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The Department of
Water, Land and
Biodiversity
Conservation



**Government
of South Australia**

Contents

Introduction	3
Chief Executive's Overview	4
Highlights and Achievements	6
Statement of Purpose	11
Roles and Functions by Division	15
Legislation	19
Relationship to Other Agencies	21
Programs, Objectives and Outcomes	22
Policy, Planning and Coordination	23
Natural Resources Management	34
Natural Resources Science and Information	49
Appendices Index	56
a. Human Resources	57
b. Energy Efficiency Action Plan	65
c. Occupational Health, Safety and Injury Management	66
d. Consultancy	70
e. Fraud Statement	71
f. Overseas Travel	72
g. Contractual Information	73
h. Boards and Committees	74
i. Accounts Payable Performance	76
j. Freedom of Information	77
k. Auditor General – Audit Report	80
l. Financial Performance	82
m. Abbreviations and Acronyms	111

Introduction

The Department of Water, Land and Biodiversity Conservation has pleasure in submitting to the Minister for Environment and Conservation and the Minister for the River Murray its Annual Report covering the financial year ending 30 June 2004.

Rob Freeman
Chief Executive

Chief Executive's Overview

The Department of Water, Land and Biodiversity (DWLBC) has made significant progress over this past year. From a corporate perspective we have set about restructuring our Corporate Plan to ensure that the business we undertake is focussed on contributing to the achievement of the goals and targets identified within South Australia's Strategic Plan and other key Government strategies. While DWLBC has been identified as a key contributor to a number of specific targets, the Department has a much wider role to play across Government. Together with community and stakeholder organisations, the Department must contribute to the achievement of all targets with a reliance on natural resources.

The Department has strong community and stakeholder networks, however we will strive to further enhance our performance in this area to promote the development of collaborative partnerships, increase transparency, and deliver integrated outcomes.

The significant contribution that the dedicated and professional staff of DWLBC has made over the past year should be acknowledged. While we will continue to focus on improving our performance and service levels, I believe that the Department is starting from a very high base and that these improvements will be driven by the development of innovative strategies rather than through fundamental reform. In this regard I have been impressed by the commitment displayed by staff to continue to improve the integration of activities and service delivery across the Department.

Throughout the year DWLBC has contributed significantly to a number of key Government initiatives, including:

- the national agreement to return 500GL of water to the River Murray;
- the development of milestone legislation for improved management of the State's natural resources, including a significant consultation program;
- agreement to the National Water Initiative;
- ensuring that a significant environmental benefit is achieved whenever native vegetation clearance is authorised;
- the implementation and administration of the joint State/Australian Government programs of the *National Action Plan for Salinity and Water Quality* and the *Natural Heritage Trust Extension*;
- the introduction of restrictions on water use from the River Murray and the associated drought response strategy;
- the Branched Broomrape eradication program;
- the continued implementation of the Upper South East Dryland Salinity and Flood Management Program; and
- the commencement of a process to appropriately manage the precious water resources of the Eastern Mount Lofty Ranges and other parts of the State.

There have been many other important initiatives, the details of which are outlined within this report.

While major initiatives were being undertaken across the State, significant developments were also occurring within the organisation.

A staff performance development program was rolled-out across the organisation, with staff undergoing training or attending information sessions. The program requires regular performance development meetings between staff and management and will ensure that DWLBC staff continue to develop their skills, knowledge and their professional careers.

The organisation has also developed frameworks and structures that provide a good foundation for sound governance practices. Implementation in 2004-2005 of the necessary systems and processes to support the frameworks and structures will ensure a strong governance regime for the future.

DWLBC staff continued their hard work throughout the year and this was recognised at the annual Wallaby Awards for staff in February 2004. Major awards were presented to personnel from the NRM Reform Unit and the River Murray Groundwater Team.

While much was achieved this past year, many exciting challenges still lie ahead. In 2004-2005 DWLBC will continue to provide leadership in the sustainable management of the State's water, land and biodiversity resources in order to achieve our catchcry – "Getting the Balance Right".

Rob Freeman
Chief Executive

Highlights and Achievements

Policy, Planning and Coordination

Natural Resources Management

South Australia was on the verge of finalising Australia's most comprehensive natural resources management (NRM) arrangements at 30 June 2004. These arrangements will be implemented through new legislation that would establish a new structure for the ecologically sustainable development of the State.

Throughout 2003-04 the Department carried out extensive public consultation on new integrated natural resources management arrangements, with more than 600 people attending 15 workshops during July and August 2003.

The proposed arrangements were changed and enhanced based on submissions received from this public consultation. A total of 158 submissions were received and during the consultation there were more than 1300 comments proposing changes on specific aspects of the suggested natural resources management arrangements. All submissions were referred to the interim Natural Resources Management Council for advice.

At the end of 2003-04, all eight of South Australia's NRM regions had integrated NRM plans that had been jointly accredited by the Australian and State Governments.

These NRM plans are important as they provide the strategic direction for coordinated management to protect the State's valuable natural resources.

River Murray Drought Response Implementation

Ongoing drought conditions in the Murray-Darling Basin during 2003-04 led to restrictions being imposed on South Australian River Murray water users for the first time.

The drought had a major impact on water resource conditions throughout the basin, prompting the State Government to introduce restrictions on the use of licensed water allocations from the River Murray effective 1 July 2003.

The use of River Murray water was initially restricted to 65% of licensed water allocation, with use from SA Water's licensed allocations for water supplies to country towns and metropolitan Adelaide restricted to 30 GL and 122 GL respectively. DWLBC kept River Murray water users up to date with information on the condition and the outlook of the resource.

A gradual improvement in conditions in late 2003 allowed allocations to be progressively increased to 95% for irrigators. The allocation for country towns was lifted to 40 GL, while SA Water's metropolitan Adelaide allocation remained unchanged.

River Murray Act 2003

New legislation to further protect, restore and enhance the River Murray was passed by State Parliament and came into effect in 2003-04.

The *River Murray Act 2003* aims to protect and enhance the River Murray and related areas and ecosystems. This is vital for the State's economic and social well being.

The Act enables all aspects of activities that affect the river to be considered and introduces a duty of care not to harm the river through one's actions. The Act came into force in late November 2003.

Historic Agreements Signed at Council of Australian Governments (COAG) Meeting

Two historic agreements were signed at the Council of Australian Governments meeting in June.

The signing of the Intergovernmental Agreement for the National Water Initiative followed extensive negotiation between the Department and the Australian, State and Territory Governments.

The Intergovernmental Agreement sets new directions in water access entitlements, water planning, over-allocation, Indigenous access, water markets and trading and water pricing. It also includes water resource accounting, management of environmental water and water efficiency in urban areas.

Also signed at the COAG meeting was the \$500 million Murray-Darling Basin Agreement. This agreement will deliver an extra 500 GL of environmental flow down the River Murray and was negotiated between the Australian Government, the Murray-Darling Basin States (excluding Queensland) and the Australian Capital Territory.

Upper South East Dryland Salinity and Flood Management Program

The State Government approved an integrated program of environmental activities, agricultural production system improvements, and drainage construction works worth \$49.3 million to complete the Upper South East Dryland Salinity and Flood Management Program.

The program aims to address dryland salinity, waterlogging and ecosystem degradation in the Upper South East. It includes \$38.3 million from the National Action Plan for Salinity and Water Quality and \$11 million to be raised either through a community levy or through community in-kind biodiversity conservation contributions.

Following a Public Works Committee hearing in October 2003, support was provided for the program's \$20.9 million drainage construction component. The proposal involved the supervision and construction of the northern catchment drains, the design and construction of the central catchment drains, and the construction of miscellaneous drains lengths and structures throughout the program area.

Forestry in the Lower South East

An accountable and transparent system to manage the impacts of commercial forestry on regional water resources in the Lower South East was brought into effect by the State Government in June 2004.

The management system is a significant policy development in water resources management in Australia because it tackles the input side of the water budget rather than the extraction side, as has been the case since water law was first established in this country.

Under the adopted management system, commercial forestry in the Lower South East is prescribed as a 'water affecting activity' requiring a permit. The permit system will be managed concurrently with local government development approvals for land use change to commercial forestry. It requires all such development applications to be referred to the Minister responsible for the administration of the *Water Resources Act 1997* for direction.

Provision has been made for approximately 59 000 hectares of plantation expansion, without the need to secure water allocations to allow commercial forest to expand. Further expansion of plantation forest beyond the 59 000 hectares may be accommodated provided the forest proponent offsets the impact on the water budget by securing and quarantining an appropriate water allocation.

Natural Resources Management

Eastern Mount Lofty Ranges Prescription Proposal

An increase in the use of water resources in the Eastern Mount Lofty Ranges (EMLR) led to the Minister for Environment and Conservation announcing his intention to prescribe the region in October 2003. The Minister also announced a Notice of Prohibition that placed a temporary moratorium on new water use while a detailed assessment of current water use and ability to support future development was conducted.

These announcements initiated an extensive consultation process, with the Department hosting public meetings and workshops across the region to inform people about the new controls and to seek their feedback on the proposal to prescribe. More than 1000 people attended these public meetings and/or workshops.

The Minister received 124 written submissions about the proposal for prescription. This community feedback will be considered by the Minister in making a decision about whether to seek the prescription of the region's water resources.

The Department conducted a detailed assessment of water use across the region. At the commencement of the project 1444 irrigation developments were identified for survey. At 30 June 2004, 320 irrigation developments had been surveyed.

Murray Mouth

Projects to boost the health of the Lower Lakes and Coorong continued in 2003-04. Dredging operations kept the Mouth open and water was released from the barrages for the first time in almost two years.

Two dredges operated 24 hours a day to remove sand from the Murray Mouth. Since the dredging project began in October 2002 more than two million cubic metres of sand has been removed from the Mouth and pumped onto nearby peninsulas.

The project - which cost \$6.24 million in 2003-04 - continued to meet its objective of keeping the Murray Mouth open to protect the health of the Coorong. The dredging allowed tidal variations and water levels over spring/summer that resulted in suitable habitat for migratory birds. There was also sufficient exchange of cool, well-oxygenated seawater within the Coorong to ensure that there were no adverse impacts on the Coorong ecology.

In September 2003 water was released from the barrages for the first time in 23 months, more than double the previous longest period without flow over the barrages. Prior to the release, research suggested that lack of flows was impacting adversely on the ecology of the Coorong and salinity levels in the Lower Lakes.

The event was unique because it marked one of the few occasions that the barrages were operated to manipulate flow specifically to achieve ecological outcomes for the site.

Natural Resources Science and Information

Environmental Flow Requirements for Australian Arid Zone Rivers Project (ARIDFLO)

A scientific report was completed following the conclusion of the scientific components of the ARIDFLO project during 2003-04. The study was undertaken using Cooper Creek, Diamantina River and the Neales River in the Far North of the State.

During the period data analysis and a rigorous peer review process were also completed. The ARIDFLO project began in January 2000 and aims to improve our knowledge of Australia's arid rivers by combining scientific research and local knowledge to produce information and models that could be used by communities and governments in guiding the management of these rivers.

Identifying Water Dependent Ecosystems from the Air

Aerial videography used to monitor bushfires has been developed to map significant streams in South Australia.

The technology was used to map baseline information on water dependent ecosystems in the Mount Lofty Ranges, Flinders Ranges and on Kangaroo Island. This information included the health of these ecosystems and identified potential risks to their health.

The project methodology was developed with private sector collaboration from technologies applied to monitoring bushfires. In combination with other data in GIS format,

the resultant datasets will enable areas of greatest ecological value and highest degradation risk to be identified so future natural resources management efforts can be targeted most effectively.

Trial datasets have been compiled and show significant promise, both for technical analysis and for clear communication to stakeholders.

Statement of Purpose

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

Our Vision

Natural resources used sustainably to enhance quality of life

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

Success will ensure an informed and involved community that is committed to sustainable natural resources management as a way of life.

Our Mission

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

Our Role

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

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

Our Values

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

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

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

The Way That We Work

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

Achieving Results

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

Collaborative Partnerships

- Engaging with key stakeholders and the community

Effective Communication

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

Healthy and Safe Workplaces

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

People

- Training and development
- Increasing opportunity
- Fostering talent

Working Together

- Teamwork
- Valuing individual differences and diversity

Strategic Priorities

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

- **Deliver effective reporting on the state and condition of the State's natural resources**

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

- **Restore the health of the River Murray**

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

- **Halt the decline in both the quality and extent of native vegetation**

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

- **Protect and enhance the natural resources of the Mount Lofty Ranges**

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

- **Implement NRM reforms**

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

Clients and Stakeholders

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

- The Minister for Environment and Conservation and the Minister for the River Murray;
- The Premier, Cabinet and relevant portfolio agencies;
- Natural resources users in urban, rural and remote communities;
- National and interstate natural resources management agencies and institutions;

- Local Government;
- Producer and industry organisations;
- Landholders;
- Regional natural resources management groups;
- Conservation bodies and other special interest groups; and
- The general community.

Statutory bodies including:

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

Standing Committees:

- Natural Resource Management Standing Committee
- Primary Industries Standing Committee

Roles and Functions By Division

Strategic Policy Division

Role

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

Functions:

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

Knowledge and Information Division

Role

The key focus for the Division is to provide knowledge and information about natural resources state and condition, use and management. This will be achieved through partnerships across government, natural resources managers, industry and the community and through excellence in science, professional advice and information management services.

Functions

- Knowledge creation and management, including the development of information management systems to support integrated NRM.
- Ensures scientific information is available for decision-making within government, industry and the community.
- Monitors, assesses and advises on the status and condition of natural resources and levels of sustainable resource allocation.
- Supports research & development organisations on innovations in NRM technologies, practices and methodologies.

- Ensures effective knowledge and information partnerships are formed across government, the community and industry to underpin natural resources management.

Infrastructure and Business Division

Role

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

Functions

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

Corporate Services Division

Role

The Corporate Services Division provides strategic corporate and business services to the Chief Executive and all work groups in the Department. These services support the delivery of the Department's business through the ongoing development and support of its people, built infrastructure, work processes and systems.

Functions

- Financial services
- Human resources
- Business services
- Strategic information technology
- Strategic communications and marketing
- Prudential management
- Facilities management

NRM Support Division

Role

To facilitate the transition from existing legislation and administrative systems of the *Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986*, the *Soil Conservation and Land Care Act 1989* and the *Water Resources Act 1997* and NHT/NAP/NLP Bilaterals to the *Natural Resources Management Act 2004* and its ongoing implementation.

Functions

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

Land and Biodiversity Services Division

Role

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

Functions

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

Resource Allocation Division

Role

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

Functions

- Leads and manages resource allocation, water licensing, regulation and compliance and regional service arrangements.
- Communicate and support NRM Boards, Local authorities and communities with respect to water allocation, licences and permits.
- Implements the regulatory requirements of the State and Regional NRM Plans.
- Manages NRM allocation processes.
- Developing and monitoring effective regional service delivery.
- Develops and implements nationally acceptable natural resources trading systems.
- Operates and maintains South East Drainage Infrastructure.

Legislation

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

Animal and Plant Control (Agricultural Protection & Other Purposes) Act 1986

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

Dog Fence Act 1946

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

Groundwater (Border Agreement) Act 1985

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

Ground Water (Qualco-Sunlands) Control Act 2000

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

Irrigation Act 1994

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

Lake Eyre Basin (Inter-governmental Agreement) Act 2001

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

Native Vegetation Act 1991

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

Pastoral Land Management and Conservation Act 1989

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

River Torrens Acquisition Act 1970

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

Soil Conservation and Land Care Act 1989

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

South Eastern Water Conservation and Drainage Act 1992

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

Upper South East Dryland Salinity and Flood Management Act 2002

An Act to provide for a scheme to protect and improve the environment and agricultural production in the Upper South East through the proper conservation and management of water and the initiation or implementation by the Government of the State of works and environmental management programs and other initiatives; to make related amendments to the *South Eastern Water Conservation and Drainage Act 1992*; and for other purposes.

Water Conservation Act 1936

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

Water Resources Act 1997

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

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

Murray-Darling Basin Act 1993

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

Renmark Irrigation Trust Act 1936

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

River Murray Act 2003

An Act to provide for the protection and enhancement of the River Murray and related areas and ecosystems; to amend 22 other Acts; and for other purposes.

River Murray Waters Agreement (Dartmouth Reservoir) Act 1971

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

River Murray Waters Agreement Supplemental Agreement Act 1963

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

Relationship to Other Agencies

In 2003-04, the Department of Water, Land and Biodiversity Conservation (DWLBC) reported to the Minister for Environment and Conservation and the Minister for the River Murray, the Hon John Hill MP. The Department was one of four agencies reporting to the Minister, the others being the Department for Environment and Heritage (DEH), the Environment Protection Authority (EPA), and Zero Waste SA.

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

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

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

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

Programs, Objectives and Achievements in 2003-04

The South Australian Government's *Portfolio Statements* presented by the Treasurer of South Australia to Parliament outline the programs for the Department of Water, Land and Biodiversity Conservation for 2003-04.

The Department had three programs during the 2003-2004 year:

1. Policy, Planning and Coordination;
2. Natural Resources Management; and
3. Natural Resources Science and Information.

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

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

The Natural Resources Management Program incorporates four sub-programs:

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

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

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

The following provides detail of the objectives and achievements during 2003-04 under each of the programs and sub-programs.

Program 1: Policy, Planning and Coordination

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

1.1 Policy Advice

National

Intergovernmental Agreements to give affect to the National Water Initiative

Extensive negotiations were undertaken with the Australian Government and State and Territory Governments to develop an Intergovernmental Agreement to give effect to the National Water Initiative. The Department undertook much of these negotiations, and is responsible for coordinating the implementation of the initiative.

The content of the Intergovernmental Agreement includes: water access entitlements; environmental and other public benefit outcomes; water planning; over-allocation; risk assignment; Indigenous access; interception; water markets and trading; water pricing; management of environmental water; water resource accounting; and, water efficiency in urban areas.

A separate Intergovernmental Agreement was negotiated between the Australian Government, the Murray-Darling Basin States (excluding Queensland) and the Australian Capital Territory on the expenditure and management of \$500 million to address water over allocation in the Basin.

Both Intergovernmental Agreements were agreed and signed at the COAG meeting on 25 June 2004.

State-wide

Natural Resources Management (NRM) Bill

In 2003-04 DWLBC facilitated considerable public consultation on the Natural Resources Management Bill. The Bill was introduced into Parliament in February 2004 and was passed by the House of Assembly on 1 April 2004. At 30 June 2004 the Bill had almost completed its passage through the Legislative Council.

The consultation draft Natural Resources Management (NRM) Bill was released for public comment in July 2003. The consultation with the community and identified stakeholders consisted of 15 workshops between 8 July and 15 August 2003, which attracted more than 600 people.

The Bill was further amended based on submissions received from this public consultation. A total of 158 submissions were received and during the consultation period there were more than 1300 comments proposing changes on specific aspects of the draft Bill. All

submissions were referred to the interim Natural Resources Management Council for advice.

The amended draft NRM Bill was extensively discussed with the principal stakeholder organisations of the South Australian Farmers Federation, the Local Government Association of South Australia and the Conservation Council of South Australia. DWLBC staff supported the Minister for Environment and Conservation with extensive briefings on the proposed legislation.

Thinker in Residence

DWLBC was one of four sponsors of Adelaide's Thinker in Residence - Professor Peter Cullen. The theme of Professor Cullen's thinking was 'Water and Sustainable Landscapes - creating sustainable landscapes through science and social change'.

Discussions, presentations and seminars were delivered on topics related to using scientific resources, water management and natural resources knowledge strategies. The focus of this work was to articulate how scientific research can better influence the processes of social change, to bring about more sustainable use and conservation of natural resources as part of vibrant communities in South Australia.

An innovative aspect of Professor Cullen's residency was the establishment of a Young Thinkers Program, which was aimed at establishing a network of young professionals who could provide critical thinking and contributions to the public debate about environmental issues.

Estuaries Policy for South Australia

DWLBC, in partnership with the Department for Environment and Heritage, is developing a state-wide policy for the management of estuaries. The project is the result of a commitment in the *SA State Water Plan 2000*.

A discussion paper was developed on estuaries management and policy issues, and a targeted consultation process was commenced to develop a draft policy. Background information packages on estuaries were developed to assist regional Natural Resources Management Boards.

The Estuaries Policy for South Australia is expected to be completed during 2004-05. It is intended that this will form part of the initial State Natural Resources Management Plan under the proposed *Natural Resources Management Act*.

Amendments to the Pastoral Land Management and Conservation Act

The *Pastoral Land Management and Conservation (Miscellaneous) Amendment Bill 2004* was passed in the House of Assembly in June 2004.

The Bill proposes changes to enable Indigenous Land Use Agreements to apply on pastoral leases, to fix land condition assessments at 14-yearly cycles, and other administrative amendments. This Bill is due for debate in the Legislative Council in 2004-05.

Animal and Plant Control

Animal and Plant Control Commission staff co-ordinated the Interdepartmental Taskforce into Feral Olives. The taskforce developed a plan to address the spread of feral olives in the Mount Lofty Ranges. The final report of the Taskforce was forwarded to the Minister for Environment and Conservation.

The Animal and Plant Control Commission convened six regional conferences for animal and plant control board members and staff. The meetings provided updates on current pest management issues and the progress of the NRM legislation.

Food Issues and Wine Industry Council

The Department continued to contribute to the work of the Food Issues Working Group and the Wine Industry Issues Group during 2003-04.

The Issues Groups address key cross government matters to assist the Food and Wine Councils to deliver a competitive food and wine industry in South Australia.

River Murray

River Murray Drought Response Implementation

The prolonged drought across much of the Murray-Darling Basin during previous years had a major impact on water resource conditions throughout the basin. The State Government subsequently introduced restrictions on water use from the River Murray, effective on 1 July 2003. This was the first time that restrictions were imposed on River Murray water users within South Australia.

The use of licensed River Murray water allocations was initially restricted to 65% and SA Water's licensed allocations for water supplies to country towns and metropolitan Adelaide were restricted to 30 GL and 122 GL respectively for 2003-04.

Several significant rainfall events in August, September and October 2003 resulted in improvements in water resource conditions throughout the River Murray system, and River Murray restrictions in South Australia were progressively eased. The final authorised use for licensed River Murray water users was 95% of their licensed water allocation by mid-November 2003. However, SA Water's authorised use for reticulated water supply was not restored.

River Murray Water Management Policy

DWLBC, in collaboration with the River Murray Catchment Water Management Board and the Board's Drought Liaison Group, developed a draft policy framework for River Murray water management during periods of reduced water availability or impaired water quality.

This draft policy framework outlines the objectives and guiding principles for decision-making. The framework identifies a series of resource condition indicators to act as signals to water users regarding changes in water resource conditions. The draft policy also

signifies the potential for the introduction of restrictions on water use from the River Murray.

A wider consultation process with water users will seek to refine the draft policy framework during 2004-05 before it is adopted as long-term government policy.

River Murray Act 2003

The *River Murray Act 2003* was passed in July 2003. The Act aims to protect, restore and enhance the River Murray, safeguarding the water resource, ecosystems and community values which are vital to the State's economic and social well being.

The Act enables all aspects of activities that affect the river to be considered, and introduces a duty not to harm the river through one's actions.

The Act was brought into operation on the 24 November 2003, as were the following Regulations:

- River Murray Regulations
- Development (River Murray) Variation Regulations
- Native Vegetation (Variation) Regulations
- Harbors and Navigation (River Murray) Variation Regulations

The implementation of the Act commenced immediately upon its operation.

Salinity Zoning

An interim salinity zoning policy was developed and introduced in 2003-04. Under the policy, proposed water transfers to high salinity impact locations must either demonstrate a prior commitment to development at the specific location or show how salinity impacts will be offset for the transfer to be approved.

Some proposed water transfers were refused. This initiative reduces the threat of future irrigation development to further increases in River Murray salinity.

Consultation on the salinity zoning policy was undertaken through the Riverland Development Corporation. Consultation will continue into 2004 with a view to finalising the salinity policy in 2004-05.

Wetland Water Allocation and Planning Process

The Department completed the implementation of a wetland planning and water allocation process that paves the way for wetland managers to procure specific water allocations for wetland management. The process responds to the needs of the *Water Allocation Plan for River Murray Prescribed Watercourse* by instituting a mechanism that will allow the equitable and effective allocation of 200 GL of water specifically prescribed for wetlands.

Community wetland groups can now submit an application for a Wetland Water Licence with an annual water allocation. The application will be assessed against established criteria to provide consistency in reviewing licensing applications.

The issuing of Wetland Water Licenses is a mechanism to provide certainty and security to local wetland managers. It is also a mechanism to monitor and ensure water users, including environmental users, are complying with regulations and reducing the impact on our vital natural resources.

Loxton Irrigation Infrastructure Rehabilitation

The project to replace inefficient open irrigation channels with a piped system capable of delivering water to irrigators at high pressure entered its final stage during 2003-04.

The commissioning of the new pumps continued during the year with the objective of ensuring the system performs to specifications prior to being formally handed over to the Loxton Irrigation Trust on 30 June 2005.

South East

South East Surface Water Agreement

South Australia shares a number of creeks with Victoria, all of which rise in Victoria and flow into South Australia's South East. These creeks have environmental and economic value to our State.

DWLBC is working with the relevant regional bodies in the South East to develop a Memorandum of Understanding with their counterparts in Victoria to establish a framework for the better management of the shared catchments and their resources.

The South East Catchment Water Management Plan identifies the development of a surface water sharing agreement with the Victorian Government as a priority issue. The Minister for Environment and Conservation, John Hill, wrote to his Victorian counterpart indicating that he would like to build on current initiatives by moving towards the development of an Agreement between the two governments as a medium to longer-term strategy.

Forestry Regulation in the Lower South East

Commercial forestry in the lower South East of South Australia this year became a water-affecting activity requiring a permit under the *Water Resources Act 1997*.

This policy was introduced by a regulation in June 2004. Application for a permit will now operate concurrently with a forest proponent's development application to the relevant planning authority for land use change.

Extensive consultation with stakeholders was undertaken to develop a management system. This management system is transparent and will ensure that the water resources remain sustainable. It protects existing water users - including the environment - and provides certainty for the plantation forest industry expansion. With water use approaching full allocation in the region, the recent significant and rapid unaccounted increase in the forest area posed a significant threat to resource sustainability.

Urban Adelaide

Urban Stormwater Management

DWLBC coordinated the Urban Stormwater Initiative and commenced development of a policy framework for managing urban stormwater.

KBR Consultants were appointed to progress a study that will address the adequacy of the existing stormwater drainage systems and policy options, impediments to re-use and council cost sharing arrangements.

In addition, policy is being developed that seeks to broaden the stormwater management objectives away from the traditional emphasis on flood mitigation with a greater emphasis on improving water quality, increased reuse and using stormwater to improve urban amenity.

Water Proofing Adelaide

The development of the Water Proofing Adelaide Strategy was progressed during 2003-04. A discussion paper was released and the Water Proofing Adelaide project team engaged in a community consultation program, which included community forums where information was exchanged and views were shared. A website was established and work progressed on determining demand and supply characteristics for the Adelaide region.

The project will explore the water issues facing Adelaide and nearby semi-rural areas with the aim of creating a community based strategy to secure our water supply for the long-term. It is anticipated that a draft strategy will be released in late 2004.

Rainwater Tank Implementation Policy

In March 2004 the Premier announced that rainwater tanks would be plumbed into new homes built from July 2006.

The Department is developing an implementation plan to give effect to this policy. The policy will explore a range of important and practical issues including:

- Minimum tank capacity;
- Design considerations;
- Maintenance;
- Compliance;
- Circumstances for exemptions, and;
- Regulation and compliance.

Lake Eyre

Lake Eyre Basin

DWLBC continued to provide support for the Minister concerning cross-border natural resources management issues in the Lake Eyre Basin, as well as participating in the two Catchment Committees (Coopers Creek and Georgina/Diamantina).

The Northern Territory became a party to the Lake Eyre Basin Agreement on 10 June 2004. The upper reaches of the Georgina River, most of the Finke River catchment and extensive lands abutting the South Australian border are now included in the Agreement area.

Minister for Environment and Conservation, John Hill, announced that South Australia would undertake a review of the boundary of the Agreement area within South Australia to complement the Northern Territory initiative. The review will be based on consultation with community and industry interests in the region.

Lake Eyre Basin Ministers agreed to fund the reinstatement of three priority-gauging stations on the Cooper Creek and Georgina/Diamantina systems and to undertake a synthesis of hydrological data in the basin. These are essential tools for long-term management.

In June 2004 the Lake Eyre Basin Ministerial Forum agreed to release a suite of draft strategies to implement the policies for water and related natural resources. The draft strategies have been prepared and will be released for consultation during 2004-05. The decision of the Lake Eyre Basin Ministerial Forum was the culmination of a strategy development process involving all jurisdictional partners, as well as the relevant community groups.

1.2 Natural Resources Planning

Milestone for Natural Resources Management in South Australia

A major milestone has been achieved in South Australia over the past year in advancing the planning and regional delivery of natural resources management. All eight of South Australia's NRM regions now have integrated NRM plans that have been jointly accredited by the Australian and State Governments. Late in 2003-04 the last three regions (Rangelands, Aboriginal Lands and Eyre Peninsula) had their plans jointly accredited.

These NRM plans are important because they provide the strategic direction for coordinated management to protect the State's valuable freshwater systems, natural biodiversity and soil. This is an outstanding achievement by the community-based Regional INRM Groups working with the support of State and Australian Government officers. Throughout the process South Australia has demonstrated itself to be at the forefront of regional NRM delivery in Australia.

The work done is also a valuable precursor to future regional planning and delivery of NRM services by the proposed new regional NRM boards under the NRM Act, which should begin to be enacted early in 2004-05. Once these regional NRM boards are operational they will take over the responsibility for regional implementation of the integrated NRM plans and the funding available from the National Action Plan for Salinity and Water quality (NAP) and the Natural Heritage Trust (NHT).

Under these eight accredited plans for the regions the Australian and State Governments have approved funding of over \$50 million from NHT, NAP and the National Landcare Project (NLP).

State Natural Resources Management Plan

The State Natural Resources Management Plan will be a key document setting out the principles and policies for achieving the ecologically sustainable development and integrated natural resources management objects of the proposed Natural Resources Management Act.

A scoping paper was prepared in 2003-04 and a series of discussions were held with the Interim Natural Resources Management Council to determine the scope and nature of the State Natural Resources Management Plan.

The Interim Natural Resources Management Council engaged DWLBC to project manage the development of the plan in collaboration with a broad range of government, community and industry stakeholders. A Project Leader was appointed and project governance arrangements were established.

Salinity Mapping & Management Support Project

The Salinity Mapping and Management Support Project was funded as a priority project under Round 1 of the National Action Plan (NAP) for Salinity and Water Quality.

The project involved the application of airborne geophysics technologies to improve understanding of the processes leading to salinity and assist with management decisions.

Airborne geophysical surveys were conducted in five sites across SA during 2002-03. During 2003-04 the survey data was calibrated against ground-based information and then analysed to fill gaps in understanding of the processes at work and to upgrade data in existing groundwater models.

The project has been highly successful and the information is already being used to guide on-ground actions to manage salinity. For example, it has been used to plan the location of bores in the Loxton-Bookpurnong Salt Interception Scheme in the Riverland.

Imported Water in the Clare Valley

Technical advice was provided on the environmental assessments commissioned by SA Water on the use of imported water in the Clare Valley and the requirements for its long-term management.

Surface Water on Eyre Peninsula

The Department has been involved in negotiations between SA Water, Eyre Catchment Water Management Board and the EPA for the development to best utilise sustainable and available water within the region providing technical advice on surface water for the Tod Reservoir catchment area and groundwater management units of the Eyre region.

1.3 State/Commonwealth joint programs

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

DWLBC worked with Commonwealth and State natural resources management agencies to operationally align management of joint State-Commonwealth programs with State directions in NRM.

In 2003-04 the State's obligations under the Natural Heritage Trust Partnership Agreement (NHT1) were met, including a 2002-03 Annual Report, financial reporting, payments to proponents, final reporting on projects and the processing of extension and variation requests. The *Report on the first phase of the Natural Heritage Trust initiative in South Australia 1997 –2002* was completed and distributed to key stakeholders. The State has been actively working towards finalisation of all aspects of NHT1.

Tri-party contracts were developed with Regional Groups and funding dispersed for 2003-2004 Interim NHT Extension Round projects. Foundation Funding was extended for all National Action Plan for Salinity and Water Quality (NAP) regions.

The past financial year marked the shift from regional priority rounds considering local projects to regional investment based on regional NRM plans and investment strategies under the Natural Heritage Trust, the NAP and the National Landcare Program. Regional NRM Plans were accredited for all regions.

Tripartite Regional Partnership Agreements were finalised and signed with all eight regions and the Commonwealth, providing the basis for 2003-04 and 2004-05 NAP, NHT2 and NLP funding.

Tools to support regional INRM Groups to deliver State-Commonwealth funding have been developed. These include Third Party Contract proformas for agreements between regional INRM Groups and third party deliverers, and the On-ground Works database (NRM Tracker) that provides a program management and reporting tool for Regions. A Communication Strategy for SA INRM Groups, developed as a joint State/Regional Group initiative, provides a practical tool for use by Groups in developing individual strategies applicable to their region.

DWLBC is facilitating the development of a state-wide approach to monitoring and evaluation for the NAP and NHT2. A state-wide regional monitoring review that will identify requirements and responsibilities for monitoring and evaluation - and review existing monitoring and evaluation programs - is underway. Following the review a strategy to fill identified gaps will be developed.

National Land and Resources Audit

South Australia, along with other rangeland jurisdictions, undertook a pilot project to develop the Australian Collaborative Rangeland Information System (ACRIS).

ACRIS reporting products have been developed to enable the National Land and Resources Audit to report nationally on biophysical and socio-economic indicators appropriate for Australia's rangelands.

The SA pilot will report on the trend in land condition from the ground-based monitoring system in the Gawler Bioregion over the past 13 years. The report is due for release in 2004-05.

CRC for Desert Knowledge

DWLBC teamed with CSIRO, Adelaide University and a number of mining and pastoral companies to prepare a Desert Knowledge cooperative research project.

This project is a 'proof of concept' study of tools for auditing biodiversity, setting regional performance standards in its condition and trading in biodiversity credits, to achieve sustainable outcomes in the rangelands.

Exotic Reptile Amnesty

The Animal and Plant Control Commission participated in a National Exotic Reptile Amnesty as part of a joint state and Australian Government initiative to remove from private keepers illegally held reptiles that may be a threat to the environment and public safety.

Program 2: Natural Resources Management

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

2.1 Murray-Darling

Murray Mouth Sand Removal

Two dredges operated 24 hours a day to remove sand from the Murray Mouth. The dredging project began in October 2002.

The project – which cost \$6.24 million in 2003-04 - continued to meet its objective to keep the Murray Mouth open to protect the health of the Coorong. Tidal variations and water levels over the spring and summer were such that there was suitable habitat for migratory birds exposed. This would not have occurred if the project was not undertaken. There was also sufficient exchange of cool, well-oxygenated seawater with the Coorong to ensure that there were no adverse impacts on the Coorong ecology.

With dry conditions persisting into the winter of 2004, the two dredges will continue to operate during 2004-05.

2003 Barrage Release

In September 2003 water was released from the barrages for the first time in 23 months, more than double the previous longest period without flow over the barrages. Prior to the release, research suggested that lack of flows was resulting in detrimental impacts on the ecology of the Coorong.

This event was unique because it marked one of the few occasions that the barrages were operated to manipulate flow specifically to achieve ecological outcomes for the site.

Researchers from the South Australian Research and Development Institute (SARDI) were engaged to undertake a comprehensive ecological monitoring program to monitor the ecological effect of the release. A joint Murray-Darling Basin Commission and DWLBC workshop was held to share the findings of the barrages release program. The workshop involved a range of state agencies and other stakeholders, and provided a practical way to implement an adaptive management approach to the site.

A review and integration of government monitoring in the Lower Lakes and Coorong Ramsar Site was undertaken. A draft report on the compilation of monitoring programs and projects is in its final form. This report, along with the findings of the barrages release monitoring program, will inform the adaptive management of the region and future releases as part of a Barrage Operating Strategy.

South Australian River Murray Flow Management Strategy

The draft South Australian River Murray Flow Management Strategy was completed in 2003-04 and is ready for consultation.

The draft strategy sets out the strategic framework for the management of environmental flows for improved river health from 2004 to 2009. It responds to the Murray-Darling Basin Ministerial Council's first step decision by addressing the delivery of flows to the significant ecological assets within South Australia.

These assets are the Chowilla floodplain, Lower Lakes, Murray Mouth and Coorong, and the main River Channel.

Sea to Hume Dam Fish Passage

Two fish ladders were commissioned in SA in 2003-04 as part of a \$25 million program to provide fish passage from the Sea to Hume Dam.

The program involves the construction of fish passages at most of the locks and weirs on the River Murray as well as at the Murray Mouth Barrages.

In 2003-04 the first two structures to be commissioned under this program - vertical slot fish ladders at Lock and Weir No. 8 and a similar structure at Lock and Weir No. 7 - were completed.

The design and calling of tenders for the next two fishways at Locks 9 and 10 have also been completed.

The initial monitoring of the Lock 8 fishway proved to be very successful, with over 13 000 fish entering the fishway in the first three trappings.

The first of four trial fishways at the Barrages - a rock ramp at Tauwitchere Barrage - was also completed. Work is continuing with three fishways, an additional one at Tauwitchere and two at Goolwa Barrage, with commissioning of these expected early in the 2004-05 financial year.

It is hoped that monitoring of the Tauwitchere fishway will be undertaken during the spring of 2004, however this will be dependant on River Murray flow.

River Murray Salt Interception Infrastructure Program

The South Australian salt interception infrastructure program continued to gain momentum over the 2003-04 year.

Construction is well under way on the \$11.1 million Bookpurnong scheme, comprising a series of strategically placed highland and floodplain bores connected to a disposal pipeline that will discharge the intercepted saline water to the existing Noora disposal basin. When commissioned early in 2005, the scheme will intercept around 100 tonnes of salt per day that currently discharges to the River Murray.

The SA salt interception infrastructure program is aimed at delivering significant salinity benefits to the River Murray and its floodplain, and is an integral component of both the SA

River Murray Salinity Strategy and the Murray-Darling Basin Ministerial Council's *Basin Salinity Management Strategy*. The infrastructure program is funded by the National Action Plan for Salinity And Water Quality and Murray-Darling Basin Commission.

During 2003-04 the Murray-Darling Basin Ministerial Council also approved the construction of the \$21.4 million Loxton Salt Interception Scheme. Construction of the borefield and disposal pipeline is scheduled to commence in September 2004. The Loxton scheme will intercept around 75 tonnes of salt per day and dispose of the water to the Noora basin via a joint pipeline with the Bookpurnong scheme.

Other detailed salt interception investigations are ongoing in the Chowilla, Pike River and Murtho areas and well as the ongoing development and implementation of the Regional Saline Water Disposal Strategy, a strategy aimed at securing the long-term disposal requirements for the salt interception program.

Survey of River Red Gum Health in the Lower River Murray

In May 2004 a survey from Mannum to Echuca was undertaken on River Red Gum health based on observations of continual decline since the March 2003 survey.

The objective of the survey was to examine the extent of reduction in the condition of River Red Gums across the lower River Murray.

This project will contribute to developing a benchmark for vegetation health in the mid and lower River Murray floodplain. Results from the survey will contribute to the overall picture of River Murray health and underpin the understanding about the need for, and impact of, environmental flows.

Experimental Watering of River Red Gums – Monoman Island Trial

In early 2004, the Murray-Darling Basin Commission's Living Murray Implementation Program agreed to fund an investigative project on the Chowilla floodplain. The objectives of the project were to investigate the response of River Red Gums to an artificially created flood regime, and to identify the logistical and administrative processes required to implement watering schemes on floodplains to achieve environmental outcomes.

This pilot project was the first step in undertaking an adaptive environmental management approach to floodplain rehabilitation at this significant ecological asset in the Murray Darling Basin. The aim of the project was to assess the effectiveness and efficiency of manipulated flooding using mobile pumping infrastructure to enhance the health of the River Murray floodplain.

The results of the watering were dramatic and immediate. Within a week of flooding the creek, groundwater levels showed significant signs of being recharged and freshened. In some cases salinity in the root zone of the trees dropped from 23 700 EC to less than 400 EC. Within a month River Red Gum and Black Box trees adjacent to the creek were showing signs of recovery, and after two and a half months more than half of the trees displayed new and invigorated growth.

Weir Manipulation Trials

Work commenced during 2003-04 to investigate the potential social, economic and environmental impacts of raising and lowering weir pools to achieve flow variability in the River Murray.

A Community Reference Group was established, and workshops were conducted to identify the most appropriate reaches of the River Murray to trial weir manipulations. An ecological baseline monitoring program, and surface water and groundwater investigations commenced in the Lock 5 to Lock 6 reach.

Structural analysis of all weirs is near completion, with the analysis completed for Lock 6. Field surveys of pumps and their off-takes were completed, and analysis of the pumping capacity is underway to determine the likely impacts of weir pool manipulation.

River Murray Environmental Flows Fund

DWLBC undertook an investigation into water savings to the River Murray through improved wetland management as part of this project, and a sewer mining project at Port Augusta was also investigated.

The recommendation to the South Australian and Victorian Premiers, by the River Murray Environmental Flows Fund Taskforce, was to approve the construction of the sewer mining project. This project will lead to savings in the amount of water diverted from the River Murray through the Morgan to Whyalla Pipeline.

SA Salinity Credits

An assessment of South Australia's salinity credits and debits for the 1988–2003 period was completed in 2003-04.

The assessment will be formally considered by the Murray-Darling Basin Commission in 2004-05. The assessment shows that South Australia can meet its obligations to the Murray-Darling Basin Ministerial Council with no net increase in salinity impact on the River Murray since 1988, despite more than 20 000 hectares of new irrigation development.

Salinity credits from improved irrigation management and infrastructure rehabilitation have offset salinity debits from new irrigation.

Adaptive Management of Wetlands

DWLBC is leading the development of an adaptive management approach to wetland management in the River Murray Basin through the establishment of the Loveday Swamp Adaptive Management Wetland Demonstration Site.

This project has received support from the Lower Murray Irrigators Group and provides a venue at which wetland managers can practice adaptive management in a practical sense and extend results to wetland managers throughout the Murray-Darling Basin.

River Murray Wetland Baseline Survey

During 2003-04 DWLBC developed a key partnership with the River Murray Catchment Water Management Board to undertake the River Murray Wetland Baseline Survey.

The survey commits more than \$1 million to collect key ecological data on 38 important River Murray wetlands. This will provide valuable information to determine management options for these sites.

Murray-Darling Basin Initiative

DWLBC continued to provide high level support to South Australian Ministers and Commissioners and coordinated activities to ensure South Australia had effective representation, input and participation at all levels of the Murray-Darling Basin Initiative.

South Australia's participation in the Initiative is at numerous levels, including the Murray-Darling Basin Ministerial Council, Murray-Darling Basin Commission, various project boards, committees and working groups. Some of the key issues addressed in 2003-04 included water resource assessment, river operation under drought conditions, The Living Murray Initiative, and salinity accountability and management.

The Murray-Darling Basin Initiative is the partnership between the Australian Government, the Murray-Darling Basin State Governments, Australian Capital Territory and the community. The Initiative was established to give effect to the Murray-Darling Basin Agreement. The purpose of the Agreement is to promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin.

South Australia hosted a meeting of the Murray-Darling Basin Commission in Renmark on 1 June 2004.

Salinity Drainage Disposal Basins

In 2001 the South Australian Government recognised that new salt interception would be required in the Riverland to mitigate the salinity impact of irrigation development and to maintain River salinity at target levels. As a result, the Regional Saline Water Disposal Strategy project commenced in 2002. This project was designed to assess the disposal capacity required to meet future demand.

An outcome of the Regional Saline Water Disposal Strategy in 2003 was to confirm that existing disposal basins would not have sufficient capacity to meet all of the future demand, even if these basins were expanded. Past assessments have also shown that alternatives to disposal basins, such as desalination or a pipeline to the sea, are not currently economically feasible and far more expensive to construct and operate than an additional disposal basin.

Given the location of existing salt interception and basin infrastructure and the location of future salt interception schemes, the area south of Woolpunda is current the most likely location for a new disposal basin. Consultation with the landowners in this area commenced in March 2004 regarding the assessments that have been carried out and additional assessments that are required. Consultation with landowners at the site of existing disposal basins has also occurred throughout the past 12 months.

Lower Murray Reclaimed Irrigation Areas

Reforms are underway to improve water use efficiency and reduce contamination of the River Murray.

In 2003-04 the main focus of this project was reviewing the offer of financial assistance that was made to irrigators in February 2003; issuing a revised offer in December 2003; and facilitating farm restructuring during the implementation period, which closed on 30 April 2004.

The restructuring period allowed irrigators to assess their future in the industry and to decide whether or not to apply for financial assistance that was offered to those who chose to leave the industry, and those that wished to purchase additional land to expand or relocate their farms. The overall objective has been to ensure that the most viable areas will be rehabilitated.

Industry restructure resulted in approximately one third of farmers leaving the industry. This allows farmers staying in the industry to expand and consolidate with neighbouring land prior to finalising the rehabilitation plan of their restructured area. It is expected that this will result in a more viable and sustainable irrigation industry in the region.

2.2 Building Community Capacity

INRM Plan for Mount Lofty Ranges and Greater Adelaide Region

During 2003-04 the South Australian and Australian Governments accredited the Integrated Natural Resources Management Plan for the Mount Lofty Ranges and Greater Adelaide Region. The Plan addresses significant natural resources management issues in the region from social, environmental and economic perspectives.

The two Governments also accredited the Mount Lofty Ranges and Greater Adelaide Region Investment Strategy, which identifies specific actions, costs and timeframes required to implement the regional Plan.

Consultation with key stakeholders and the wider community was integral in the development of both the Plan and Investment Strategy. This engagement included broad public consultation and targeted consultation with a wide range of stakeholders. Focus groups consisting of stakeholders with knowledge and expertise in specific areas played an important role in prioritising actions in the Investment Strategy.

Funding of \$9.9 million to address priorities identified in the Plan and Investment Strategy was approved by the Australian Government for the region under the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust. These initiatives are based on partnerships and agreements with the State Government, which has matched the Australian Government investment through cash and in-kind support.

A network of Landcare, Bushcare and Coastcare facilitators provided technical support and advice to the 450 community groups working to ensure the protection and sustainable development of the region's land, vegetation and water resources in the region.

Guide of Pastoral Plants of SA

The Department published a definitive field guide to the plants of Outback SA. Production of the guide was made possible by a grant from the Natural Heritage Trust, following the allocation of significant funding by the Marree Soil Conservation Board.

The Chairs of the Pastoral Board and Marree Soil Conservation Board launched the book at Innamincka in November 2003.

Copies of the book are available through Service SA outlets, main tourism centers for the outback and directly through the offices of Outback SA in Adelaide and Port Augusta. Free copies have been supplied to all landowners in the region covered by the book.

Native Vegetation Management

The Pastoral Board and the Native Vegetation Council have been developing innovative ways to find a balance between the interests of pastoralists wishing to install new watering points on previously ungrazed pastoral leasehold land to spread grazing pressures, and native vegetation retention.

It is important to retain sufficient ungrazed land that is remote from water to ensure the survival of native plants and animals in decline or under threat as a result of grazing by domestic, native and feral animals.

The *Native Vegetation Regulation 2003* came into operation in August 2003. It provided an exemption from the clearance controls provided by the *Native Vegetation Act 1991* for the establishment of new waterpoints for grazing on pastoral leases, subject to an approved Management Plan.

Animal and Plant Control

The Animal and Plant Control Commission – together with the Weeds Co-operative Research Centre (Weeds CRC) and Victorian Departments of Primary Industries, and Sustainability and Environment - was awarded one of four National CRC Association 2004 Excellence in Innovation Awards for the Weed Warriors education program. Weed Warriors teaches primary school students about weeds and involves students in biological control of local weed infestations.

The Onion Weed Management Committee was established with representatives from the Animal and Plant Control Commission and numerous other agencies and groups. The Committee oversaw a project to determine the impacts of onion weed on agricultural productivity and biodiversity in the Rangelands, and to identify opportunities for integrated weed management techniques, including use of biocontrol methods.

The Animal and Plant Control Commission implemented its Quality Assurance Program to ensure local animal and plant control boards meet all statutory and policy responsibilities for safe handling and use of 1080 poison to ensure its future use.

Communications and Marketing

The Department maintained a high profile throughout the year with its clients and those sections of the community affected by its policies and operations.

A significant presence was maintained at regional field days at Lucindale, Paskeville and Barmera, as well as at the Royal Adelaide Show. These events gave officers the opportunity to engage with a large number of external stakeholders.

As part of the Drought Response Strategy, River Murray irrigators affected by restrictions on the use of licensed water allocations were kept up to date with latest information by a series of printed drought bulletins.

Numerous technical factsheets covering a range of topics were also printed during 2003-04. All factsheets and printed bulletins were also made available on the DWLBC website.

2.3 Resource Management Operations, Licensing and Compliance

Native Vegetation

The remaining provisions of the *Native Vegetation (Miscellaneous) Amendment Act 2002*, passed by Parliament in November 2002, were proclaimed on 25 August 2003. At the same time, the *Native Vegetation Regulations 2003* were brought into operation, replacing the *Native Vegetation Regulations 1991*.

The main features of these amendments to the Act include a formal end to broadacre clearance; clearance approval to be conditional on the achievement of a significant environmental benefit; encouragement for and voluntary protection provisions for revegetation; and a user-pays provision for data collection.

The main features of the amendments to the Regulations included:

- Tightening of the exemptions to avoid misuse;
- Tightening of exemptions for clearance incidental to the erection of buildings or other structures;
- Provision for the Crown to be bound for new works (bringing the Crown in line with the rest of the community);
- Provision for clearance for works of the Crown, mining, highways, electricity supply, and major developments, and dwellings (subject to certain other exemptions) to be conditional on a significant environmental benefit;
- Provision for greater flexibility for reasonable clearance (including clearance for fire safety, grazing, land and biodiversity management); and
- Increased protection of native vegetation to include large dead trees that are habitat for nationally threatened species.

Support for administration of the native vegetation legislation has continued, including provision of advice to the Native Vegetation Council on applications to clear native vegetation; applications for voluntary heritage agreements to protect native vegetation; submissions for management assistance and submissions for funding to support research into aspects of native vegetation management; support the assessment and administration of breaches of the legislation.

Branched Broomrape Program

The Branched Broomrape Eradication Program received continued national funding of almost \$2m each year until June 2006 from the Primary Industries Ministerial Council following positive reviews of progress. State initiatives provide additional resources of close to \$1.8m each year towards eradication and for initiatives including farm management plans and compliance.

The Branched Broomrape Eradication Program undertook major trials to determine the effectiveness and application of pine oil as an alternative to methyl-bromide for eradicating high priority Branched Broomrape infestations.

The Great Artesian Basin Sustainability Initiative

Piping has been delivered for installation to all but one pastoral properties in South Australia to replace open bore drains with piped systems to provide efficient stock water distribution and obtain major Great Artesian Basin water savings. Bore rehabilitation work continued with seven bores rehabilitated or replaced.

During June 2004 three workshops were held on site with Great Artesian Basin pastoralists. These workshops focused on bore rehabilitation and maintenance, installation and management of piping systems, contract drilling services arrangements and provision of technical advice, conduct of a bore audit, and development of options for a pastoralist contributory scheme for future bore maintenance funding.

DWLBC Water Trading Website

The Water Trading website continued to provide potential water traders with valuable water trading market information. Resource managers in other jurisdictions, both interstate and internationally, have found the site particularly useful in gaining an overview of the level and scale of trading activity in South Australia's surface and groundwater resources.

The site summarises the water trading history for all of the prescribed water resources of the State for the last four years, detailing the number of trades, total volumes traded, average volumes for each trade and the type of product traded (Holding or Taking water entitlement) for both permanent and temporary trading markets.

In addition to this historic information, every trade for the current financial year is recorded. This data is updated on a daily basis, providing potential traders with immediate access to current data.

As well as providing water market trading data, the site also provided a service for potential buyers and sellers of water allocations to post advertisements for their respective water requirements detailing location, volume, price and contact information. This is a free service with advertisements remaining 'live' for an eight week period or until a transaction occurs.

Tintinara Coonalpyn Prescribed Wells Area

The initial allocation of water following the prescription of the Tintinara Coonalpyn Prescribed Wells Area was completed. A total of five appeals against the allocations granted were made to the Environment, Resources and Development Court, two of which were later withdrawn. The remaining appeals are yet to be resolved.

Applications were also made for additional water allocations under the water allocation plan, and a number of allocations were granted. These were in management areas where additional water remained to be allocated after the needs of existing users had been met.

All allocations in the area are volumetric and all licensees are required to meter their water use.

South East Confined Aquifer Well Rehabilitation Scheme

The South East Confined Aquifer Well Rehabilitation Scheme continued to successfully implement a program to replace all leaking confined aquifer wells in the Kingston-Robe-Lucindale area of the South East. The scheme pays the full cost of plugging the bores and up to 30% of the cost of a replacement bore. Landholders meet the remaining costs, potentially through a low interest loan.

A total of 120 wells have been recognised as needing replacement and a total of 74 of these have now been abandoned and/or replaced. All of the landholders with leaking bores have now committed to the scheme, which are all due to be plugged and replaced by 2009.

Volumetric Conversion Project

The groundwater resource underlying the South East of South Australia encompasses some of the largest, yet most fragile, groundwater systems in Australia. There are currently 2500 area-based water licences across the Region involving some 6000 irrigation bores, with an allocated equivalent volume in excess of 530 000 megalitres. These licences are spread across an area of 28 000 square kilometres.

The Volumetric Conversion Project is a 4-year, \$2.275 million project aimed at the conversion by 2006 of the area based water licences to licences based on volumetric allocations. The conversion approach that is adopted will recognise the range of variables including crop type, irrigation system, soil type, water quality and climatic zone that impact on the volume of water extracted by the irrigator to meet on-farm irrigation needs.

The Project faces the difficult task of implementing a volumetric conversion process that is fair and equitable to all commodity groups, yet does not compromise the sustainability of the resource. To facilitate the conversion process the Volumetric Conversion Project Team developed and implemented a range of participative data collection and consultative programs that will enable irrigators to understand the concepts behind volumetric allocations and methodologies for conversion, participate in a data collection process that results in the conversion being based on real data that is 'owned' by irrigators, and have the opportunity to be involved in and provide input to the conversion methodology.

Three of the key programs implemented were:

- The Metered Extraction Trials program provided incentive payments towards the purchase and installation of water meters, in return for irrigators supplying irrigation and crop management information to the Project over a three-year period. This program was highly successful, with 160 meters installed to date and the first year's data collected and analysed. Many trial participants are using the data collected to assess irrigation system efficiency and amend their systems.
- The Field Irrigation Systems Trials program involved collecting detailed information on the on-farm water balance from a network of 37 representative irrigated sites. Data collected on a continuous basis using radio telemetry technology included volume pumped, soil moisture and water table fluctuations and weather data. This program aims to quantify the irrigation water balance at each site to provide a scientific basis for conversion methodology and to promote resource sustainability.

- A series of 18 irrigator workshops held at key locations across the region provides every irrigator with the opportunity to hear about and provide input to the conversion process.

Eastern Mount Lofty Ranges Prescription Proposal

In October 2003 the Minister for Environment and Conservation announced his intention to prescribe the water resources in the Eastern Mount Lofty Ranges (EMLR) initiating an extensive consultation process. The Department hosted public meetings and workshops across the region to inform people about the new controls, and to seek their feedback on the proposal to prescribe. More than 1000 people attended public meetings and/or workshops.

The Minister received 124 written submissions about the proposal for prescription. This community feedback will be considered by the Minister in making a decision about prescription of the region's water resources.

The Department conducted detailed assessment of water use across the region. At the commencement of the project 1444 irrigation developments were identified for survey. At 30 June 2004, 320 irrigation developments had been surveyed.

Water Information and Licence Management Application (WILMA)

The software development phase of the Water Information and Licence Management Application (WILMA) was completed in June 2004. An intensive testing phase commenced prior to its planned implementation in 2004-05.

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

When fully implemented, WILMA will incorporate a Public Register, improving the public's ability to obtain information about ownership of water rights.

During the year, structural changes were made to the underlying architecture of WILMA to enable it to be more easily updated in the future to incorporate the administration of other related legislation.

Upper South East Dryland Salinity and Flood Management Program

In June 2003 the Government approved an integrated program of environmental activities and drainage construction works costing \$49.3 million to complete the Upper South East Dryland Salinity and Flood Management Program. The program includes \$38.3 million provided in the National Action Plan for Salinity and Water Quality and \$11 million is to be raised either through a community levy or through community in-kind biodiversity conservation efforts.

A Public Works Committee hearing was held on 22 October 2003, whereby the program's \$20.9 million drainage construction component was considered and subsequently supported by the Committee. The proposal involved the supervision and construction of

the northern catchment drains, the design and construction of the central catchment drains, and the construction of miscellaneous drain lengths and structures throughout the program area.

In March 2004 a tender for the construction of the Northern Catchment Drains was let to Adelaide-based construction company Leed Engineering and Construction. The scale of the Northern Catchment Drainage System includes Bunbury, Taunta Hut and Mt Charles Drains, which extend for 135km and will cost about \$6 million. The drainage works commenced on 5 April 2004 and are scheduled for completion by November 2004.

On 24 June 2004 the Minister for Environment and Conservation gazetted rates applicable for collection of the \$11 million landholder levy and gave notice of the Upper South East Project Levy/Biodiversity Offset Scheme. Under the offset scheme biodiversity assets can be made subject to a management agreement under Section 16 of the Upper South East Dryland Salinity and Flood Management Act 2002 (the Act) and the value of those assets is assessed and used to offset the amount of contribution payable.

Work has commenced on building the administrative framework that will support collection of the \$11 million levy and the biodiversity trading offset process. This framework includes business processes, information technology systems, biodiversity assessment systems, management agreement templates and management plans under the Act. The project is on track to enable distribution of individual levy assessment notices to landholders in August 2004.

As part of the program's communication strategy a quarterly newsletter and several factsheets have been developed and distributed to local landholders. Community forums and field days have been staged in different locations throughout the year including Willalooka, Keith, Lucindale and Kingston. These initiatives have provided updates on the progress of the program and have increased community understanding of the levy/biodiversity offset scheme.

2.4 Management of Infrastructure Assets

State Water Resources Monitoring Network Upgrade

A significant restructuring of the State's surface water monitoring program was achieved in 2003-04. The Department reassigned monitoring activities in accordance with the specific needs of government agencies and Catchment Water Management Boards (CWMB) in the Mount Lofty Ranges and Adelaide metropolitan areas. This restructuring was based on an inter-agency review of water monitoring responsibilities for surface water quantity and quality monitoring.

This restructuring included the Department categorising its monitoring sites into those of primary and secondary responsibility. The Department is funding the sites of primary importance to the State Water Monitoring Network and has confirmed a series of joint venture agreements with other agencies and CWMBs to operate and maintain the secondary sites.

The review process identified the need for a number of new gauging stations, which were constructed either by the Department alone, or in partnership with other agencies with an interest in the stations. The Department also contributed to the upgrade of a number of flood warning sites before they were handed over to the Bureau of Meteorology.

The Department is working with Natural Resources Management committees, CWMBs and other agencies to review the surface water monitoring programs in the Board areas. This will identify monitoring sites to be maintained by the Department and those to be the primary responsibility of the regional boards and other agencies. The review will have a focus on ecological monitoring and improving cost efficiency of monitoring networks.

The Department is also focusing on management of groundwater monitoring well network assets. This program is 40% complete for the Adelaide metropolitan region with secure access in the form of easements successfully negotiated with three landholders. Several other negotiations are still in progress.

A detailed review of groundwater monitoring networks commenced in 2003-04 focusing initially on the Willunga Basin.

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

This system is under the ownership of the Minister for Environment and Conservation with the Department of Water, Land and Biodiversity Conservation being the responsible agency. The system is operated by Boulderstone Hornibrook as part of the contract for the construction of the system.

During 2003-04 investigations were conducted into a flooding incident at Glenelg North in June 2003, and the two elements of the operating system identified as causing the flooding were rectified.

Investigations into the flooding incident found it was caused by:

- 1) The Glenelg Gates did not open to allow the water out to sea because the control system included a condition that prevented the gates from opening when the difference between sea level and the Patawalonga was more than 0.5m, and
- 2) An alarm system failed to alert operators of the high water level.

In 2003-04 the control system condition which prevented the gates from opening when the difference between sea level and the Patawalonga was more than 0.5m was removed. This means gates will automatically open to let floodwater out to sea even if the Lake water levels exceed sea level by more than 0.5m.

In January 2004 the dial-out system to alert operators of high levels in the Patawalonga was upgraded to raise alarms through a mobile phone system rather than a fixed line. The new system is considered to be more robust, and has been used successfully in similar installations elsewhere in Australia.

Since its installation this upgraded dial-out alert system has worked successfully during high water level incidents.

Program 3: Natural Resources Science and Information

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

3.1 Resource Monitoring and Assessment

Pastoral Lease Assessment and Monitoring

The first round of pastoral land condition assessments took 10 years to complete with the last lease being assessed in September 2000. In 2003-04 the Pastoral Board reviewed the scientific methodology used in the first assessment round and is considering techniques and strategies to be deployed in the second round, due to commence in early 2005.

Monitoring of National Parks, Aboriginal Lands and Other Rangeland

The Department monitored pastoral leases and also ran monitoring and assessment programs on National Parks and Reserves, Aboriginal land, defence land and other tenures in the rangelands of the State.

All of the information gathered is held in the Pastoral Land Management Information System on behalf of the various authorities and landholders.

Native Vegetation Compliance

Investigations into unauthorised clearance - and the development of legal proceedings regarding unauthorised clearance - continued in conjunction with the Crown Solicitors Office and the Department for Environment and Heritage.

Following successful convictions, the Native Vegetation Council was supported in the development of civil proceedings (required by the Act) for make-good orders to be sought in the Environment Resources and Development Court.

Possible breaches of the Act were raised by members of the public and in general investigations. In addition, a targeted investigation continued into possible unauthorised clearance in the Upper South East of the state using remote sensing to determine where a change in vegetation had occurred. Some of these changes were as a result of natural events (such as fire), others were in accordance with an exemption under the Regulations, while others were unauthorised.

State Water Monitoring Review

A draft report on a methodology to identify water resources under stress was completed.

Reviews of water monitoring requirements of surface and groundwater quality, quantity and ecosystems for both the Western and Eastern Mount Lofty Ranges catchments were completed and draft reports prepared for consultation with stakeholders.

Proposal for a review of water monitoring in the Northern Yorke and Districts was approved.

Technical Advice for Mining Operations

Technical advice was provided to PIRSA for compliance monitoring and revision of the Environmental and Monitoring Programs of the Beverley in-situ leach uranium mining operations, and the Olympic Dam borefields in the Great Artesian Basin in accordance with the Special Water Licences issued under the Roxby Downs Indenture.

Water Resources Monitoring and Reporting

Monitoring and reporting on the condition of the State's water resources was achieved through groundwater and surface water monitoring and information management programs based at Adelaide, Berri, Glenside, Naracoorte, Netley and Walkley Heights. Much of the Department's water data is available on-line and systems are being piloted to provide more convenient access to written material, maps and images, all in digital form.

The groundwater program has focused on the five prescribed wells areas for Eyre Peninsula, Northern Adelaide Plains, Barossa, Far North and South East regions, providing information on progress toward the objectives of the Water Allocation Plans.

The Department maintains a State groundwater information database to deliver information to stakeholders including the general public. A post-implementation review of the web-based application OBSWELL - that provides updated information on groundwater levels and salinity for all monitoring wells throughout the State - has been completed. Scoping and development is in progress for a new web application to provide access to all digitally available data on groundwater wells.

The State hydrometric network operates throughout South Australia. Relevant information is provided for over 300 sites (including sites operated in partnership with other agencies) in the *Surface Water Archive* on the DWLBC website. A pilot telemetry-to-web program has been implemented for the River Murray Lower Lakes as a foundation project for a broader on-line provision to the public and other agencies of hydrographic data as it is measured.

Regional Surface Water Assessments

An assessment of the water resources of Morambro Creek was completed in partnership with the South East Catchment Water Management Board as major technical input to the water allocation planning process.

Reviews of available information on water resources and associated ecosystems of Kangaroo Island and Willochra catchment in the Southern Flinders Ranges are substantially complete. These projects were conducted in partnership with the Kangaroo Island Natural Resources Board and the Northern and Yorke Interim Natural Resources Committee respectively.

Reviews were also completed of hydrological and ecological assessments required for water supply infrastructure projects associated with the Clare pipeline and Tod desalination plant.

Padthaway Salinity Accession

This project aims to quantify the processes contributing to increases in groundwater salinity in response to salt accession due to irrigation and native vegetation clearance. These processes are threatening the long-term viability of some irrigation developments in parts of the Padthaway Prescribed Wells Area.

Results obtained from this project will assist in establishing the sustainable limit for the groundwater resource in the Padthaway Prescribed Wells Area that will arrest groundwater quality deterioration.

In 2003-04, the installation of instrumentation was completed and monitoring of irrigation and groundwater behaviour commenced. The monitoring will continue over the next two irrigation seasons, with the project due to be completed in 2006.

Land Condition Monitoring Report

The first report entitled *Report on the Condition of Agricultural Land in South Australia* was prepared for printing. The information within this report is part of a process for regularly quantifying changes in land condition in South Australia's agricultural areas. This report will include a section on the monitoring of the condition of the State's rangelands.

The report describes a range of condition indicators for the key degradation issues of water and wind erosion risk, soil acidification, dryland salinity, soil physical condition, soil fertility, revegetation and crop water use efficiency.

The Soils of Southern South Australia

A project proposal and plan was developed for the production of the landmark text *The Soils of Southern South Australia*, which is Volume 1 of the SA Soils Book Series.

This volume will document the 15 soil groups and 61 key soils established for southern SA. The concept of each key soil was developed during the soil landscape-mapping program, and is supported by soil profile descriptions at 28 000 sites and detailed chemical analyses at more than 800 characterisation sites. The morphology and main features of each key soil concept will be described and illustrated using images and diagrams. Fifteen maps will highlight key soil distributions.

The publication will present for the first time a comprehensive documentation of SA soils.

3.2 Resource Management Technology and Innovations

Lake Eyre Basin Agreement – River Assessment Project

The Lake Eyre Basin Agreement requires an assessment of the health of rivers and related catchments to occur on a ten-yearly basis to monitor the condition of the natural resources.

DWLBC is leading South Australia's input into the project, and a draft methodology has been developed. In June the Lake Eyre Basin Ministerial Forum decided to proceed to Stage 2 of the project, which will involve a scientific review of the draft methodology and then the development of an implementation plan. This is a challenging task considering the size, complexity and variability of the Lake Eyre Basin, along with very little scientific data. However, it is essential in order to track changes in the system and to inform natural resources managers.

Environmental Flow Requirements for Australian Arid Zone Rivers Project (ARIDFLO)

The scientific components of the ARIDFLO project were concluded during 2003-04, including the completion of data analysis and a rigorous peer review process. A final scientific report was completed.

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

ARIDFLO is a multi-disciplinary research project on selected rivers in the Lake Eyre Basin. The project is managed by DWLBC in collaboration with the Queensland EPA/Parks and Wildlife Service and the Queensland Department of Natural Resources (Mines & Energy). Adelaide University has the lead role in providing the scientific services from several research institutions, including the University of Melbourne and CSIRO. The project is funded by the Natural Heritage Trust.

SA Dryland Salinity Committee

The Soil Conservation Council established the South Australian Dryland Salinity Committee (SADSC) to oversee the implementation of the South Australian Dryland Salinity Strategy.

DWLBC supported the SADSC in convening a public salinity forum '*Tools for Salinity Management - Enhancing the community's capacity to manage salinity*' in June 2004. The forum provided tools and information to obtain better outcomes for salinity management at local and regional levels. The forum attracted 120 participants from across the State and provided a detailed examination of some specific tools and models for salinity management in SA.

The forum also celebrated 10 years of achievement in salinity research by the National Dryland Salinity Program (NDSP) and marked the official completion of this highly successful program.

Delivering Improved Water Use Efficiency Across the Murray-Darling Basin

The three-year Murray Darling Basin Commission funded project 'Delivering Improved Water Use Efficiency Across the Murray-Darling Basin' was completed in 2003-04.

The tri-state project was managed by DWLBC and carried out in collaboration with Primary Industries SA, Department for Environment and Heritage, River Murray Catchment Water Management Board, Central Irrigation Trust (Riverland), Victorian Sunraysia Rural Water Authority and NSW Western Murray Irrigation Ltd.

The project developed a series of tools to be used by irrigators in the Riverland/Sunraysia region to better monitor and improve their irrigation performance.

A further driver for the project was the need for water management agencies to report on salinity and water management targets, by obtaining management information from irrigators. Industry processor groups (eg the citrus industry) are also interested in the data.

The tools were also used effectively by key irrigators to provide essential data required to meet their annual reporting obligations under the Water Allocation Plan for the Riverland.

'FloraSearch' and 'Field Trial of Woody Germplasm'

FloraSearch and the *Field Trial of Woody Germplasm* are projects of the Cooperative Research Centre examining plant-based management of dryland salinity.

The projects focus on the selection and evaluation of woody perennial species suited to the commercial development of broad scale woody crops in the dryland wheat-sheep zone of south-eastern Australia. *FloraSearch* focuses on agroforestry design concepts that will lead to commercially viable industries that also meet natural resources management goals.

The *FloraSearch* project has recently completed a major report with three major components:

- An investigation of potential products for the study area.
- Species sampling and evaluation.
- Regional analysis of industry potential.

The *Field Trial of Woody Germplasm* project identified three trial sites in SA (Murray Bridge, Roseworthy and Lucindale) where replicated plots of prospective species will be established to determine productivity and provide data on site suitability. These sites are part of a network of sites across southern Australia, with planting to commence in 2004-05.

Mount Lofty Ranges Water Resources Program

The Department conducted a major water resources assessment program for the Mount Lofty Ranges over the past four years. The program included surface water and groundwater assessment projects and a major upgrade of the water resources monitoring network.

A significant focus was put on the catchments of the Mount Lofty Ranges Watershed, which supplies the greater Adelaide region. In previous years a major model study to evaluate the current and future impacts of farm dams, water supply infrastructure operation and water ecosystem requirements was completed for the Onkaparinga catchment. Similar model studies for the River Torrens and Finniss River were completed. The South Para River study was well advanced, and the Myponga River study commenced.

These model studies will provide a scientific basis for establishing future management measures. They have involved partnerships with relevant catchment water management boards and SA Water.

The Marne River and Saunders Creek catchments have been subject to interim regulation under the Water Resources Act 1997 following model studies of water resources, farm dam development and impacts on water dependent ecosystems. In the context of this and concerns over the level of development in other eastern Mount Lofty streams to the south, the area of interim development control was extended. A collaborative program with the River Murray Catchment Water Management Board to assess these streams using hydrological models is in progress. Various initial studies and a model study of the Tookayerta catchment have been completed.

Groundwater is also an important component of Mount Lofty Ranges water resources, for water supply and for maintaining stream baseflow for ecosystems. The Department is investigating issues of groundwater sustainability, farm dam leakage and groundwater surface interactions.

Salt Interception Schemes Groundwater Investigations

The Department has undertaken technical investigations to evaluate saline groundwater inflow to the River Murray in the Loxton/Bookpurnong, Pike/Murtho and Chowilla areas, and options for weir pool lowering.

The aim of these studies is to improve the understanding of salt inflow mechanisms, to develop options for salt interception schemes, and to improve flood plain health in the case of weir pool lowering.

Progress during 2003-04:

- The Loxton groundwater model was completed and a concept design for a salt interception scheme delivered.
- Investigations in the Chowilla area continued with the establishment of additional monitoring and field-testing.
- Investigations for salt interception in the Pike-Murtho area commenced.
- Stage 1 of the Weir Pool Lowering study was completed. The study identified two reaches for follow-up trials.

Identifying Water Dependent Ecosystems from the Air

Aerial videography of significant streams in the Mount Lofty Ranges, Flinders Ranges and on Kangaroo Island has enabled the mapping of baseline information on water dependent ecosystems, their health and potential risks. The project methodology was developed in private sector collaboration from technologies applied to monitoring bushfires.

In combination with other data in GIS format, the resultant datasets will enable areas of greatest ecological value and highest degradation risk to be identified so future natural resources management efforts can be targeted most effectively.

Upper South East Hydrological Model

Work commenced on developing a hydrological model of the Upper South East drainage system and the surface water catchments that contribute to it.

The model will simulate the flows and salinity of water derived from surface water runoff and groundwater drainage. This will provide quantitative input to the evaluation of options to drain productive land, sustain and enhance wetlands and other affected ecosystems, and comply with various policies and agreements.

Biodiversity Mapping Frameworks and Tools

The South Australian Biodiversity Assessment Tool was developed for use in the Upper SE Biodiversity Trading initiative. The tools are required to put a value on biodiversity so that trading of biodiversity a levy for drainage can occur.

The methodologies, mapping frameworks and tools were developed using DWLBC skills in GIS, biodiversity and land management, in collaboration with non-government organisation biodiversity assessment expertise.

The methodologies and tools ensure consistent and accurate information is collected on the biodiversity resources of the south east of SA.

Appendices Index

a. Human Resources	57
i) Disability Action Plans	57
ii) Employment Issues	60
iii) Sick Leave	61
iv) Workforce Age Profile	61
v) Workforce Diversity	61
vi) Voluntary Flexible Working Arrangements	62
vii) Employee Training and Development	63
viii) Equal Employment Opportunity Programs	64
b. Energy Efficiency Action Plan	65
c. Occupational Health, Safety and Injury Management	66
d. Consultancy	70
e. Fraud Statement	71
f. Overseas Travel	72
g. Contractual Information	73
h. Boards and Committees	74
i. Accounts Payable Performance	76
j. Freedom of Information	77
k. Auditor General – Audit Report	80
l. Financial Performance	82
m. Abbreviations and Acronyms	111

Human Resources

Disability Action Plans

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

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

Most worksites have wheelchair access and workstations are modified as required to accommodate individual employee needs. DWLBC, in conjunction with the Department for Administrative and Information Services (DAIS), is taking disability access issues into account when there are any new or upgraded fit outs of work areas.

The DWLBC Disability Action Steering Committee, which was established in 2003-04, intends to work closely with Disability Access Advisers in DAIS in the latter half of 2004 to determine the best approach to auditing DWLBC's worksites as the basis for preparing a plan to ensure appropriate access for people with disabilities.

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

Several staff within DWLBC have been trained in sign language. In addition, the Department has developed a new website, which is of a Grade A standard under the Bobby approval system, consistent with Government requirements. The site includes such functionality as:

- Alternate Text Tags (ALT Tags) to support text based browser, and browser readers
- Text for navigation items
- Easy to follow and consistent site layout
- Scaleable text
- Contrast between the text and the background
- Print-friendly pages

The new website will be launched in early 2004-05.

A valuable communication tool for the Department is information displays at public events, particularly in regional and remote areas. These displays are provided only on ground level sites and are staffed by personnel to ensure requests for access to information are accommodated.

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

During 2003-04, the Department's Discrimination, Bullying and Harassment Policy and Guidelines were developed and 12 contact officers appointed within the agency following appropriate training.

A systematic analysis of training needs in relation to disability awareness will be undertaken in 2004-05. The DWLBC Disability Action Steering Committee has already discussed training priorities with the aid of the Disability Awareness and Discrimination Training Framework and initial advice from the Executive Officer, Promoting Independence Reference Group.

Using the results of the needs analysis, DWLBC's disability awareness and training program will be developed in 2004-05 in consultation with people skilled in this area, including people with disabilities. The program will be consistent with the Disability Awareness and Discrimination Training Framework. DWLBC will benefit from any best practice programs already developed and implemented by other agencies.

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

DWLBC sought advice from the Executive Officer of the Promoting Independence Reference Group prior to the establishment of DWLBC's Disability Action Steering Committee. The Executive Officer also addressed the Steering Committee at its inaugural meeting. This advice was invaluable as it highlighted the need for the Steering Committee to be broad in its representation and for it to be trained as a matter of priority followed by training of other key individuals and groups within the agency.

Representation of people with disabilities on advisory bodies and committees will be established as part of the systematic audit of services and programs during 2004-05. In 2003-04, DWLBC established a Customer Service Committee, which has prepared a draft Customer Service Charter and has also considered training needs in the agency. DWLBC's Disability Action Steering Committee will work with the Customer Service Committee to:

- Assess participation rates of people with disabilities in the agency's services and programs; and
- Review the draft Customer Service Charter and training framework and strengthen these where necessary from the perspective of the rights of customers with disabilities.

DWLBC has established processes for addressing complaints. The Department has Grievance Resolution procedures. In addition, the Discrimination, Bullying and Harassment Policy articulates the Department's commitment to promoting a work environment where everyone is treated with respect, fairness, equality and dignity. All employees and customers of DWLBC have the right to an environment free from discrimination, bullying and harassment and an obligation to prevent discrimination, bullying and harassment in the workplace. The accompanying guidelines indicate how complaints are to be resolved. Both the policy and guidelines have been distributed to all staff and are located on the Department's Intranet. Twelve trained contact officers support implementation of the policy and guidelines.

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

DWLBC established its Disability Action Steering Committee in 2003-04. The Steering Committee consists of 10 enthusiastic and committed members, with representatives from each of the Department's seven divisions (including a regional office representative) and three additional members with particular skills and expertise in training and development, facilities management and communications and marketing. The Steering Committee is chaired by a senior officer and will report to the Chief Executive and the Department's Executive on a regular basis.

The DWLBC Disability Action Steering Committee is preparing its work program for 2004-05. Two priorities already identified are staff training and systematic audits of the Department's staff, customers, worksites, policies and services/ programs as a basis for planning appropriate changes to ensure inclusiveness with respect to people with disabilities. An initial budget of \$50 000 has been allocated for disability action within the agency for 2004-05.

A draft DWLBC Disability Action Plan for the agency has been prepared and will be reviewed by the Steering Committee in 2004-05. Training of the DWLBC Disability Action Steering Committee has commenced as a matter of priority.

DWLBC has an integrated planning and reporting framework. At the top of the planning hierarchy is the State Strategic Plan, followed by DWLBC's Corporate Plan, which in turn is underpinned by a number of strategic support plans. The draft Disability Action Plan is one of the strategic support plans. Each plan provides guidance to each division's business plan, which in turn guides projects and activities and each staff member's individual action plan. Reporting processes provide important feedback on progress and issues that should be taken into account in future plan preparation/revisions.

The DWLBC Corporate Plan recognises 'valuing individual differences and diversity' as a core value. The DWLBC Disability Action Plan will identify measures required to achieve this value in the agency. Each division's business plan needs to be consistent with the Corporate Plan and strategic support plans. As a result, divisional business plans will include appropriate actions to ensure inclusiveness with respect to people with disabilities.

Employment Issues

Persons	479
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FTEs	455.18
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Gender	% Persons	% FTEs
Female	40	38.97
Male	60	61.03

Number of persons separated from the agency during the 03-04 financial year	72
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Number of persons recruited to the agency during the 03-04 financial year	107
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Number of persons on Leave Without Pay at 30 June 2004	12
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Number of employees by salary bracket			
Salary bracket	Male	Female	Total
\$0-\$38 000	52	67	119
\$38 001-\$49 000	74	68	142
\$49 001-\$64 000	102	44	146
\$64 001-\$83 000	47	14	61
\$83 001+	11	0	11
TOTAL	286	193	479

Status of Employees in Current Position					
	FTEs				
	Ongoing	Short-Term Contract	Long-Term Contract	Casual	Total
Female	110.78	27.2	33.3	6.11	177.39
Male	199.1	22	44	12.69	277.79
TOTAL	309.88	49.2	77.3	18.8	455.18
	Persons				
	Ongoing	Short-Term Contract	Long-Term Contract	Casual	Total
Female	118	27.6	36	10.59	192.19
Male	200	21	44	16.02	281.02
TOTAL	318	48.6	80	26.61	473.21

Number of Executives by Status in Current Position, Gender and Classification									
Classification	Ongoing		Contract Tenured		Contract Untenured		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Total
EXEC0A	0	0	5	0	0	0	5	0	5
EXEC0B	0	0	5	0	0	0	5	0	5
EXEC0C	0	0	3	0	0	0	3	0	3
EXE0E	0	0	0	0	1	0	1	0	1

Average Days Leave Taken Per Full Time Equivalent Employee	
Leave Type	2003-2004
Sick Leave Taken	5.07 days
Family Carer's Leave Taken	0.47 days
Special Leave With Pay	0.46 days

Number of Employees By Age Bracket By Gender				
Age Bracket	Female	Male	Total	% of Total
15-19	2	0	2	0.41
20-24	21	14	35	7.4
25-29	46	24	70	14.61
30-34	31	28	59	12.31
35-39	15	31	46	9.6
40-44	27	36	63	13.18
45-49	27	62	89	18.6
50-54	11	48	59	12.32
55-59	12	33	45	9.3
60-64	1	8	9	1.9
65+	0	2	2	0.41
TOTAL	193	286	479	100.0

* As at March 2004 from ABS Supertable LM8

Number of Employees and/or Torres Strait Islander Employees				
	Male	Female	Total	% of Agency
Aboriginal/Torres Strait Islander	0	0	0	0

Cultural and Linguistic Diversity				
	Male	Female	Total	% of Agency
Number of employees born overseas	20	16	36	8.43
Number of employees who speak language(s) other than English at home	0	0	0	0

Number of Employees With Ongoing Disabilities Requiring Workplace Adaptation			
	Male	Female	Total
TOTAL	6	2	8

Number of Employees Using Voluntary Flexible Working Arrangements By Gender			
	Male	Female	Total
Purchased Leave	0	2	2
Flexitime	218	151	369
Compressed Weeks	0	0	0
Part-time Job Share	1	2	3
Working from Home	10	7	17

Documented Individual Performance Development Plan			
Salary Bracket	% With a Plan Negotiated Within the Past 12 Months	% With a Plan Older Than 12 Months	% Without a Plan
\$0-\$38 000	27.8	0	72.2
\$38 001-\$49 000	40	0	60
\$49 001-\$64 000	35.6	0	64.4
\$64 001-\$83 000	78.7	0	21.3
\$83 001+	37.5	0	62.5

*****Note the Department has recruited approximately 28 new staff in the last 5 months, and these employees have not yet reached the performance review stage.***

Total Training Expenditure By Salary Bands	
Salary Bracket	Actual 03-04
\$0-\$38 000	N/A
\$38 001-\$49 000	N/A
\$49 001-\$64 000	N/A
\$64 001-\$83 000	N/A
\$83 001+	N/A

Employee Training and Development

As a relatively new agency, DWLBC made significant progress with its approach to human resources development. Managed performance was identified as a key priority in the 2003 Human Resources Work Plan, and a structured Performance Development Program was implemented across the agency. As part of this initiative, accredited training modeled against the 'Facilitate People Management' Unit from the Public Services Training Package was provided to 68 supervisors and managers. In addition, short information sessions were provided for 240 employees at various locations including the City, Waite, Berri and Mount Gambier offices. The sessions were aimed at giving staff an overview of the Department's performance development systems and how they could get the most out of this process.

The table above indicates the percentage of individual development plans developed in 2003-04.

DWLBC will continue to work towards ensuring performance development becomes an integral part of how it carries out its business. Additional performance development training is planned to ensure that each employee will have a documented performance development plan. Mechanisms to report on human resources development for the agency are currently under review.

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

- Certificate IV in Assessment and Workplace Training
- Certificate IV in Government
- Certificate IV in Frontline Management
- Certificate II Business Office
- Manage Employee Relations, Strategies and Plans (Advance Diploma of Government)
- Formulate a Strategic Human Resource Plan (Advance Diploma of Government)

Bullying and Harassment training was provided to 15 people, with 12 being appointed as Contact Officers to support implementation of the Department's Discrimination, Bullying and Harassment Policy.

In 2003 a training needs analysis was carried out with the aim that a planned approach to learning and development would continue for 2004-05. It is anticipated that learning strategies will be based on accredited training, wherever possible.

The table below represents the percentage of training expenditure relative to total employee remuneration costs.

Training Expenditure Relative to Total Remuneration Costs				
	Annual Salary Budget (\$)	Budget (\$)	Actual (\$)	Training as a % of annual salary
TOTAL	25 960 218.18	538 500	444 721.76	1.76%

The leadership and management training expenditure is not available for this financial year.

Equal Employment Opportunity Programs

DWLBC participated in the following whole of government Equal Employment Opportunity programs during 2003-04:

1. SA Government Youth Traineeships

Three youth trainees were employed in DWLBC in 2003-04, one an administrative trainee and two others with an interest in natural resources.

2. SA Public Sector Aboriginal Recruitment and Development Strategy

DWLBC had an active program of supporting Indigenous organisations across the State through capacity building. Through the National Strategy Reconciliation Program DWLBC facilitated the development of Aboriginal organisations. Funding was obtained through the Natural Heritage Trust to support the employment of Indigenous people around the State. In addition, substantial Commonwealth funding was sourced by this agency to support various natural resources management programs including a number for Indigenous people.

DWLBC will continue to explore how the SA Public Sector Aboriginal Recruitment and Development Strategy can be supported and integrated into the Department's planning and operations over the next financial year.

3. Strategy for Employment of People with Disabilities

In 2003-04, DWLBC established its Disability Action Steering Committee to oversee the completion, implementation and review of the DWLBC Disability Action Plan. In addition to staff training, a priority for 2004-05 is systematic audits of the Department's staff, customers, worksites, policies and services to ensure inclusiveness with respect to people with disabilities.

Aboriginal Reconciliation Statement

As part of the South Australian Government's recognition of the interests of Aboriginal people through the Reconciliation process, it has become appropriate to acknowledge the profound connection to land by Aboriginal people and communities across the State. This has taken the form of what is referred to as the "Welcome to Country Protocol". The Welcome to Country Protocol is a written or spoken expression of acknowledgment of Aboriginal people's connection with the land.

Regional Impact Assessment Statements

No Regional Impact Statements were completed by the Department during 2003-2004.

Appendix B – Energy Efficiency Action Plan

Energy Efficiency Action Plan

With respect to the reporting requirements of the Energy Efficiency Reference Group as approved by Cabinet in November 2001, there has not been any organisational change that would necessitate a change to the baseline data derived from 2001-02 information. DWLBC did not exist in 2000-01.

Year	Energy Use (GJ)	Expenditure (\$)	GHG Emissions (tonnes)
2000-2001 (base line)	3280	103 000	1011
2002-2003	2871	130 000	884
2003-2004	3176	139 000	978
Portfolio Target (2003-2004)	3172	NA	993
Portfolio Target (2010) 15% of base line	2788	NA	859

A major initiative of DWLBC was the completion of a Strategic Facility Plan. This identifies consolidation opportunities, which will result in energy savings by better space utilisation and adoption of the latest Ecologically Sustainable Development principles for both new and refurbished accommodation.

It should be noted that DWLBC has a major group (91 workstations) situated at the Waite Campus, the data for which is included in CSIRO figures.

CSIRO has initiated and arranged a new contract for the supply of electricity to DWLBC's Waite site and other CSIRO sites in South Australia. The two-year contract commenced on 1 July 2004.

On present usage patterns, the total saving for the CSIRO site at Urrbrae is 18% or \$60 000 per annum. As a co location partner on the Urrbrae site, these savings will be reflected in DWLBC's share of the site costs.

An Environment and Conservation Portfolio Task Force was set up in July 2002, and had several meetings and developed a draft Energy Efficiency Plan with a range of action items. Although this Task Force has now been disbanded, DWLBC has implemented some of the items such as better fleet management and staff awareness regarding more efficient energy utilisation. Although annual figures are not yet available, DWLBC's efforts to reduce consumption during the energy crises in March and April 2004 were successful as per reports for that period supplied by AGL to Energy SA.

The agency is continuing to explore measures to meet the Government's target of reducing energy usage by 15 per cent by 2010 and is in the process of setting up a Green Team with particular emphasis on energy consumption.

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

Management Program Summary

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

- Consultation
- Hazard Management
- Injury Management
- Emergency Preparedness
- Procurement
- Training
- Monitoring & Reporting
- Evaluation, planning and continuous improvement

New Policy

Two of these policy areas, Emergency Preparedness and Injury Management, were documented and implemented this year. The first five policy areas of the management system are now operational.

A range of standards, procedures, forms and guidance notes support each policy area. They provide detailed advice and direction on how the policy areas are expected to operate. They will also provide the basis for the system's review by internal, planned and regular audits.

Special Programs

Workshops were held with various work groups to conduct Workplace Risk Assessment and Control programs for a number of high-risk activities. Key programs were in the following areas:

- Fieldwork activities
- Water licensing work
- Catchment Water Management Board operations
- Pest eradication program
- Hydrometric services activities

These programs should be completed in the 2004-05 financial year. Their purpose is to systematically minimise risk for these work activities.

Health Promotion Program

The Health Promotion OHSW sub-committee promoted a number of health activities, including:

- Influenza vaccination program
- Healthy lifestyle week

- Health screenings
- Sponsored support for physical activity programs

The health screenings identified issues for some individuals that they were unaware of prior to the examination reports. The results suggested a number of developmental areas for the sub-committee to address in the next year's program. A fitness program, *10 000 Steps*, will be one of the early initiatives.

Government Initiatives

The Government has established a range of safety performance targets across the Public Sector for the next two years. Cabinet has approved DWLBC targets. DWLBC's major strategy will be to ensure:

- All hazards have been systematically identified;
- Risk assessments have been recorded;
- Controls have been identified and implemented;
- Hazard Registers for all identified risks have been documented; and
- Standards for identified high risks from the registers have been implemented.

This will be a two year staged program.

2004-05 Program

Besides the above government initiatives program, the remaining three policies of the OHSW Management System are to be developed and implemented. They are:

- OHSW Training
- Reporting and monitoring
- Evaluation and continuous improvement

Injured Employees

There were three fewer injury claims recorded this year; however, there were more serious injuries requiring time off work. The amount of time off work on average was lower than in previous years. This was due in part to the improved early provision of treatment and/or rehabilitation services through the monitoring activities of the Injury Management Team.

The majority of lost time for the year was attributable to long standing claims from previous years (585 from a total of 786 days lost). In comparison, of the 10 lost time claims experienced in 2003-04, all employees have been returned to their workplaces and their substantive duties. The remaining long term injured are being assisted back to permanent roles, which match their skills and abilities accommodating their permanent limitations.

Manual handling risk assessments and control programs for higher risk activities will be a key strategy in the next 12 months since two of the major causes of injuries were 'sprains and strains' and 'lifting related activities'.

Removing these risks from the work environment will demonstrate best practice OHSW management. Recently this approach was applied successfully at a monitoring station in the Murraylands. The new manager assessed the station and a number of hazards were eliminated from the process simply by relocating the observation and monitoring station to a safer point. This best practice is to be targeted as standard practice in future programs.

Occupational Health, Safety and Injury Management Reporting

		2003-04	2002-03	2001-02
1	OHS legislative requirements			
	Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	1	1	0
	Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	0	0	0
	Number of notices served pursuant to OHS&W Act s35, s39 and s40.	0	0	0
2	Injury Management legislative requirements			
	Total number of employees who participated in the rehabilitation program	10	9	2
	Total number of employees rehabilitated and reassigned to alternative duties	5	4	0
	Total number of employees rehabilitated back to their original work	5	5	2
3	WorkCover Action Limits			
	Number of open claims as at 30 June	16	16	4
	Percentage of workers compensation expenditure over gross remuneration.	0.87%	0.68%	0.53%
4	Number of injuries			
	Number of new workers compensation claims in the financial year	17	20	8
	Number of fatalities, lost time injuries, medical treatment only.			
	(F)	0	0	0
	(LTI)	10	8	2
	(MTI)	7	12	6
	Total number of whole working days lost	786	449	43
5	Cost of workers compensation			
	Cost of new claims for financial year	\$97 901	\$218 806	\$13 362
	Cost of all claims excluding lump sum payments	\$223 200	\$245 210	\$75 436
	Amount paid for lump sum payments			
	s42	\$12 500	\$82 334	\$9200
	s43	\$9240	\$47 724	
	s44	0	0	0
	Total amount recovered from external sources s54	0	0	0
	Budget allocation for workers compensation	\$244 940	\$375 268	\$84 637
6	Trends			
	Injury frequency rate for new lost time injury/disease for each million hours worked	12.9	9.7	4.43
	Most frequent cause (mechanism) of injury	Sprains and Strains	Sprains and strains	Falls
	Most expensive cause (mechanism) of injury	Falls, trips and slips	Sprains and strains	Falls from height

7	Meeting the organisation's strategic targets	2003-04	2002-03	2001-02
	Compensable injury frequency rate for all new lost time and medically treated injuries for each million hours worked.	21.9	24.0	16.9
	Average Days Lost for each new Lost time Injury	19.8	47.1	21.5
	Total new claims as a percentage of FTE	3.6%	5%	3.2%
	Prevention key performance indicators			
	Percentage of investigation reports signed off by the Health & Safety Representative – involvement	64%	36%	N/A
	% Attendance of management representatives at OHS&W committee meetings -commitment	65%	62.5%	N/A
	% Attendance of health and safety representatives at OHS&W committee meetings-commitment	56%	65.6%	N/A
*	Average time taken for Incident Reports to be received by management after the event.	63 hours	N/A	N/A
*	Average time taken for Investigation Reports to be signed off by all relevant parties from time of receipt of the report by the supervisor.	64 hours	N/A	N/A
	Injury Management Targets			
*	% of claims determined within 10 working days of claim (target >75%)	31%	50%	N/A
*	% of new claims still to be determined after 3 months (target<5%)	8%	42%	N/A
*	% of injured employees returned to work within 5 working days for all new Lost Time Injuries (target >75%)	60%	25%	N/A
*	% of injured employees still off work after 3 months for all new Lost Time Injuries (target<5%)	8%	40%	N/A

NB: * New Performance Indicators from 2003-04.

Appendix D - Consultancy

Consultancy

Consultant	Purpose of Consultancy	No	Total \$
Consultants Below \$10,000			
Various	Various Consultancies	25	93,974.12
Sub-total		25	93,974.12
Consultants between \$50,000 and \$10,001			
Clear Connection	Provide a communications service & develop a communications strategy		10,000.00
SARDI	A landscape approach to determine the ecological value of scattered trees		10,300.00
Econ Search Pty Ltd	Economic evaluation of the Branched Broomrape eradication program and its benefit to Australian Agriculture		11,940.91
Kym Kelly	Strategic Stormwater initiatives		14,550.00
Marsden Jacob Associates	Land and Water Management Planning		14,726.25
Econ Search Pty Ltd	Adoption of new management practices through Conservation Insurance		20,000.00
CSIRO	Broomrape Statistical report		23,800.00
Suzanne Capell and Associates	Strategic Planning		24,204.30
SA Water	Lower Murray Irrigation Rehabilitation		25,623.84
Land and Water Australia	NRM Coordination		30,000.00
Sinclair Knight Mertz Total	Regional Disposal Strategy, salt interception requirements for the Riverland		32,092.40
CSIRO	"Blue gums and water in the greater green triangle" report		35,360.00
Earth Tech Engineers	Regional Implementation of NHT Projects		38,600.00
Sub-total		13	291,197.70
Consultants above \$50,000			
GHD Pty Ltd	Barcoo Outlet		54,392.85
Marsden Jacob Associates	River Murray Costing Study		65,068.89
Sub-total		2	119,461.74
Total			504,633.56

Fraud Statement

During the financial year 2003-04 no known instances of fraud were detected within the agency. Risk management and audit requirements are in place to minimise the opportunities for this to occur.

Appendix F – Overseas Travel

Overseas Travel

Destination	Number of Employees	Reasons for Travel	Total Cost to Agency
New Zealand	1	Third International Wildlife Management Congress	\$1 745.68
Vietnam	1	Examine Resource Management Programs	\$12 297.41
New York, USA	1	United Nations Commission on Sustainable Development	\$15 431.19
Total:	3		\$29 474.28

Contractual Information

During 2003-04 DWLBC entered into one contract where the total value of the contract exceeded \$4 million.

The contract with Leed Engineering & Construction Pty Ltd is for the construction of the Northern Catchment Drainage Works of the Upper South East Dryland Salinity and Flood Management Plan. The key agency objectives in contracting out the function are to construct approximately 135km of open earthen drain, together with road and other crossings, fencing and other works.

Duration: From 2 April 2004 to 19 October 2004

Asset transfer: N/A

Contingent: \$5 609 909.80

Appendix H – Boards and Committees

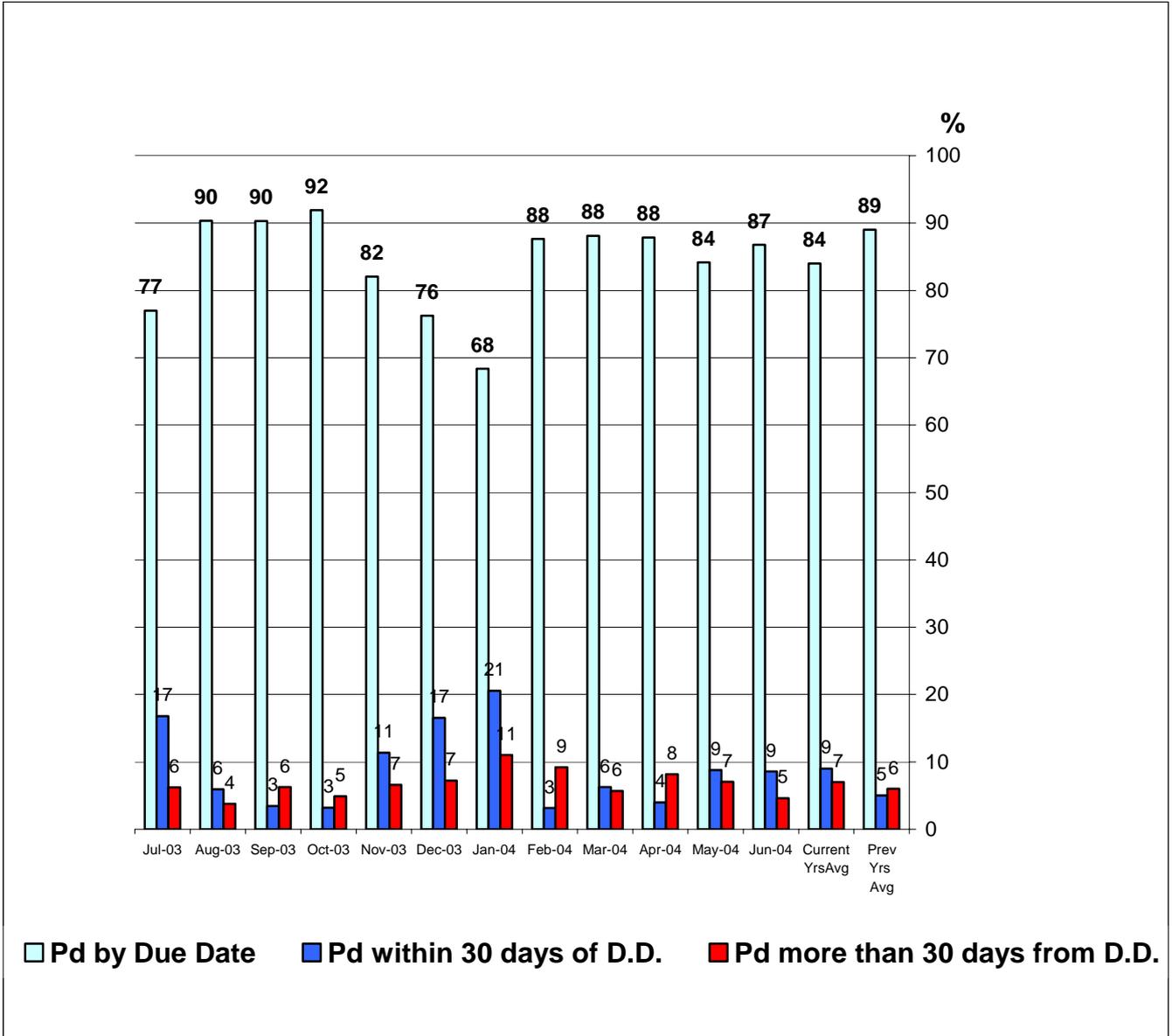
Boards and Committees

Adelaide Plains Animal & Plant Control Board
Animal and Plant Control Commission
Arid Areas CWMB
Barossa Ranges Animal & Plant Control Board
Border Groundwater Review Committee
Branched Broomrape Community Focus Group
Catchment Management Subsidy Scheme Advisory Committee
Central Dog Fence Board
Central Eyre Peninsula Soil Conservation Board
Central Flinders Ranges Soil Conservation Board
Central Hills Soil Conservation Board
Centre for Natural Resources Management Investment Advisory Board
Clare Valley Water Resources Planning Committee
Combined Government Irrigation Advisory Board
Coorong Animal & Plant Control Board
Coorong District Soil Conservation Board
Deer Advisory Committee
Dog Fence Board
Eastern District Soil Conservation Board
Eastern Eyre Animal & Plant Control Board
Eastern Eyre Peninsula Soil Conservation Board
Eight Mile Creek Water Conservation & Drainage Advisory Committee
Elliston Le Hunte Animal & Plant Control Board
Environment Management Advisory Group
Exotic Animals Advisory Committee
Exotic Bird Advisory Committee
Eyre Peninsula CWMB
Far West Coast Soil Conservation Board
Fleurieu Animal & Plant Control Board
Fowlers Bay Dog Fence Board
Frome Dog Fence Board
Gawler Ranges Soil Conservation Board
Goyder Animal & Plant Control Board
Grant Animal & Plant Control Board
Hummocks Soil Conservation Board
Kangaroo Island Animal & Plant Control Board
Kangaroo Island Soil Conservation Board
Kingoonya Soil Conservation Board
Lacepede Tatiara Robe Animal & Plant Control Board
Lacapede/Tatiara Soil Conservation Board
Lower Eyre Peninsula Soil Conservation Board
Lower Flinders Animal & Plant Control Board
Lower North Animal & Plant Control Board
Lower North Soil Conservation Board
Lower South East Soil Conservation Board
Loxton Waikerie Animal & Plant Control Board
Lucindale Naracoorte Animal & Plant Control Board
Marla-Oodnadatta Soil Conservation Board
Marree Local Dog Fence Board

Marree Soil Conservation Board
Mid Murray Animal & Plant Control Board
Millicent Water Conservation & Drainage Advisory Committee
Ministerial Advisory Committee on Branched Broomrape
Mount Lofty Ranges Animal & Plant Control Board
Mount Lofty Ranges & Greater Interim NRM-Indigenous Communities Focus Group
Mount Lofty Ranges Catchment Program -Board of Management
Mount Lofty Ranges Interim Integrated Natural Resources Management Group
Mount Remarkable Soil Conservation Board
Murray Bridge Animal & Plant Control Board
Murray Lands Animal & Plant Control Board
Murray Mallee Soil Conservation Board
Murray Plains Soil Conservation Board
Murray-Darling Basin Commission
Native Vegetation Council
Natural Resources Management Council
North East Pastoral Soil Conservation Board
Northern Adelaide and Barossa CWMB
Northern Animal & Plant Control Board
Northern Flinders Soil Conservation Board
Northern Hills Soil Conservation Board
Northern Yorke Peninsula Animal & Plant Control Board
Onkaparinga CWMB
Pastoral Board
Patawalonga CWMB
Penong Local Dog Fence Board
Pureba Local Dog Fence Board
Riverland Animal & Plant Control Board
River Murray CWMB
Salisbury Animal & Plant Control Board
Soil Conservation Appeal Tribunal
Soil Conservation Council
SA Community Advisory Committee of the Murray-Darling Basin Ministerial Council
SA Dryland Salinity Committee
SA Landcare Committee
South East CWMB
South Eastern Water Conservation & Drainage Board
Southern Eyre Animal & Plant Control Board
Southern Hills Soil Conservation Board
Southern Mallee Animal & Plant Control Board
Tea Tree Gully Animal & Plant Control Board
Torrens CWMB
Upper North Animal & Plant Control Board
Upper South East Program Board
Upper South East Water Conservation & Drainage Advisory Committee
Water Proofing Adelaide Strategy Advisory Committee
Water Resources Council
Water Well Drilling Committee
Wattle Range Animal & Plant Control Board
West Broughton Soil Conservation Board
Western Animal & Plant Control Board
Western Eyre Peninsula Soil Conservation Board
Yorke Peninsula Animal & Plant Control Board
Yorke Peninsula Soil Conservation Board

Appendix I – Account Payment Performance

Account Payment Performance



Freedom of Information

Information Statement

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

Freedom of Information

The Freedom of Information Act gives all South Australians a legally enforceable right of access to documents held by the Government, making the business of government open and accountable to all.

Under freedom of information, there are provisions to allow South Australians to apply to have documents relating to themselves corrected if they are incomplete, incorrect, misleading or out of date.

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

Agency's Structure and Functions

The Department of Water, Land and Biodiversity Conservation consists of three Directorates which encompass seven Divisions, the role and functions of which are described elsewhere in this Annual Report.

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

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

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

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

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

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

Documents Held by the Agency

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

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

Documents Available for Purchase from the Agency

The following document is available for purchase from the Strategic Communications and Marketing Group, telephone (08) 8463 7935:

- State Water Plan

Documents Available from the Agency Free of Charge

The following documents are made available free of charge from the agency by contacting the Communications and Marketing Unit, phone (08) 8463 7935 or from the agency's Internet site (<http://www.dwlbc.sa.gov.au/>):

- Annual reports
- Information bulletins
- Factsheets and brochures
- Reports
- Water allocation plans
- Integrated natural resources management plans
- Lower Murray Reclaimed Irrigation Areas guidelines and information
- Selected technical reports

Accessing Agency Documents

Application forms and details on freedom of information processes in South Australia can be obtained from the DWLBC Freedom of Information Officer (at the address listed below) or State Records via phone (08) 8343 6800 or internet <http://www.archives.sa.gov.au/services/public/index.html>

Making a Freedom of Information Application

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

Freedom of Information Officer
Department of Water, Land and Biodiversity Conservation
GPO Box 2834
ADELAIDE SA 5001
Phone: (08) 8463 7918

Appendix K – Audit Report



**Auditor-General's
Department**

Our Ref: A04/093

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

28 September 2004

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

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

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

ABN: 53 327 061 410

Dear Mr Freeman

2003-04 Audit

The audit of the Department of Water, Land and Biodiversity Conservation for the year ended 30 June 2004 has been completed.

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

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

Matters arising from the audit were reported to you throughout the year and satisfactory responses were provided. The matters reported, together with action proposed by the Department, will be subject to follow up by Audit in 2004-05.

The financial report of the Department of Water, Land and Biodiversity Conservation for the year ended 30 June 2004 is returned herewith together with my unqualified Independent Audit Report.

Yours faithfully

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

K I MacPherson
AUDITOR-GENERAL

Enc



Auditor-General's
Department

INDEPENDENT AUDIT REPORT

TO THE CHIEF EXECUTIVE

SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Water, Land and Biodiversity Conservation for the financial year ended 30 June 2004. The financial report comprises:

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

The Chief Executive and the Chief Finance Officer are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Chief Executive.

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

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

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

AUDIT OPINION

In my opinion the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department of Water, Land and Biodiversity Conservation as at 30 June 2004, its financial performance and its cash flows for the year then ended.

Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the disclosure in Note 2(m) of the Financial Statements concerning comparative figures. The note discloses that the comparative figures are partly drawn from information on the Department of Primary Industries and Resources' ledger and as a review of the Department of Primary Industries and Resources' ledgers is being undertaken there may be some uncertainty as to these comparative figures.

28 September 2004

K I MacPHERSON
AUDITOR-GENERAL

Appendix L – Financial Performance

Financial Performance

Department of Water, Land and Biodiversity Conservation
Statement of Financial Performance for the Year Ended 30 June 2004

	Note	Actual 2004	Actual 2003
Expenses from Ordinary Activities		\$000	\$000
Employee Expenses	5(a)	30,726	25,667
Supplies and Services	6	31,288	35,685
Depreciation	7	1,846	1,653
Grants and Subsidies	8	32,047	35,287
Bad and Doubtful Debts		(40)	303
Net Loss on Disposal of Non-Current Assets	13	368	745
Total Expenses from Ordinary Activities		96,235	99,340
Revenues from Ordinary Activities			
Fees and Charges	11	9,256	7,674
Interest	12	335	436
Grant Revenue	14	15,863	28,913
Net Revenue Resulting from a Correction of an Error	15	675	-
Other Revenue	16	3,336	943
Total Revenues from Ordinary Activities		29,465	37,967
Net Cost of Services from Ordinary Activities		(66,770)	(61,374)
Revenues from SA Government	10	61,858	54,838
Fundamental Error - Assets Recognised for the First Time	15	-	18,910
Net Result before Restructuring		(4,912)	12,374
Increase/(Decrease) in Net Assets due to Administrative Restructure			
Transfers from the Department for Environment and Heritage		-	(257)
Transfers from the Department of Primary Industries and Resources		7,273	8,650
Transfers to Administered Items		(237)	-
Net Revenue from Restructure	26	7,036	8,393
Net Result after Restructuring		2,124	20,767
Increase in the Asset Revaluation Reserve	23	288	2,482
Total Changes in Equity other than those Resulting from Transactions with SA Government as Owner		2,412	23,249

Statement of Financial Position as at 30 June 2004

	Note	Actual 2004	Actual 2003
Current Assets		\$000	\$000
Cash on Hand and Deposits	2(k), 17	17,109	8,852
Receivables	18	4,798	3,099
Inventory	2(f)	529	492
Other Assets		50	40
Total Current Assets		22,486	12,483
Non-Current Assets			
Property, Plant and Equipment	19	50,928	49,187
Total Non-Current Assets		50,928	49,187
Total Assets		73,414	61,669
Current Liabilities			
Payables	20	5,268	3,948
Employee Benefits	21	2,163	1,668
Provisions	22	79	36
Total Current Liabilities		7,510	5,652
Non-Current Liabilities			
Payables	20	716	661
Employee Benefits	21	5,165	4,943
Provisions	22	186	96
Total Non-Current Liabilities		6,067	5,700
Total Liabilities		13,577	11,352
Net Assets		59,837	50,318
Equity			
Contributed Capital	23	7,107	-
Accumulated Surplus	23	49,960	47,836
Asset Revaluation Reserve	23	2,770	2,482
Total Equity		59,837	50,318
Commitments for Expenditure	25		
Contingent Assets and Liabilities	27		

Statement of Cash Flows for the Year Ended 30 June 2004

	Note	Actual 2004 \$000	Actual 2003 \$000
Cash Flows from Operating Activities			
Cash Outflows			
Employee Payments		(29,552)	(24,996)
Supplies and Services		(30,034)	(34,928)
Grants and Subsidies		(32,047)	(35,287)
Cash Reduction Resulting from a Correction of an Error	15	(769)	-
GST Payments on Purchases		(6,825)	(2,442)
GST Remitted to the ATO		(67)	(47)
Total Outflows from Operating Activities		<u>(99,294)</u>	<u>(97,700)</u>
Cash Inflows			
Receipts from SA Government		61,858	54,838
Fees and Charges		8,648	8,838
Grant Receipts		15,863	28,913
Interest Received		320	467
Other Receipts		3,336	942
GST Receipts on Sales		1,802	977
GST Receipts from the ATO		4,054	1,017
Total Inflows from Operating Activities		<u>95,881</u>	<u>95,992</u>
Net Cash Inflows/(Outflows) from Operating Activities	28	<u>(3,413)</u>	<u>(1,708)</u>
Cash Flows from Investing Activities			
Cash Outflows			
Purchase of Property, Plant and Equipment		(2,907)	(2,538)
Total Outflows from Investing Activities		<u>(2,907)</u>	<u>(2,538)</u>
Cash Inflows			
Proceeds from Sale of Property, Plant and Equipment		434	-
Total Outflows from Investing Activities		<u>434</u>	<u>-</u>
Net Cash Inflows/(Outflows) from Investing Activities		<u>(2,473)</u>	<u>(2,538)</u>
Cash Flows from Financing Activities			
Cash Inflows			
Capital Contributions from Government		7,107	-
Proceeds from Restructuring Activities		7,036	8,663
Net Cash Inflows from Financing Activities		<u>14,143</u>	<u>8,663</u>
Net Increase/(Decrease) in Cash Held		8,257	4,417
Cash at 1 July		<u>8,852</u>	<u>4,435</u>
Cash at 30 June	17, 24	<u><u>17,109</u></u>	<u><u>8,852</u></u>

Notes to and Forming Part of the Financial Statements

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

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

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

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

Note 2 Summary of Significant Accounting Policies

(a) Basis of Accounting

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

The Statement of Financial Performance, Statement of Cash Flows and the Program Schedule report the financial activities from 1 July 2003 to 30 June 2004. The Statement of Financial Position and the Schedule of Administered Items reports financial activity for the 12 months ending 30 June 2004.

(b) The Reporting Entity

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

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

Administered Activities

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

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

(c) Income Recognition

All revenues are recognised when the Department obtains control over them. User charges and fees collected by the Department but not controlled by it are not recognised as revenues, but are reported as administered revenues in the Administered financial statements. Such amounts are paid to the Consolidated Account or other Funds not controlled by the Department.

(d) Non-Current Assets

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

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

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

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

Assets Recognised for the First Time and Asset Revaluations

Patawalonga Seawater Circulation & Barcoo

The Glenelg barrage gates, Weir No 1 and the floating boom were recognised at construction cost as at 30 June 2003 (\$9,272,000). Refer to note 15.

Salinity Disposal Schemes

The Noora Drainage Disposal Scheme was recognised for the first time at fair value as at 30 June 2003 (\$8,400,000). Refer to note 15.

Hydrometric Gauging Stations

A complete assessment of Hydrometric Gauging Stations was undertaken as at 30 June 2003. This assessment was performed using technically qualified Department personnel and this resulted in no change to the assets fair value. Some Hydrometric gauging stations were recognised for the first time in 2002-03. Refer to note 15.

Land and Buildings

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

Groundwater Monitoring Wells

A revaluation of the Groundwater Monitoring Wells was undertaken as at 30 June 2003 and as at 30 June 2004. These assets were valued internally using technically qualified Department personnel. Groundwater Monitoring Wells constructed since 1994 were included within the revaluation and were recognised for the first time in 2003-04 (\$1,348,000). Refer to note 15.

Waste Disposal Stations

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

Plant and Equipment

Plant and equipment are brought to account at cost or at officers' valuation for initial recognition purposes. As a result of a review conducted by Departmental staff some Plant and Equipment were recognised for the first time in 2002-03 (\$234,000).

Assets Not Recognised

Murray Darling Basin Commission (MDBC)

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

These assets are recognised in the MDBC financial statements.

The Commission has approved the principles for the allocation of the contracting Governments' shares of equity in the Commission subject to confirmation by jurisdictions. However, there has not been confirmation by the jurisdictions and consequently further negotiations are required to ascertain the State's interest in the Commission.

Lower Murray Government Irrigation Scheme (LMGIS)

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

A scheme to rehabilitate the infrastructure is currently being negotiated with the affected landholders.

It is expected that during 2004-05 every Government Irrigation District in the area will convert to a Private Irrigation District or establish some other form of corporate entity that can accept ownership of the

infrastructure.

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

Upper South East Drainage Scheme

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

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

(e) Depreciation of Property, Plant and Equipment

All items of property, plant and equipment, with the exception of land, have a limited useful life and are systematically depreciated in a manner that reflects the consumption of their service potential. No depreciation is applied to capital work in progress.

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

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

	Years
Buildings	40-60
Groundwater Monitoring Wells	30
Patawalonga Seawater Circulation & Barcoo	25-50
Hydrometric Gauging Stations	4-95
Waste Disposal Stations	50
Salinity Disposal Schemes	40
Plant and Equipment	3-30

(f) Inventories

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

(g) Payables

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

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

(h) Employee Benefits

(i) Sick Leave

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

(ii) Salary and Wages

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

(iii) Annual Leave

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

(iv) Long Service Leave

The liability for long service leave is calculated by using the product of the current liability for all employees who have completed seven or more years of service and the current rate of remuneration for each of these employees respectively. The seven years has been based on an actuarial assessment by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector. The liability is measured as the amount unpaid at the reporting date.

(v) Employee Benefit On-Costs

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

(vi) Superannuation

Contributions are made by the Department to several superannuation schemes operated by the South Australian Government. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the superannuation schemes. The only liability outstanding at balance date relates to any contribution due but not yet paid to the superannuation schemes. The Department made contributions of \$2,540,000 (\$2,320,000) for the 2003-04 financial year.

(vii) Workers Compensation

A provision is raised to reflect the liability for any outstanding (unsettled) workers compensation claims for lump sum payments, adjusted for potential recoveries from negligent third parties. The provision is based on an actuarial assessment performed for the Public Sector Occupational Health and Injury Management Branch of the Department for Administrative and Information Services.

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

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

(i) Leases

The Department has entered into non-cancellable operating lease agreements for office accommodation where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating lease. Refer to Note 25 for further details.

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

The Department has not entered any finance leases.

(j) Receivables

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

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

(k) Cash

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

(l) Taxation

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

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

In accordance with GST grouping arrangements during 2002-03 all GST remitted to and received from the ATO in relation to Sustainable Resources Group were accounted for by the Department of Primary Industries and Resources (PIRSA). The Department did not recognise an asset or liability relating to GST on Sustainable Resources Group transactions in its 2002-03 Statement of Financial Position (or GST received/paid in the Statement of Cash Flows) as they were recognised by PIRSA. In 2003-04 the Department has accounted for all GST remitted to and received from the ATO in relation to Sustainable Resources Group.

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

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

(m) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required. The comparative figures are partly drawn from information on PIRSA's ledgers. It is understood that a review of PIRSA's ledgers is being undertaken for a period including 2002-03. This may be a cause for some uncertainty but the Department believes that there are not any significant errors in its comparative figures.

(n) Rounding

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

Note 3 Changes in Accounting Policies

(a) Administered Items

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

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

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

Managing the Process

In accordance with Treasurer's Instruction 19 Financial Accounting, the Department's Chief Executive is responsible for ensuring that the annual financial statements comply with Generally Accepted Accounting Principles (GAAP). The Department has analysed the exposure drafts issued by the AASB and has identified a number of potential issues that may need to be addressed. The Department is developing a plan to manage the transition to the new standards. The plan will require the identification of:

- major areas of accounting and reporting differences resulting from adoption of the new standards;
- potential changes required to financial systems; and
- key dates for monitoring and reviewing progress.

The Department is using the Model Financial Report for SA Government entities developed by the Department of Treasury and Finance and keeps abreast of changes in Accounting Standards, Treasurer's Instructions and Accounting Policy Statements by attending exposure draft reference group meetings and information forums organised by the Department of Treasury and Finance and professional accounting bodies.

Expected Differences in Accounting Policies

Changes in Accounting Policy

A major change is the treatment of accounting policy changes under IFRS. These will now apply retrospectively except for specific exemptions in accordance with AASB1 *First-Time Adoption of Australian Equivalents to IFRS*.

Non-Current Asset Acquisition and Recognition

The Australian equivalent to IAS 16 *Property, Plant and Equipment* is proposing that non-current assets be revalued on an individual basis (as opposed to current class basis). It is anticipated that an Accounting Policy Statement will continue to require revaluation on a class basis and current thresholds (greater than \$1 million and estimated useful life is greater than 3 years) will continue to apply.

Intangible Assets

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

The Department currently recognises internally developed software on a fair value basis. AASB 138 requires recognition at original cost or fair value where the software is traded in an active market. The original cost information is available for software which has been specifically developed for the Department and as there is no active market for this software it will continue to be recognised at its original cost which has been deemed as fair value.

Employee Benefits

Employee benefits payable later than 12 months from year-end will be measured at present value rather than at nominal amounts.

Note 4 Programs of the Department

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

Note 5 Employee Expenses	2004	2003
	\$'000	\$'000
(a) Employee Expenses		
Wages and Salaries	23,040	21,196
Superannuation	2,540	2,320
Annual Leave	1,919	1,242
Targeted Voluntary Separation Packages	1,572	-
Long Service Leave	1,105	597
Workers Compensation	390	98
Board Fees	160	214
Total Employee Expenses	30,726	25,667

(b) Targeted Voluntary Separation Packages

TVSPs Paid to Employees during the Reporting Period	1,572	-
Recovery from the Department of Premier and Cabinet	1,572	-
Annual Leave and Long Service Leave Paid to Employees Receiving TVSP's	579	-

Number of employees that were paid TVSPs during the reporting period	16	-
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(c) Remuneration of Employees	2004	2003
The number of employees whose remuneration received or receivable falls within the following bands:		
\$100,000 to \$109,999	6	4
\$110,000 to \$119,999	3	3
\$120,000 to \$129,999	5	1
\$130,000 to \$139,999	2	2
\$140,000 to \$149,999	-	1
\$150,000 to \$159,999	2	1
\$160,000 to \$169,999	2	1
\$170,000 to \$179,999	-	1
\$250,000 to \$259,999	1	-
Total Number of Employees	21	14

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

The total remuneration received or receivable by these employees for the year was \$2,757,000 (\$1,798,000).

(d) Average number of employees during the reporting period:

On average, the Department employed 449 (407) staff throughout the reporting period.

Note 6 Supplies and Services	2004	2003
	\$'000	\$'000
Contractors	16,872	20,335
Service Level Agreement	1,570	1,372
Accommodation	2,042	1,750
Vehicles	1,737	1,660
Computing	1,352	1,271
Travel and Accommodation	1,102	1,173
Printing, Publishing and Stationery	723	847
Telephones	646	619
Chemical Analysis	592	179
Minor Plant and Equipment Purchases	588	1,057
Maps, Photographs and Plans	566	114
Consultancies	504	455
Materials and Consumables	682	1,294
Equipment Repairs and Maintenance	348	546
Advertising, Exhibitions and Promotions	382	417
Legal Fees	248	221
Audit Remuneration	140	105
Other Supplies and Services	1,194	2,270
Total Supplies and Services	31,288	35,683

The number and dollar amount of Consultancies paid/payable that fell within the following bands:

	No		
Below \$10,000	25	94	80
Between \$10,000 and \$50,000	13	291	111
Above \$50,000	2	119	264
Total Paid/Payable to the Consultants Engaged:	40	504	455

Note 7 Depreciation

Patawalonga Seawater Circulation and Barcoo	577	534
Groundwater Monitoring Wells	470	289
Plant and Equipment	448	518
Salinity Disposal Schemes	140	141
Hydrometric Gauging Stations	94	76
Waste Disposal Stations	63	60
Buildings	54	35
Total Depreciation	1,846	1,653

Note 8 Grants and Subsidies	2004	2003
	\$'000	\$'000
Murray Darling Basin Commission Transfer	19,544	16,376
Animal & Plant Control Commission	3,313	3,565
DTUP - Catchment Management Subsidy Scheme	2,813	1,302
SA Water - GH Michell Trade Waste Subsidy	1,712	1,670
Great Artesian Basin Bore drain*	804	1,431
Dog Fence Board	400	382
City of Port Augusta Environmental Flows	300	-
PIRSA - Lower Murray Reclaimed Irrigation Area	298	694
PIRSA - NHT Capacity Building and Branched Broomrape	168	186
CSIRO Flora Search and Salt Mapping	178	141
River Murray Catchment Water Board - Various	201	337
Agriculture, Fisheries, Forestry Australia (AFFA)	154	2,005
DTUP - Regional Flood Mitigation Program	135	218
Lake Eyre Basin - Environment Australia	125	125
CSIRO Mount Lofty Ranges Investigation	52	339
Grants - Mt Lofty Ranges Catchment Program	-	1,615
Loxton Irrigation Trust	-	964
Murray Darling 2001 Grants	-	500
Centre for Groundwater Studies	-	100
Miscellaneous grants	1,850	3,337
Total Grants and Subsidies	32,047	35,287

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

Note 9 Auditor's Remuneration

Audit Fees Paid or Payable to the Auditor-General's Department	140	105
Total Audit Fees	140	105

Other Services

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

Note 10 Revenues from SA Government

Appropriation from Consolidated Account pursuant to the Public Finance and Audit Act	61,831	54,826
Appropriation under other Acts	27	12
Total Revenues from SA Government	61,858	54,838

The revenues from SA Government include \$12,773,000 which was paid into the Save the River Murray Fund, from the proceeds of the Save the River Murray levy which was introduced in the second quarter of the 2003-04 financial year. The Save the River Murray Fund was established under Section 100 of the *Waterworks Act, 1932* and monies credited to the Fund may only be applied to purposes set out in the *Waterworks Act, 1932*. Of the total monies received for the Fund of \$12,773,000, the total monies applied from the fund were \$8,090,000. A specific purpose financial report is prepared for the Fund.

Note 11 Fees and Charges

Sale of Goods and Services	6,354	5,113
Fees, Levies and Licences	2,067	1,811
Pastoral Rents	786	674
Other Fees and Charges	49	76
Total Fees and Charges	9,256	7,674

Note 12 Interest

Interest from Entities within the SA Government	334	436
Other Interest	1	-
Total Interest Revenue	335	436

Note 13 Net Gain/Loss from Disposal of Assets	2004	2003
	\$'000	\$'000
Groundwater Monitoring Wells		
Proceeds from Disposal	-	-
Net Book Value of Assets Disposed	300	-
Net (Loss) from Disposal of Groundwater Monitoring Wells	(300)	-
Hydrometric Gauging Stations		
Proceeds from Disposal	-	-
Net Book Value of Assets Disposed	440	-
Net (Loss) from Disposal of Hydrometric Stations	(440)	-
Plant and Equipment		
Proceeds from Disposal	434	-
Net Book Value of Assets Disposed	62	745
Net Gain/(Loss) from Disposal of Plant and Equipment	372	(745)
Total Assets		
Total Proceeds from Disposal	434	-
Total Value of Assets Disposed	802	745
Total (Loss) from Disposal of Assets	(368)	(745)
Note 14 Grant Revenue		
Branched Broomrape Eradication Program (AFFA)	1,857	2,097
Great Artesian Basin (AFFA)	365	550
Regional Flood Mitigation Program (Dept of Transport & Regional Services)	308	182
Land and Water Australia	192	-
National Action Plan - SIS Lock 4 Bookpurnong (Regional Investment Strategy)	2,050	242
Natural Heritage Trust - Regional Liaison Officers Annual Payment	680	-
National Action Plan - Administration Contribution	650	768
National Action Plan - Regional Liaison Officers Annual Payment	280	-
National Action Plan - SIS Loxton (Regional Investment Strategy)	250	301
National Action Plan - Other	1,462	12,865
Loxton District Irrigation Rehabilitation - Growers	2,060	3,495
SA Murray Darling Basin INRM Group Inc - Other	1,304	-
National Action Plan - Lower Murray Irrigation Rehab (Murray Darling Basin INRM Group)	965	1,045
National Action Plan - SIS Lock 4 Bookpurnong (Murray Darling Basin INRM Group)	898	-
National Action Plan - SIS Loxton (Murray Darling Basin INRM Group)	405	-
Great Artesian Basin (Western Mining)	400	-
River Murray Catchment Water Management Board	450	-
Padathaway: Salt Accession Investigations (SENRCC)	255	250
Natural Heritage Trust - Other	52	3,856
Environmental Flows (Environment Australia)	-	389
Sundry Grants and Contributions Received	980	2,873
Total Grant Revenue	15,863	28,913

Note 15 Net Revenue Resulting from a Correction of an Error**(a) Fundamental Error - Assets Recognised for the First Time**

Patawalonga Seawater Circulation and Barcoo	-	9,272
Salinity Disposal Schemes	-	8,400
Hydrometric Gauging Stations	-	1,004
Plant and Equipment	-	234
Total Fundamental Error - Assets Recognised for the First Time	-	18,910

(b) Net Revenue Resulting from a Correction of an Error**(i) Assets Recognised for the First Time**

Groundwater Monitoring Wells	1,348	-
Land	43	-
Buildings	53	-
Total Assets Recognised for the First Time	1,444	-

(ii) Correction of Opening Cash Balance

Adjustment to Cash Balance Transferred from the Department of Primary Industries and Resources	(769)	-
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Total Net Revenue Resulting from a Correction of an Error	675	-
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(ii) During 2001-02 the functions of the Sustainable Resources Group conducted within the Department of Primary Industries and Resources (PIRSA) were transferred to the Department. Since the transfer the Department has used the PIRSA general ledger to record the activities of those functions transferred to the Department. In 2003-04 the assets and liabilities relating to the functions transferred were moved from the PIRSA general ledger and the cash which had been held by PIRSA was paid into the Department's deposit account. The completion of the cash transfer revealed an overstatement in cash in prior periods by \$769,000. An equivalent amount has been recognised as a reduction in 'Net Revenue Resulting from a Correction of an Error', within the Department's Statement of Financial Performance, in the current reporting period to correct this overstatement.

Note 16 Other Revenue

TVSPs Recouped	1,572	-
Operating Expenses Recouped	847	332
Wages and Salaries Recouped	493	447
Other Revenue	424	164
Total Other Revenue	3,336	943

Note 17 Cash

Deposits with the Treasurer	17,064	8,829
Deposits at Call	38	18
Other	7	5
Total Cash	17,109	8,852

Deposits with the Treasurer

Includes Accrual Appropriation Account and Surplus Cash Working Account balances. The level of cash held by the Department has not been adjusted as a result of the implementation of the SA Government cash alignment policy as it is anticipated there will not be a reduction in the level of cash at June 2005.

Note 18 Receivables**Current**

Receivables	3,152	2,558
Less: Provision for Doubtful Debts	(210)	(250)
Accrued Interest	17	2
Workers Compensation Recoveries	22	1
GST Receivable	1,817	788
Total Current Receivables	4,798	3,099

Note 19 Property, Plant and Equipment

	2004			
	Cost	Valuation	Accumulated	Written
			Depreciation	Down Value
\$'000	\$'000	\$'000	\$'000	
Land and Buildings	311	2,996	64	3,243
Groundwater Monitoring Wells	-	4,194	-	4,194
Hydrometric Gauging Stations	157	3,972	1,049	3,080
Waste Disposal Stations	-	1,383	63	1,320
Patawalonga Seawater Circulation and Barcoo	16,184	9,420	1,314	24,290
Plant and Equipment	4,189	687	3,339	1,537
Salinity Disposal Schemes	8,400	-	281	8,119
Work in Progress	5,145	-	-	5,145
	34,386	22,652	6,110	50,928

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

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

(b) Property, Plant and Equipment Movement Schedule

	Land and	Groundwater	Hydrometric	Waste
	Buildings	Monitoring Wells	Gauging Stations	Disposal Stations
	\$'000	\$'000	\$'000	\$'000
Gross Carrying Value:				
Balance as at 1 July 2003	3,058	3,276	4,576	1,633
Additions	249	1,400	157	-
Adjustments	-	-	-	(250)
Disposals	-	(331)	(604)	-
Net Revaluation Increments / (Decrements)	-	(151)	-	-
Balance as at 30 June 2004	3,307	4,194	4,129	1,383
Accumulated Depreciation:				
Balance as at 1 July 2003	(10)	-	(1,119)	-
Disposals	-	31	164	-
Net Revaluation Increments / (Decrements)	-	439	-	-
Depreciation Expense	(54)	(470)	(94)	(63)
Balance as at 30 June 2004	(64)	(0)	(1,049)	(63)
Net Book Value:				
As at 30 June 2004	3,243	4,194	3,080	1,320

	Plant and	Salinity	Work in
	Equipment	Disposal Schemes	Progress
	\$'000	\$'000	\$'000
Gross Carrying Value:			
Balance as at 1 July 2003	6,318	8,400	2,966
Additions	366	-	2,179
Adjustments	-	-	-
Disposals	(1,808)	-	-
Net Revaluation Increments / (Decrements)	-	-	-
Balance as at 30 June 2004	4,876	8,400	5,145
Accumulated Depreciation:			
Balance as at 1 July 2003	(4,637)	(141)	-
Disposals	1,746	-	-
Net Revaluation Increments / (Decrements)	-	-	-
Depreciation Expense	(448)	(140)	-
Balance as at 30 June 2004	(3,339)	(281)	-
Net Book Value:			
As at 30 June 2004	1,537	8,119	5,145

Note 20 Payables	2004	2003
	\$'000	\$'000
Current		
Creditors	1,488	-
Accrued Expenses	3,082	3,435
Employee Costs	698	513
Total Current Payables	5,268	3,948
Non-Current		
Employee Costs	716	661
Total Non-Current Payables	716	661
Note 21 Employee Benefits		
(a) Provision for Employee Benefits		
Current		
Annual Leave	1,634	1,384
Long Service Leave	215	206
Accrued Salaries and Wages	314	78
Total Current Employee Benefits	2,163	1,668
Non-Current		
Long Service Leave	5,165	4,943
Total Non-Current Employee Benefits	5,165	4,943
Total Employee Benefits	7,328	6,611
(b) Employee Benefits and Related On-Costs		
In accordance with the requirements of AASB 1028 employee on-costs are required to be reported as payables whilst leave liability amounts are reported separately as "Employee Benefits". Below is a composite note disclosure showing the total liabilities the Department has at 30 June 2004 relating to Employee Benefits:		
Accrued Salaries and Wages		
On-Costs included in Payables - Current (note 20)	48	9
Provision for Employee Benefits - Current (note 21(a))	314	78
	362	87
Annual Leave		
On-Costs included in Payables - Current (note 20)	288	185
Provision for Employee Benefits - Current (note 21(a))	1,634	1,385
	1,922	1,570
Long Service Leave		
On-Costs included in Payables - Current (note 20)	30	22
Provision for Employee Benefits - Current (note 21(a))	215	206
	245	228
On-Costs included in Payables - Non-Current (note 20)	716	661
Provision for Employee Benefits - Non-Current (note 21(a))	5,165	4,943
	5,881	5,604
Aggregate Employee Benefits and Related On-Costs	8,410	7,489
Note 22 Provisions		
Current		
Provision for Workers Compensation	79	36
Total Current Provisions	79	36
Non-Current		
Provision for Workers Compensation	186	96
Total Non-Current Provisions	186	96
Total Provisions	265	132
Carrying Amount at the Beginning of the Period	132	120
Increase in the Provision for Workers Compensation	133	12
Carrying Amount at the End of the Period	265	132

Note 23 Equity	2004	2003
	\$'000	\$'000
Contributed Capital	7,107	-
Accumulated Surplus	49,960	47,836
Asset Revaluation Reserve	2,770	2,482
Total Equity	59,837	50,318

Contributed Capital

Balance at the Beginning of the Financial Year	-	-
Contributed Capital Received	7,107	-
Balance at the End of the Financial Year	7,107	-

Accumulated Surplus

Balance at the Beginning of the Financial Year	47,836	27,069
Surplus/(Deficit) from ordinary activities	(4,912)	12,374
Increase in Net Assets due to Administrative Restructure	7,036	8,393
Balance at the End of the Financial Year	49,960	47,836

Asset Revaluation Reserve

Balance at the Beginning of the Financial Year	2,482	-
Increment in Groundwater Monitoring Wells due to Revaluation	288	1,156
Increment in Land and Buildings due to Revaluation	-	1,291
Increment in Waste Disposal Stations due to Revaluation	-	35
Balance at the End of the Financial Year	2,770	2,482

Note 24 Financial Instruments

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

(a) Terms, Conditions and Accounting Policies

(i) Financial Assets

Cash on hand and deposits are available at call and are recorded at cost.

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 60 days.

(ii) Financial Liabilities

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

(b) Interest Rate Risk

2004

Financial Instrument	Floating Interest Rate	Non-Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate
	\$'000	\$'000	\$'000	Percent
Financial Assets:				
Cash on Hand and Deposits	17,109	-	17,109	4.8
Receivables	-	5,008	5,008	
	17,109	5,008	22,117	
Financial Liabilities:				
Payables	-	4,571	4,571	
	-	4,571	4,571	

2003

Financial Instrument	Floating Interest Rate	Non-Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate
	\$'000	\$'000	\$'000	Percent
Financial Assets:				
Cash on Hand and Deposits	8,852	-	8,852	4.6
Receivables	-	3,350	3,350	
	8,852	3,350	12,202	
Financial Liabilities:				
Payables	-	3,435	3,435	
	-	3,435	3,435	

(c) Net Fair Value

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

Note 25 Commitments for Expenditure	2004	2003
	\$'000	\$'000

Operating Lease Commitments

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

Not later than one year	1,401	1,219
Later than one year but not later than five years	3,527	3,411
Later than five years	1,372	2,186
Total Operating Lease Commitments	6,300	6,816

The Department's operating leases are mainly for accommodation leases with penalty clauses equal to the amount of the residual payments remaining for the term of the lease. Options exist to renew the leases at the end of the term of the leases. Leases are payable one month in advance.

Note 26 Transferred Functions

Transfers from the Department for Environment and Heritage

Net assets transferred to the Department:

Cash	-	13
Receivables	-	1
Property, plant and equipment	-	56
	-	70

Net liabilities transferred to the Department:

Payables	-	(59)
Provision for employee benefits	-	(268)
	-	(327)

Net Transfers from the Department for Environment and Heritage (i)	-	(257)
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Transfers from the Department of Primary Industries and Resources

Net assets transferred to the Department:

Cash	7,273	8,650
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Net Transfers from the Department of Primary Industries and Resources (ii)	7,273	8,650
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Total Net Transfers to the Department	7,273	8,393
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(i) In 2002-03 the assets and liabilities transferred from the Department of Environment and Heritage (DEH) represents amounts agreed to between the two agencies. The transfer related to the Biodiversity Division of DEH.

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

(b) Transfers from Restructuring of Administrative Arrangements

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

Transfers of the Mt Lofty Ranges Catchment Support to Administered Items

Net assets transferred to Administered Items:

Cash	237	-
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Net Transfers to Administered Items	237	-
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Note 27 Contingent Assets and Liabilities

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

Note 28 Cash Flow Reconciliation	2004	2003
	\$'000	\$'000
Reconciliation of Cash - Cash at 30 June 2004 as per:		
Statement of Cash Flows	17,109	8,852
Statement of Financial Position	17,109	8,852
Reconciliation of Net Cash Provided by Operating Activities to Net Cost of Services:		
Net Cash Provided by (Used In) Operating Activities	(3,413)	(1,708)
Less Revenue from Government	(61,858)	(54,838)
Add/Less Non-Cash Items		
Depreciation of Property, Plant and Equipment	(1,846)	(1,653)
Loss on Disposal of Non-current Assets	(368)	(745)
Net Revenue Resulting from a Correction of an Error	1,444	-
Changes in Assets / Liabilities		
Increase / (Decrease) in Receivables	1,699	(1,001)
Increase / (Decrease) in Inventories	37	17
Increase / (Decrease) in Other Assets	10	(5)
(Increase) / Decrease in Payables	(1,625)	(813)
(Increase) / Decrease in Employee Benefits	(717)	(640)
(Increase) / Decrease in Provisions	(133)	12
Net Cost of Services from Ordinary Activities	(66,770)	(61,374)

Note 29 Restrictions on Contributions Received

The Department received contributions from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2004 \$19,282,000 of contributions, which have been recognised as revenues in the Statement of Financial Performance, are yet to be spent in the manner specified by the contributors.

Department of Water, Land and Biodiversity Conservation
Schedule of Administered Revenue and Expenses
For the Year Ended 30 June 2004

	Note	Actual 2004	Actual 2003
Revenues from Ordinary Activities			
		\$000	\$000
Revenues from SA Government		22,005	10,399
Fees and Charges		7,360	6,372
Grant Revenue		37,357	38,061
Other Revenue		1,709	222
Total Revenues from Ordinary Activities		68,431	55,054
Expenses from Ordinary Activities			
Employee Expenses		359	89
Supplies and Services		1,855	184
Grants and Subsidies		45,868	33,327
Net Expense Resulting from a Correction of an Error		195	-
Payments to Consolidated Account		1,566	825
Payments to Catchment Water Management Boards		5,059	7,128
Payments to South Eastern Water Conservation Drainage Board		1,619	1,586
Total Expenses from Ordinary Activities		56,521	43,139
Operating Surplus from Ordinary Activities	A1	11,910	11,915
Increase in the Asset Revaluation Reserve	A2(f)	-	5,017
Increase in Net Assets due to Administrative Restructure	26	237	-
Total Changes in Equity other than those Resulting from Transactions with SA Government as Owner		12,147	16,932

Schedule of Administered Assets and Liabilities

As at 30 June 2004

	Note	Actual 2004	Actual 2003
Current Assets		\$000	\$000
Cash on Hand and Deposits	A3	41,052	27,936
Receivables	A2(a), A2(c)	2,700	3,081
Other Assets		135	5
Total Current Assets		43,887	31,022
Non-Current Assets			
Property, Plant and Equipment	A2(f)	28,600	28,600
Total Non-Current Assets		28,600	28,600
Total Assets		72,487	59,622
Current Liabilities			
Payables	A2(a), A2(i), A2(j)	3,176	2,463
Employee Benefits		5	-
Total Current Liabilities		3,181	2,463
Total Liabilities		3,181	2,463
Net Assets		69,306	57,159
Equity			
Accumulated Surplus		64,289	52,142
Asset Revaluation Reserve	A2(f)	5,017	5,017
Total Equity		69,306	57,159

Note A1 Program Schedule of Administered Revenues and Expenses

Administered Revenue's and Expenses for the Year Ending 30 June 2004

2004

	Catchment Water Management Board Levies \$'000	Qualco Sunlands \$'000	Penalty Charges \$'000	Water Resources Levy Fund \$'000	Remittance to South Eastern Water Conservation and Drainage Board \$'000	Land Pastoral Technology Board Alliances \$'000	\$'000
	A2(a)	A2(b)	A2(c)	A2(d)	A2(e)	A2(f)	A2(g)
Administered Revenue from Ordinary Activities							
Revenues from SA Government	-	250	-	-	1,619	9	-
Fees and Charges	6,115	375	755	-	-	-	98
Grant Revenue	-	-	-	-	-	-	180
Other Revenue	47	30	-	-	-	-	51
Total Administered Revenue	6,162	655	755	-	1,619	9	329
Administered Expenses from Ordinary Activities							
Employee Expenses	-	-	-	-	-	-	32
Supplies and Services	158	-	936	4	-	-	8
Grants and Subsidies	-	250	-	-	-	-	130
Net Expense Resulting from a Correction of an Error	-	-	-	-	-	-	44
Payments to Consolidated Account	-	345	1,221	-	-	-	-
Payments to Catchment Water Management Boards	5,059	-	-	-	-	-	-
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	1,619	-	-
Total Administered Expenses	5,217	595	2,157	4	1,619	-	214
Operating Surplus/(Deficit)	945	60	(1,402)	(4)	-	9	115

Administered Revenue's and Expenses for the Year Ending 30 June 2003

2003

Administered Revenue from Ordinary Activities							
Revenues from SA Government	-	250	-	-	1,586	9	-
Fees and Charges	5,755	188	379	-	-	-	50
Grant Revenue	-	-	-	-	-	-	-
Other Revenue	20	22	-	-	-	-	7
Total Administered Revenue	5,775	460	379	-	1,586	9	57

Administered Expenses from Ordinary Activities

Employee Expenses	-	-	-	-	-	-	89
Supplies and Services	-	188	-	-	-	9	(15)
Grants and Subsidies	-	125	-	-	-	-	(3)
Net Expense Resulting from a Correction of an Error	-	-	-	-	-	-	-
Payments to Consolidated Account	-	446	379	-	-	-	-
Payments to Catchment Water Management Boards	7,128	-	-	-	-	-	-
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	1,586	-	-
Total Administered Expenses	7,128	759	379	-	1,586	9	71
Operating Surplus/(Deficit)	(1,353)	(299)	-	-	-	-	(14)

Note A1 Program Schedule of Administered Revenues and Expenses (Cont)**Administered Revenue's and Expenses for the Year Ending 30 June 2004**

	2004						
	Catchment Water Management Board Payroll Tax \$'000 A2(h)	Natural Heritage Trust Grants \$'000 A2(i)	National Action Plan for Salinity & Water Quality \$'000 A2(j)	Mt Lofty Ranges Catchment Support \$'000 A2(k)	Centre for Natural Resource Management \$'000 A2(l)	Soil Conservation and Landcare \$'000 A2(m)	2004 Total \$'000
Administered Revenue from Ordinary Activities							
Revenues from SA Government	217	-	19,910	-	-	-	22,005
Fees and Charges	-	-	-	17	-	-	7,360
Grant Revenue	-	16,039	13,946	5,335	1,857	-	37,357
Other Revenue	-	715	875	(10)	-	1	1,709
Total Administered Revenue	217	16,754	34,731	5,342	1,857	1	68,431

Administered Expenses from Ordinary Activities

Employee Expenses	-	-	-	235	92	-	359
Supplies and Services	-	88	36	539	86	-	1,855
Grants and Subsidies	210	18,875	22,229	3,321	853	-	45,868
Net Expense Resulting from a Correction of an Error	-	151	-	-	-	-	195
Payments to Consolidated Account	-	-	-	-	-	-	1,566
Payments to Catchment Water Management Boards	-	-	-	-	-	-	5,059
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	-	-	1,619
Total Administered Expenses	210	19,114	22,265	4,095	1,031	-	56,521
Operating Surplus/(Deficit)	7	(2,360)	12,466	1,247	826	1	11,910

Administered Revenue's and Expenses for the Year Ending 30 June 2003

2003

Administered Revenue from Ordinary Activities

Revenues from SA Government	-	-	8,554	-	-	-	10,399
Fees and Charges	-	-	-	-	-	-	6,372
Grant Revenue	-	16,313	21,748	-	-	-	38,061
Other Revenue	-	-	172	-	-	1	222
Total Administered Revenue	-	16,313	30,474	-	-	1	55,054

Administered Expenses from Ordinary Activities

Employee Expenses	-	-	-	-	-	-	89
Supplies and Services	-	-	2	-	-	-	184
Grants and Subsidies	-	10,397	22,808	-	-	-	33,327
Net Expense Resulting from a Correction of an Error	-	-	-	-	-	-	-
Payments to Consolidated Account	-	-	-	-	-	-	825
Payments to Catchment Water Management Boards	-	-	-	-	-	-	7,128
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	-	-	1,586
Total Administered Expenses	-	10,397	22,810	-	-	-	43,139
Operating Surplus/(Deficit)	-	5,916	7,664	-	-	1	11,915

**Administered Schedule of Cash Flows
For the Year Ended 30 June 2004**

	Note	Actual 2004 \$000	Actual 2003 \$000
Cash Flows from Operating Activities			
Cash Inflows			
Receipts from SA Government		22,005	10,399
Fees and Charges		7,741	6,389
Grant Receipts		37,357	38,061
Other Receipts		1,580	217
Total Inflows from Operating Activities		<u>68,683</u>	<u>55,066</u>
Cash Outflows			
Employee Payments		(354)	(89)
Supplies and Services		(1,143)	1,505
Grants and Subsidies		(45,868)	(33,327)
Net Expense Resulting from a Correction of an Error		(195)	-
Payments to Consolidated Account		(1,566)	(825)
Payments to Catchment Water Management Boards		(5,059)	(7,128)
Payments to South Eastern Water Conservation Drainage Board		(1,619)	(1,586)
Total Outflows from Operating Activities		<u>(55,804)</u>	<u>(41,450)</u>
Net Cash Inflows from Operating Activities	A3	<u>12,879</u>	13,616
Cash Flows from Financing Activities			
Cash Inflows			
Proceeds from Restructuring Activities		237	-
Net Cash Inflows from Financing Activities		<u>237</u>	-
Net Increase in Cash Held		13,116	13,616
Cash at 1 July		<u>27,936</u>	14,320
Cash at 30 June	A3	<u>41,052</u>	<u>27,936</u>

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

Note A2 Summary of Significant Administered Schedule Accounting Policies

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

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

	2004	2003
	\$'000	\$'000
(a) Catchment Water Management Board Levies		

Under section 133 (1) (c) (ii) of the Water Resources Act 1997, water levies are collected by the Department in catchment areas of catchment water management boards and these levies are paid to the respective boards together with any interest earned on those levy funds. Unpaid levies at the end of the reporting period of \$1,510,000 (\$532,000) have been recognised as current receivables and levies are paid to the boards once received.

During the reporting period the following revenue was recognised for levies:

River Murray Catchment Water Management Board	4,231	4,210
South East Catchment Water Management Board	1,302	1,033
Northern Adelaide Barossa Catchment Water Management Board	313	301
Eyre Peninsula Catchment Water Management Board	222	166
Onkaparinga Catchment Water Management Board	47	45
	6,115	5,755

Levies received but not paid to the Catchment Water Management Boards at the end of the reporting period were \$654,000 (\$1,575,000).

(b) Qualco Sunlands

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

(c) Penalty Charges

Penalty charges under section 133 (1) (a) of the Water Resources Act 1997 are collected by the Department and paid into Consolidated Revenue. Unpaid penalty charges at the end of the reporting period of \$1,067,000 (\$2,327,000) have been recognised as current receivables. During the reporting period the Department paid \$1,221,000 (\$379,000) of penalty charges collected into Consolidated Revenue.

(d) Water Resources Levy Funds

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

There were no levies received into the Fund during 2004. The only transaction of the fund in 2004 was the recognition of a bad debt for \$3,500.

(e) South Eastern Water Conservation and Drainage Board

The South Eastern Water Conservation and Drainage Board (Board) is responsible for the administration of the South Eastern Water Conservation and Drainage Act, 1992 as amended. The Board is predominantly funded by Parliamentary appropriations for the operations, maintenance and capital works for the drainage system in the south east of South Australian. The appropriation is received by the Department and disbursed directly to the Board. During the reporting period an appropriation of \$1,619,000 (\$1,586,000) was received by the Department and this was disbursed to the Board.

(f) Pastoral Board

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

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

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

(g) Land Technologies Alliances

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

(h) Catchment Water Management Board Payroll Tax

An appropriation of \$217,000 was received to fund the payroll tax expenses of the Catchment Water Management Boards for the 2003-04. In prior years the Boards did not pay payroll tax.

(i) Natural Heritage Trust and Natural Heritage Trust Extension

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

During the reporting period the following Commonwealth grants were received:	2004	2003
	\$'000	\$'000
Natural Heritage Trust Extension Program	11,682	8,800
Natural Heritage Trust National Landcare Program	3,184	-
Natural Heritage Trust Refunds	1,173	-
Natural Heritage Trust	-	7,513
	16,039	16,313

During the reporting period ending 30 June 2003 grant revenue of \$430,000 was duplicated, overstating revenues from ordinary activities in the administered schedule to the Department's financial statements. In the current reporting period ending 30 June 2004 a payable to the Department of Primary Industries and Resources (PIRSA) and a grant refund expense for \$430,000 has been recognised.

During the reporting period the following grants were paid:

Natural Heritage Trust Extension Program	17,198	-
Natural Heritage Trust National Landcare Program	1,031	-
Refunds - PIRSA	430	-
Natural Heritage Trust	216	10,397
	18,875	10,397

(j) National Action Plan for Salinity and Water Quality

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

During the reporting period appropriations of \$19,910,000 (\$8,554,000) were received from the SA Government and the following Commonwealth grants were received:

AFFA - National Action Plan Investment Strategy Phase 1	7,293	-
AFFA - National Action Plan Priority Rounds 1 & 2	6,653	21,748
	13,946	21,748

The Department's Statement of Financial Performance for the reporting period ending 30 June 2003 recorded a transfer of \$5,500,000 from the Commonwealth Government for the National Action Plan. The recognition of the funds within the Department's controlled financial statements in 2002-03 was correct. However an adjustment has been made to the comparative 2002-03 figures because the National Action Plan administered grant revenue and grant expenditure was understated by \$5,500,000 due to an error.

During the reporting period ending 30 June 2003 grant revenue of \$1,312,000 was duplicated, overstating revenues from ordinary activities in the administered schedule to the Department's financial statements. In the current reporting period ending 30 June 2004 a payable to the Department of Primary Industries and Resources (PIRSA) and a grant refund expense for \$1,312,000 has been recognised.

During the reporting period the following grants were paid:

AFFA - National Action Plan Priority Rounds 1 & 2	12,841	22,808
AFFA - National Action Plan Investment Strategy Phase 1	8,076	-
Refunds - PIRSA	1,312	-
	22,229	22,808

(k) Mount Lofty Ranges Catchment Support

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

During the reporting period the following grants were received:	2004	2003
	\$'000	\$'000
Natural Heritage Trust Extension Program	2,048	-
National Action Plan Investment Strategy Phase 1	1,193	-
National Action Plan Priority Rounds 1 & 2	1,083	-
Natural Heritage Trust Investment Strategy Phase 1 & 2	1,011	-
	5,335	-

During the reporting period the following grants were paid:

Natural Heritage Trust Extension Program	1,924	-
National Action Plan Priority Rounds 1 & 2	771	-
National Action Plan Investment Strategy Phase 1	467	-
Natural Heritage Trust Investment Strategy Phase 1 & 2	106	-
Natural Heritage Trust	53	-
	3,321	-

Comparatives for 2002/03 are reflected in the Department's financial statements.

(l) Centre for Natural Resource Management

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

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

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

(m) Soil Conservation and Landcare

The Soil Conservation and Land Care Fund (Fund) was established under the Soil Conservation and Land Care Act 1989. Industry and SA Government funding is used by the Soil Conservation Board to provide for the conservation and rehabilitation of land in South Australia. At the end of the reporting period there was \$25,000 (\$24,000) in the Fund. During the reporting period the Fund earned \$1,000 (\$1,000) in interest income and no disbursements were made from the Fund.

(n) Changes to Administered Items

During the financial year the scope of the Department's controlled and administered activities were reviewed. In line with accepted accounting criteria the following activities which were reported as administered items in the Departments 2003 financial statements were considered not to be administered by the Department. Consequently these activities have not been reported in the Department's administered schedules. These activities have also been removed from the comparative balances in the administered schedules.

Arid Areas Catchment Water Management Board
Native Vegetation Fund
South Eastern Water Conservation Drainage Board - Employee related transactions

The following activities which were reported as controlled in the Departments 2003 financial statements were considered to be administered by the Department. Consequently these activities have been reported in the Department's administered schedules. The comparative balances are included in the Departments controlled financial statements.

Mt Lofty Ranges Catchment Support
Centre for Natural Resource Management

Note A3 Administered Cash Flow Reconciliation	2004	2003
	\$'000	\$'000

Reconciliation of Administered Cash - Cash at 30 June 2004 as per:

Catchment Water Management Board Levies	744	1,695
Qualco Sundlands	73	446
Penalty Charges	70	590
Remittance to South Eastern Water Conservation and Drainage Board	(89)	(231)
Pastoral Board	9	-
Land Technology Alliances	379	173
Catchment Water Management Board Payroll Tax	19	-
Natural Heritage Trust Grants	9,972	11,949
National Action Plan for Salinity and Water Quality	26,998	13,289
Mount Lofty Ranges Catchment Support	2,025	-
Centre for Natural Resource Management	826	-
Soil Conservation and Landcare	26	25
Schedule of Administered Assets and Liabilities	41,052	27,936
Administered Schedule of Cash Flows	41,052	27,936

Reconciliation of Net Cash Provided by Operating Activities to Surplus from Ordinary Activities:

Net Cash Provided by Operating Activities	12,879	13,616
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Changes in Assets / Liabilities

Increase / (Decrease) in Receivables	(381)	(17)
Increase / (Decrease) in Other Assets	130	5
(Increase) / Decrease in Payables	(713)	(1,689)
(Increase) / Decrease in Employee Benefits	(5)	-
Operating Surplus from Ordinary Activities	11,910	11,915

Certification of the Financial Report

We certify that:

- the attached General Purpose Financial Report for the Department of Water, Land and Biodiversity Conservation presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department of Water, Land and Biodiversity Conservation as at 30 June 2004, its financial performance and its operations cash flows for the year ended; and
- internal controls over the financial reporting have been effective throughout the reporting period.

Rob Freeman
Chief Executive
16th September 2004

Bill Cagialis
Acting Chief Finance Officer
16th September 2004

Abbreviations and Acronyms

ACRIS	Australian Collaborative Rangeland Information System
AHD	Australian Height Datum
ARIDFLO	Australian Arid Zone Rivers Projects
COAG	Council of Australian Governments
CRC	Cooperative Research Centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CWMB	Catchment Water Management Board
DAIS	Department for Administrative and Information Services
DEH	Department for Environment and Heritage
DWLBC	Department of Water, Land and Biodiversity Conservation
EPA	Environmental Protection Authority
ERD	Environmental Resources and Development (Court)
GAB	Great Artesian Basin
HR	Human Resources
HSR	Health and Safety Representative
INRM	Integrated Natural Resources Management
LEB	Lake Eyre Basin
MDBC	Murray-Darling Basin Commission
MLR	Mount Lofty Ranges
NAP	National Action Plan for Salinity and Water Quality
NHT	Natural Heritage Trust
NLP	National Landcare Program
NRM	Natural Resources Management
OHS&IM	Occupational Health, Safety and Injury Management
PIRSA	Primary Industries and Resources SA
SAFF	South Australian Farmers Federation
SARDI	South Australian Research and Development Institute
WILMA	Water Information and Licensing Management Application

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