>	<u>140,742</u>
Financial liabilities			
Payables	40,248	-	40,248
<i>Total financial liabilities</i>	<u>40,248</u>	<u>-</u>	<u>40,248</u>
2012			
Financial assets			
Cash and cash equivalents	71,204	-	71,204
Receivables	21,804	-	21,804
Financial assets	-	3	3
<i>Total financial assets</i>	<u>93,008</u>	<u>3</u>	<u>93,011</u>
Financial liabilities			
Payables	27,124	-	27,124
<i>Total financial liabilities</i>	<u>27,124</u>	<u>-</u>	<u>27,124</u>

Liquidity risk

Liquidity risk arises where DEWNR is unable to meet its financial obligations as they are due to be settled. DEWNR is funded principally from appropriations by the SA Government. DEWNR works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. DEWNR settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

DEWNR's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in Table 36.1 represent the department's maximum exposure to financial liabilities.

Market risk

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

Sensitivity analysis

A sensitivity analysis has not been undertaken for the interest rate risk of DEWNR as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

37 South Australian Heritage Fund

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

Statement of Comprehensive Income for the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
Expenses		
Supplies and services	2	4
Grants and subsidies	249	250
	<u>251</u>	<u>254</u>
Income		
Grant revenues	-	12
	<u>-</u>	<u>12</u>
Net cost of providing services	<u>251</u>	<u>242</u>
Revenues from SA Government	250	250
Net result	<u>(1)</u>	<u>8</u>

Department of Environment, Water and Natural Resources
Notes to and forming part of the Financial Statements
For the Period Ended 30 June 2013

Statement of Financial Position as at 30 June 2013

	2013 R'000	2012 R'000
Current assets		
Cash	367	437
	<u>367</u>	<u>437</u>
Total assets	<u>367</u>	<u>437</u>
Current liabilities		
Payables	17	86
Total liabilities	<u>17</u>	<u>86</u>
Net assets	<u>350</u>	<u>351</u>
Equity		
Retained earnings	350	351
Total: Equity	<u>350</u>	<u>351</u>

Statement of Changes in Equity for the Year Ended 30 June 2013

	Retained Earnings R'000	Total R'000
Balance at 1 July 2011	343	343
Net Result for 2011-12	8	8
Balance at 30 June 2012	<u>351</u>	<u>351</u>
Net result for 2012-13	(1)	(1)
Balance at 30 June 2013	<u>350</u>	<u>350</u>

Statement of Cash Flows for the Year Ended 30 June 2013

	2013 R'000	2012 R'000
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	(2)	(4)
Payments of grants and subsidies	(318)	(164)
Total Cash used in operations	<u>(320)</u>	<u>(168)</u>
Cash inflows		
Receipts from grants	-	12
Total Cash generated from operations	<u>-</u>	<u>12</u>
Cash generated from SA Government	250	250
Net cash (used in)/provided by operating activities	<u>(70)</u>	<u>94</u>
Cash at the beginning of the period	437	343
Cash at the end of the period	<u>367</u>	<u>437</u>

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Administered Items

Statement of Administered Comprehensive Income

Statement of Administered Financial Position

Statement of Administered Changes in Equity

Statement of Administered Cash Flows

Notes to and forming part of the Administered Financial Statements

Schedules of Expenses and Income Attributable to Administered Activities



Department of Environment, Water and Natural Resources

Statement of Administered Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Expenses			
Employee benefits expenses		276	265
Board member expenses		157	156
Supplies and services		2,466	2,171
Grants and subsidies	A4	56,797	48,445
Depreciation expense		1,904	2,218
Net loss from disposal of non-current assets		176	-
Other expenses		100	1,635
Total expenses		61,876	54,890
Income			
Revenues from fees and charges	A5	15,412	14,618
Grant revenues	A6	18,870	22,784
Interest revenues		542	875
Resources received free of charge		727	1,914
Net gain from disposal of non-current assets		-	3,436
Other income		955	553
Total income		36,506	44,180
Net cost of providing services		25,370	10,710
Revenues from / payments to SA Government			
Revenues from SA Government	A7	19,791	14,504
Payments to SA Government	A7	(2,397)	(4,021)
Total revenues from / payments to SA Government		17,394	10,483
Net result		(7,976)	(227)
Other comprehensive income			
Changes in property, plant and equipment asset revaluation surplus		2,955	(13,166)
Gain on revaluation of interest in joint venture	A10	2,450	-
Total other comprehensive income		5,405	(13,166)
Total comprehensive result		(2,571)	(13,393)

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

Department of Environment, Water and Natural Resources
Statement of Administered Financial Position
As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Current assets			
Cash and cash equivalents	A8	18,180	19,069
Receivables	A9	5,190	2,544
Inventories		92	136
Total current assets		23,462	21,749
Non-current assets			
Property, plant and equipment	A3	120,546	119,237
Interest in joint venture	A10	792,835	-
Total non-current assets		913,381	119,237
Total assets		936,843	140,986
Current liabilities			
Payables		4,349	2,161
Board member benefits		4	1
Other current liabilities		325	168
Total current liabilities		4,678	2,330
Total liabilities		4,678	2,330
Net assets		932,165	138,656
Equity			
Asset revaluation surplus		391,211	51,893
Retained earnings		540,954	86,763
Total equity		932,165	138,656

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

Department of Environment, Water and Natural Resources

Statement of Administered Changes in Equity

For the Year Ended 30 June 2013

	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2011	65,059	87,378	152,437
Net result for 2011-12	-	(227)	(227)
Loss on revaluation of property, plant and equipment	(13,166)	-	(13,166)
Total comprehensive result for 2011-12	(13,166)	(227)	(13,393)
Balance at 30 June 2012	51,893	87,151	139,044
Asset adjustments	-	(388)	(388)
Restated balance at 30 June 2012	51,893	86,763	138,656
Net result for 2012-13	-	(7,976)	(7,976)
Gain on revaluation of property, plant and equipment	2,955	-	2,955
Revaluation adjustment - interest in joint venture	2,450	-	2,450
Total comprehensive result for 2012-13	57,298	78,787	136,085
Asset adjustments - ARAMIS revisions	-	107	107
Transactions with SA Government as owner			
Net assets received from administrative restructure	333,913	462,060	795,973
Balance at 30 June 2013	391,211	540,954	932,165

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

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Department of Environment, Water and Natural Resources

Statement of Administered Cash Flows

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
Cash flows from operating activities		
Cash outflows		
Employee benefit payments	(276)	(273)
Board member remuneration payments	(157)	(165)
Payments for supplies and services	(2,265)	(2,651)
Payments of grants and subsidies	(58,396)	(48,615)
Other payments	(102)	-
Cash used in operations	<u>(61,196)</u>	<u>(51,704)</u>
Cash inflows		
Fees and charges	15,412	3,741
Receipts from grants	20,389	33,287
Interest received	542	896
Other receipts	955	553
Cash generated from operations	<u>37,298</u>	<u>38,477</u>
Cash flows from SA Government		
Receipts from SA Government	19,791	14,504
Payments to SA Government	(2,147)	(4,021)
Cash generated from SA Government	<u>17,644</u>	<u>10,483</u>
Net cash used in operating activities	<u>(6,254)</u>	<u>(2,744)</u>
Cash inflows		
Proceeds from the sale of property, plant and equipment	402	3,677
Cash generated from investing activities	<u>402</u>	<u>3,677</u>
Net cash provided by investing activities	<u>402</u>	<u>3,677</u>
Cash flows from financing activities		
Cash inflows		
Cash received from restructuring activities	4,963	-
Cash generated from finance activities	<u>4,963</u>	<u>-</u>
Net cash provided by financing activities	<u>4,963</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>(889)</u>	<u>933</u>
Cash and cash equivalents at the beginning of the period	19,069	18,136
Cash and cash equivalents at the end of the period	<u>18,180</u>	<u>19,069</u>

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

Department of Environment and Natural Resources

Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2013

	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Board of the Botanic Gardens and State Herbarium	Crown Lands	Minister's Other Payments	Special Acts Allocation	Dog and Cat Management Board	Coast Protection Board	Caring For Our Country	Natural Heritage Trust						
Expenses														
Employee benefits expenses	-	-	-	276	265	-	-	-	-	-	-	-	-	-
Board member expenses	121	-	-	-	25	11	-	-	-	-	-	-	-	-
Supplies and services	547	45	-	-	1,515	1,126	119	95	-	-	-	-	-	-
Grants and subsidies	1,175	1,368	6,582	7,093	68	119	382	370	22,067	19,053	-	-	-	1,100
Depreciation expense	1,887	2,201	7	-	10	10	-	-	-	-	-	-	-	-
Net loss from disposal of non-current assets	3	-	-	-	-	-	-	-	-	-	-	-	-	-
Net loss/(gain) from disposal of land held for sale	-	173	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	76	1,669	-	-	8	10	8	10	-	-	-	-	-	-
Total: Expenses	3,809	5,871	121	6,582	7,093	276	265	1,626	1,285	520	490	22,067	19,053	1,100
Income														
Revenues from fees and charges	1,100	1,190	-	-	1,343	1,250	25	18	-	-	-	-	-	-
Grant revenues	170	206	-	-	-	-	-	-	18,142	22,365	-	-	-	-
Interest revenues	102	147	-	-	28	58	-	-	91	163	-	-	-	10
Resources received free of charge	727	1,914	-	-	-	-	-	-	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	3,438	-	-	-	-	-	-	-	-	-	-	-
Other income	951	546	4	6	-	-	-	-	-	-	1	-	-	-
Total: Income	3,050	4,003	335	3,442	-	1,371	1,308	25	19	18,233	22,528	-	-	10
Net cost/(surplus) of providing services	759	1,868	(110)	(3,321)	6,582	7,093	276	265	(23)	485	471	3,834	(3,435)	-
Revenues from/(payments to) SA Government														
Revenues from SA Government	-	-	-	6,585	7,413	279	273	-	-	509	512	-	-	-
Payments to SA Government	-	-	(478)	(4,021)	-	-	-	-	-	-	-	-	-	-
Total: Revenues from/(payments to) SA Government	-	-	(478)	(4,021)	6,585	7,413	279	273	-	509	512	-	-	-
Net result	(759)	(1,868)	(368)	(700)	3	320	3	8	(255)	23	14	(3,834)	3,435	(1,090)
Other comprehensive income														
Changes in property, plant and equipment asset revaluation surplus	-	(14,578)	2,955	1,412	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of interest in joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Other comprehensive income	-	(14,578)	2,955	1,412	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	(759)	(16,446)	2,587	712	3	320	3	8	(255)	23	14	(3,834)	3,435	(1,090)

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

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

Department of Environment and Natural Resources
Schedule of Administered Expenses and Income attributable to Administered Activities
For the Year Ended 30 June 2013

	NRM Fund		Native Vegetation Fund		Pastoral Board		National Action Plan for Salinity and Water Quality		Quatco Sunlands		Storm Water Management Authority		DEWNR Corporate Admin Items		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses																
Employee benefits expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	276
Board member expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	157
Supplies and services	-	-	240	324	-	-	-	-	-	-	-	-	-	-	-	2,466
Grants and subsidies	15,138	15,137	4,096	2,563	-	-	530	1,602	-	-	4,638	-	2,121	-	-	56,797
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,904
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Net loss/(gain) from disposal of land held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	173
Other expenses	-	-	8	(54)	-	-	-	-	-	-	-	-	-	-	-	100
Total: Expenses	15,138	15,137	4,344	2,833	-	-	530	1,602	-	-	4,638	-	2,121	-	-	61,876
Income																
Revenues from fees and charges	11,435	10,528	2,016	1,632	-	-	-	-	-	-	-	-	(507)	-	-	15,412
Grant revenues	-	-	228	-	-	-	213	-	-	-	-	-	-	-	-	18,870
Interest revenues	51	82	218	314	-	-	52	101	-	-	-	-	-	-	-	542
Resources received free of charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	875
Net gain from disposal of non-current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	727
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,438
Total: Income	11,486	10,610	2,462	1,946	-	-	52	314	-	-	-	-	(507)	-	-	36,506
Net cost/(surplus) of providing services	3,652	4,527	1,882	887	-	-	478	1,288	-	-	4,638	-	2,628	-	-	25,370
Revenues from/(payments to) SA Government																
Revenues from SA Government	4,390	4,611	1,004	980	15	15	-	700	250	-	4,638	-	2,121	-	-	19,791
Payments to SA Government	-	-	-	-	-	-	(1,669)	-	(280)	-	-	-	-	-	-	(2,387)
Total: Revenues from/(payments to) SA Government	4,390	4,611	1,004	980	15	15	(1,669)	700	-	-	4,638	-	2,121	-	-	17,394
Net result	738	84	(878)	93	15	15	(2,147)	(588)	-	-	-	-	(507)	-	-	(7,976)
Other comprehensive income																
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,955
Gain on revaluation of interest in joint venture	-	-	-	-	-	-	-	-	-	-	-	-	2,450	-	-	2,450
Total: Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	2,450	-	-	5,405
Total comprehensive result	738	84	(878)	93	15	15	(2,147)	(588)	-	-	-	-	1,943	-	-	(2,571)

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

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

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2013

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

A1 Reporting entities and strategic context

The activities of the administered items are:

Board of the Botanic Gardens and State Herbarium

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

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

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

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

Crown Lands

Crown Lands is comprised of an account established by the Treasurer of South Australia to record receipts and payments associated with the sale of Crown land and other surplus South Australian government land and property. The net revenues from these sales are returned to the Department of Treasury and Finance's Consolidated Account.

Minister's Other Payments

Grants and subsidies payments of \$6.582m (2012: \$7.093m) approved by the Minister for Sustainability, Environment and Conservation were made to community organisations, associations and local government. This includes grants made to Zoo SA \$5.160m (2012: \$5.700m), Adelaide City Council \$1.414m (2012: \$1.385m) and other organisations \$0.008m (\$2012: \$0.008m).

Special Acts Allocation

This item comprises salary and allowance payments for the Minister for Sustainability, Environment and Conservation.

Dog and Cat Management Board

The Dog and Cat Management Board was established under the *Dog and Cat Management Act 1995* to plan for, promote and provide advice about the effective management of dogs and cats throughout South Australia, and oversee the administration and enforcement of the provisions of the Act.

The financial activities of the Board are administered through the Dog and Cat Management Fund in accordance with the Act.

All activities and functions of the Board are performed by DEWNR employees.

Coast Protection Board

The Coast Protection Board was established under the *Coast Protection Act 1972* to manage, maintain, develop and improve coast facilities that are vested in, or are under the care, control and management of the Board.

The financial activities of the Board are administered through the Coast Protection Fund in accordance with the Act.

All activities and functions of the Board are performed by DEWNR employees.

Caring for our Country

The Caring for our Country Program is administered by the Commonwealth and South Australia Governments pursuant to clause 19(2) of the *Natural Heritage Trust of Australia Act 1997* (Commonwealth) and Section 5 of the *Natural Resources Management (Financial Assistance) Act 1992* (Commonwealth).

In March 2008 the Commonwealth announced Caring for our Country as an ongoing and integrated program, bringing together the delivery of the Natural Heritage Trust, National Landcare Program, Environmental Stewardship and Working on Country Programs. This program is fully Commonwealth funded and disbursed based on Commonwealth approval.

The goal of Caring for our Country is to provide an environment that is healthy, better protected, well-managed, resilient and provides essential ecosystem services in a changing climate. Caring for our Country has six National Priority Areas for Investment:

- (a) a national reserve system;
- (b) biodiversity and natural icons;
- (c) coastal environments and critical aquatic habitats;
- (d) sustainable farm practices;
- (e) natural resource management in remote and northern Australia;
- (f) community skills, knowledge and engagement.

Natural Heritage Trust and Natural Heritage Trust Extension

The Natural Heritage Trust (NHT) was established by the *Natural Heritage Trust of Australia Act 1997*. The Bilateral Agreement to deliver the Natural Heritage Trust Extension reflects the intention of the Commonwealth and SA Governments to work as joint investment partners, with the community and other stakeholders, in natural resource management activities including biodiversity conservation, sustainable use of natural resources and community capacity building and institutional change. Funding for NHT ceased on 30 June 2008 and all projects were completed by 31 December 2009.

Post 31 December 2009, program finalisation continued with the receipt of project final reports and acquittals including the return of unspent funds by project proponents. The Commonwealth requested unspent funds held be returned and elected to allocate remaining funds held in the NHT holding account to existing State agency and Natural Resources Management Board competitive projects approved under the Caring for our Country Program in accordance with clause 13.2c and 20.4 of the 'Transitional Arrangement and Financial Agreement between the Australian Government and State of South Australia for implementation of Caring for our Country' during 2011-12.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2013

Natural Resources Management Fund

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the *Natural Resources Management Act 2004* (NRM Act). The Minister for Sustainability, Environment and Conservation administers the NRM Fund and may apply any part of the NRM Fund in making payments to the regional NRM Boards; in paying subsidies or making grants or other payments to NRM authorities or other persons or bodies for the purposes of the NRM Act. This may also include making any payment required, or authorised by or under the NRM Act or any other law. The balance of the NRM Fund at 30 June was \$2.389m (2012: \$0.346m).

Some activities have been restructured to assist in the interpretation of the financial transactions relating to the NRM Fund.

Natural Resources Management Boards

The Natural Resources Management Boards (NRM Boards) were established pursuant to subsection 23(1) of the NRM Act. The department administers various revenues and expenses on account of the NRM Boards.

Specific provisions of the NRM Act require that the following revenues be paid into the NRM Fund prior to being applied for the purposes of the NRM Act:

- Government appropriations (controlled and administered allocated in respect of the regional NRM Boards);
- Water levies;
- Penalties relating to water levies;
- Expiation fees and other penalties.

(i) Government appropriations

The department receives recurrent funding, which is administered through the NRM Fund and provided to regional NRM Boards to support business operations and the administration of the NRM Act.

Regional NRM Board	2013	2012
	\$'000	\$'000
Alinytjara Wilurara NRM Board	850	772
Eyre Peninsula NRM Board	670	667
Kangaroo Island NRM Board	600	584
Northern and Yorke NRM Board	515	511
South Australian Arid Lands NRM Board	1,020	1,042
South East NRM Board	335	335
	3,990	3,911

(ii) Water Levies

Water levies are collected for prescribed water resources under section 101 of the NRM Act. The levies are subsequently paid to the regional NRM Boards pursuant to subsection 116(1)(a)(ii)(A) of the NRM Act.

(iii) Penalties

Penalties declared in relation to the unauthorised or unlawful taking or use of water were raised pursuant to section 115 of the NRM Act.

(iv) Reimbursement of Payroll Tax

NRM Boards are compensated for the anticipated payroll tax expense they incur, with provision having been made in the Administered Items of the department's budget. An appropriation of \$0.400m (2012: \$0.700m) was received to fund the payroll tax expenses of the NRM Boards for 2012-13.

(v) Expiation Fees and other Penalties

Expiation fees and penalties are recovered in respect of offences against the NRM Act (e.g. for unlawful possession of animals or plants). Unlike penalties declared under section 115 of the NRM Act, they are not required to be paid to regional NRM Boards.

Native Vegetation Fund

The Native Vegetation Fund is established under Section 21 of the *Native Vegetation Act 1991*. The Fund is applied in achieving the following objectives:

- (a) the conservation, protection and enhancement of the native vegetation of the State and, in particular, remnant native vegetation;
- (b) the provision of incentives and assistance to landowners to encourage the commonly held desire of landowners to preserve, enhance and properly manage the native vegetation on their land;
- (c) the limitation of the clearance of native vegetation to circumstances in which the clearance will facilitate the management of other native vegetation or will facilitate the sustainable use of land for primary production;
- (d) the encouragement of research into the preservation, enhancement and management of native vegetation; and
- (e) the encouragement of the re-establishment of native vegetation in those parts of the State where native vegetation has been cleared or degraded.

All activities and functions associated with the fund are performed by DEWNR employees.

Pastoral Board

The Pastoral Board is responsible for the administration of the *Pastoral Land Management and Conservation Act 1989*. The Board provides advice to the Minister for Sustainability, Environment and Conservation on the policies that should govern the administration of pastoral land.

National Action Plan for Salinity and Water Quality

The National Action Plan (NAP) is a bilateral agreement between the Commonwealth and SA Governments signed in 2001 providing funds to address issues associated with salinity and water quality in priority regions in South Australia. The Commonwealth and the SA Governments make progressive contributions to a single holding account. Disbursement of funds from the account is by agreement between the parties. Funding for NAP ceased on 30 June 2008 with the majority of projects completed by 31 December 2009.

The Commonwealth requested that the Commonwealth share of unspent funds held be returned and elected to allocate remaining funds held in the NAP holding account to existing State agency and Natural Resources Management Board competitive projects approved under the Caring for our Country Program in accordance with clause 13.2c and 20.4 of the 'Transitional Arrangement and Financial Agreement between the Australian Government and State of South Australia for implementation of Caring for our Country' during 2011-12.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2013

Qualco Sunlands

The *Ground Water (Qualco-Sunlands) Control Act 2000* established a scheme managed by a Trust to prevent, and reverse, the salinisation and water logging of horticultural land due to irrigation induced factors. Upon request from the Trust, the department provides a temporary grant, sourced from the Department of Treasury and Finance (DTF), to carry out the specified works. The Trust facilitates the required work, and recharges irrigators for the work undertaken. Once fully collected, the Trust returns the temporary funds to the department, for on-passing back to DTF.

South Eastern Water Conservation and Drainage Board

The South Eastern Water Conservation and Drainage Board was established pursuant to Division 1 of the *South Eastern Water Conservation and Drainage Act 1992*. The department supplies funding to the Board on a quarterly basis; the funding is sourced from appropriations provided by the Department of Treasury and Finance.

Stormwater Management Authority (SMA)

The SMA was established on 1 July 2007 under Schedule 1A of the *Local Government Act 1999* in accordance with and to implement the Stormwater Management Agreement dated 14 March 2006. The SMA's functions include to liaise with relevant public authorities to ensure the proper functioning of the State's stormwater management system; and to facilitate and co-ordinate stormwater management planning by local councils. The department provides a resource to manage the day-to-day operations of the SMA – relevant costs are fully recovered from the SMA. The department also supplies funding to the SMA on an annual basis; the funding is sourced from appropriations provided by DTF.

A2 Administered items' financial arrangements

The financial activities of the administered items are conducted through a number of deposit accounts with the Department of Treasury and Finance pursuant to the *Public Finance and Audit Act 1987*. The financial activities of Administered Items that do not have their own deposit account are conducted through the department's deposit account.

The department conducts a large number of activities directed towards meeting the administered items' objectives and responsibilities as specified in the legislation and/or other authoritative documentation that establishes the administered items. Many of the administered items, in accordance with the Acts, have delegated certain functions to officers within the department who provide technical and administrative support including the use of plant and equipment, office accommodation and various administrative services. The cost of the services provided that can be identified with the activities of the administered items and can be measured reliably are met by the administered items. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in the Administered Financial Statements.

A3 Administered items' summary of significant accounting policies

The Administered Financial Statements detail the sum of the individual administered items' revenues, expenses, assets, liabilities, changes in equity and cash flows. As such the principles of consolidation have not been applied in preparing the financial statements as the definition of an economic entity has not been satisfied. Accordingly, transactions between the individual administered items have not been eliminated.

In general, the administered items adopt the accounting policies of the department, as detailed in Note 2 of the department's financial statements. Deviations from these policies are as follows:

Property, plant and equipment

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

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

Total property, plant & equipment as disclosed in the Statement of Administered Financial Position consists of assets belonging to the Botanic Gardens and State Herbarium \$41.433m (2012: \$42.487m), Crown Lands \$30.415m (2012: \$28.041m), Dog and Cat Management Board \$0.113m (2012: \$0.123m), Coast Protection Board \$5.124m (2012: \$5.124m) and Pastoral Board \$43.460m (2012: \$43.460m).

Pastoral land revaluation

Under the *Pastoral Land Management and Conservation Act 1989* the Valuer-General must determine the rents to be paid on all pastoral leases. This requires the Valuer-General to determine the unimproved value of each pastoral lease and the appropriate rate of return for the land as a percentage of the unimproved value, considering the purpose for which it is used.

The land lease assets were revalued at \$43.460m as at 1 November 2010 by Mark William Kay and Andrew Weinmann, Supervising Valuers, State Valuation Office, Land Services Group, Department for Transport, Energy and Infrastructure. Rentals and unimproved values for the period 1 November 2009 to 31 October 2010 were determined with regards to:

- the most recent land type classifications and associated information;
- carrying capacities;
- property sales and price movements within the pastoral industry;
- prevailing market conditions;
- climatic conditions;
- property locations;
- access to markets.

Employee benefits

In general, administered items' utilise the services of contractors or DEWNR employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by DEWNR employees are provided free of charge. If, however, the services provided by DEWNR employees are directly attributable to the activities of an administered item and can be reliably measured, the services are charged to the administered item on a fee for service (cost recovery) basis. The liability for employee benefits arising from services rendered by DEWNR employees is not recognised in the administered financial statements as DEWNR is obligated to pay employees for services provided. Accordingly, employee benefits are recognised in DEWNR's financial statements.

Net gain from disposal of non current assets

The net gain from disposal of non-current assets is determined by comparing proceeds with carrying amount. Given a suitable methodology for determining a reliable measure of the value of unallotted Crown Land has not been identified, the carrying amount of all unallotted Crown Land sold is nil.

Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2013

A4 Grants and Subsidies	2013	2012
	\$'000	\$'000
Botanic Gardens and State Herbarium	1 175	1 368
Minister's Other Payments	6 582	7 093
Dog and Cat Management Board	68	119
Coast Protection Board	382	370
Caring for our Country	22 067	19 093
Natural Heritage Trust	-	1 100
Native Vegetation Fund	4 096	2 563
National Action Plan for Salinity and Water Quality	530	1 602
Payments to Natural Resource Management Boards	15 138	15 137
Transfer to Storm Water Management Authority	4 638	-
DEWNR Corporate Administered Items	2 121	-
Total Grants and Subsidies	56 797	48 445

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

The following grants and subsidies (included in the grants and subsidies amounts shown above) were provided to entities within the SA Government:

	2013	2012
	\$'000	\$'000
Natural Resource Management	15 138	15 137
Total Grants and subsidies paid/payable to entities within the SA Government	15 138	15 137

A5 Revenues from fees and charges	2013	2012
	\$'000	\$'000
Water levies received from licence holders	11 435	10 528
Board of the Botanic Gardens and State Herbarium	1 100	1 190
Dog and Cat Management Board	1 343	1 250
Coast Protection Board	25	18
Native Vegetation Fund	2 016	1 632
DEWNR Corporate Administered Items	(507)	-
Total Revenues from Fees and Charges	15 412	14 618

A6 Grant revenues	2013	2012
	\$'000	\$'000
Botanic Gardens and State Herbarium	170	206
Caring for our Country	18 142	22 365
Native Vegetation Fund	228	-
National Action Plan for Salinity and Water Quality	-	213
Crown Lands	330	-
Total Grant revenues	18 870	22 784

A7 Revenues from / payments to SA Government	2013	2012
	\$'000	\$'000
Recurrent Appropriations	19 791	14 504
Payments to Consolidated Account	(2 397)	(4 021)
Total Revenues from / payments to SA Government	17 394	10 483

A8 Administered Cash Flow Reconciliation	2013	2012
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Board of the Botanic Gardens and State Herbarium	3 534	3 068
Crown Lands	841	491
Dog and Cat Management Board	713	956
Coast Protection Board	335	282
Caring for our Country	303	4 383
Natural Heritage Trust	545	545
Natural Resource Management Fund	2 389	346
Native Vegetation Fund	6 789	6 628
Pastoral Board	43	28
National Action Plan for Salinity and Water Quality	201	2 342
Qualco Sunlands	250	-
The Department's Corporate Administrative Items	2 237	-
	18 180	19 069
Balance as per Administered Cash Flows	18 180	19 069

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Department of Environment, Water and Natural Resources
Notes to and forming part of the Administered Financial Statements
For the Year Ended 30 June 2013

Reconciliation of net cash provided by / (used in) operating activities to net result:

Net cash used in operating activities	(6 254)
Less revenues from SA government	(19 791)
Add payments to SA government	2 147
Add/(less) non-cash items	
Depreciation expense of non-current assets	(1,904)
Bad debts expense	2
(Loss) on disposal of non-current assets	(176)
Assets received free of charge	727
Movement in Assets and Liabilities	
(Decrease) in receivables	(1 520)
(Decrease) in inventories	(44)
Decrease in payables	1 600
(Increase) in other liabilities	(157)
Net cost of providing services	<u>(25 370)</u>

A9 Receivables	2013	2012
	\$'000	\$'000
Receivables reflected as current assets at 30 June comprised the following:		
Water levies	3 034	-
Penalties	2,827	-
Accrued interest	38	61
Other	322	2 483
Less Allowance for doubtful debts	(1 031)	-
Total Receivables	<u>5 190</u>	<u>2 544</u>

A10 Interest in Joint Venture

During the year ended 30 June 2009, the agreements for the management of the assets and resources (the water) within the Murray-Darling Basin Commission (MDBC) were restructured. The transition date to the new arrangements was 14 December 2008, i.e. the date from which the Murray-Darling Basin Authority (MDBA) was established, replacing the MDBC.

Following the restructure, under the revised arrangements, the venturers no longer have a joint interest in net assets, but instead, they have a joint interest specifically in the infrastructure assets and water rights (as opposed to an interest in an entity controlling/holding the assets). The MDBA assets are held in two separate reporting entities: the River Murray Operations (RMO) and the Living Murray Initiative (LMI). The RMO's primary assets include physical infrastructure, the LMI's primary assets include intangibles/water licenses. The share in the individually controlled assets was transferred at transition in the original proportions of the share of the entity held by the individual jurisdictions as follows: New South Wales 26.67%; South Australia 26.67%; Victoria 26.67%; the Commonwealth Government 20%.

For the year ended 30 June 2013 the department recognised an increase in its joint interest in MDBA assets of \$2.450m, bringing the department's total recognition in the MDBA assets to \$792.835m.

A11 Transferred functions

Under the Public Sector (Reorganisation of Public Sector Operations) Notice 2012, the administrative activities previously undertaken by the Department for Water (abolished on 1 July 2012) were transferred to DEWNR.

	\$'000
Cash	4 963
Receivables	4 165
Property, Plant and Equipment	790 385
Total Assets	<u>799 513</u>
Payables	3 540
Total Liabilities	<u>3 540</u>
Total net assets transferred	<u><u>795 973</u></u>

A12 Contingent assets and liabilities

A contingent asset is acknowledged whereby the Minister for Water and the River Murray has an exclusive right to access 40ML per day from the Langhorne and Currency Creek pipeline. The Minister has not exercised this right. The department is not aware of the existence of any other contingent liabilities.

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**Government
of South Australia**

Department of Environment,
Water and Natural Resources