



**Department
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and Heritage**

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The Hon John Hill MP
Minister for Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

In accordance with the requirements of the *Public Sector Management Act 1995* and the *Public Finance and Audit Act 1987*, I have pleasure in submitting my report on the activities of the Department for Environment and Heritage for the financial year ended 30 June 2004.

Allan Holmes
CHIEF EXECUTIVE
DEPARTMENT FOR ENVIRONMENT AND HERITAGE

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CHIEF EXECUTIVE'S STATEMENT

Heads of government departments need tough skins and shrewd brains to navigate the challenging and shifting circumstances of today's Public Service. It is no longer good enough to run a tight business and provide sound advice to one's Minister. Increasingly, Chief Executives are required to work outside their organisation; contribute to government initiatives and priorities that span many agencies; and work closely with business, the community and interest groups.

These demands are not unrealistic. However, they do require a shift in thinking and philosophy. In this dynamic and evolving environment, confidence and trust are all important. The relationship between the Public Service and the Government, and in particular between Cabinet Minister and Chief Executive, is critical for successful government.

With the Government completing its second year in office, its key advisory groups (the Economic Development Board, the Social Inclusion Board, the Premier's Roundtable on Sustainability, and the Science and Research Council), have introduced a constructive tension into the Public Sector, challenging its responsiveness, flexibility and creativity. Chief Executives and their executive staff have had to review the workings of the Public Service, examine the performance of their agencies, and respond to the changing expectations of government and community.

Departments are established to provide functionality, order and service. This vertical division of responsibility is the basis of any organisation. However, Governments are seeking integrated and coordinated services. The knee-jerk response is to look for a structural solution – an alternative alignment of the vertical boundaries or another organisation spanning those that exist already. However, a more sophisticated, elegant and simple response is required. What needs to change is head-set and behaviour reinforced with some sparse, minimalist integrating arrangements.

In the Department for Environment and Heritage, this is recognised as a major challenge, both internally and externally. We have responded by preparing a Corporate Plan, running a disciplined executive team, and engaging the Department in a shift of culture and attitude.

The Corporate Plan is appended to this Annual Report because of its significance in translating Government's objectives into direction for departmental staff. The Government has published its State Strategic Plan and departments must work with business and community groups to deliver the targets in the Plan. The Corporate Plan has been written so that DEH can make its contribution to the State Strategic Plan.

Looking back over the last year, there have been many highlights. I have selected a few to demonstrate the breadth and depth of the Department's work:

- Fire Management – Following the allocation of substantial new funding, DEH has begun to build its fire management capacity and deliver improved park protection throughout the State.
- Coast and Marine – DEH has been given a central role in managing the State's coast and marine environments. Substantial work has been done on a pilot marine plan and a pilot marine protected area.
- Built Heritage – With the release of the paper, *Heritage Directions: a future for built heritage in South Australia*, heritage protection and conservation has been revitalised.

However, significant challenges lie ahead. The management of our vast park estate and conservation of the State's vulnerable biodiversity are enormous tasks in their own right. And

even more challenging is the role of the Office of Sustainability in bringing awareness to the global problems that confront our very existence and survival.

Finally, I must acknowledge the dedication, commitment of my staff during 2003-04. They are a fantastic group of people who enjoy their role as public servants, working for government and serving the community.

I extend my sincere thanks to the Minister and his staff, and to the Chief Executives and staff of the other agencies in the Environment and Conservation Portfolio, for their cooperation, advice and support.

The Department for Environment and Heritage and The Environment and Conservation Portfolio

WHO WE ARE

The Department for Environment and Heritage (DEH) serves the South Australian community through the Government of South Australia. The Department manages the State's public land - land held in the conservation reserve system and as Crown lands. It has a primary role in environment policy, biodiversity conservation, heritage conservation, environmental sustainability and animal welfare, and is a custodian of information and knowledge about the State's environment.

DEH is part of the Environment and Conservation Portfolio. Other agencies within the Portfolio are the Department of Water, Land and Biodiversity Conservation, the Environment Protection Authority and the Office of Zero Waste SA.

WHAT WE DO

The department has a broad and diverse range of activities throughout the State, including the management of some 20 per cent of the land in South Australia. DEH also has a key advocacy and engagement role across Government and with business and communities throughout South Australia. It makes an important contribution to the economic and environmental health of the State by:

- Driving strategies for sustainability across government.
- Creating the basis for nature-based tourism industry.
- Providing essential environment and land information.
- Generating employment opportunities in regional areas.

DEH contributes significantly to how South Australians see themselves and their State in terms of quality of life, well-being, and sense of place.

WHERE WE ARE GOING

To align the direction within DEH, a Corporate Plan was released in March 2004. The Corporate Plan defines the organisation's purpose as:

'Conserving and restoring our environment for all generations'

The Corporate Plan includes:

- Behaviours valued in its employees
- Aspirations – what could be
- Corporate Goals and Priorities

It outlines DEH's corporate goals over the next few years as:

- Moving South Australia towards a sustainable future.
- Conserving, valuing and celebrating South Australia's natural and cultural heritage.

- Securing the future of South Australia's coastal and marine environments.
- Fostering debate on the environment and engaging the community.
- Maximising organisational performance.

The Corporate Plan provides the basis for program planning and service delivery within DEH and will be reviewed during 2004-05 to take into consideration the State Strategic Plan released in March 2004.

MAJOR HIGHLIGHTS OF 2003-04

- Established the Office of Zero Waste SA
- Established the Premier's Round Table on Sustainability
- Project managed the 2003 State of the Environment Report for the Environment Protection Authority
- Greening of Government Operations Framework launched across government and action plans developed
- *The National Parks and Wildlife Act 1972* was amended to provide greater protection for Coongie Lakes wetlands
- Launched a Living Coast Strategy
- Commenced the Kuka Kanyini project, rehabilitating wildlife ecosystems in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands
- Legislation was introduced to facilitate the handback of the Unnamed Conservation Park to the traditional owners
- Participated in Operation Aegis, a taskforce approach using satellite technology to detect illegal native vegetation clearance, and
- Commenced implementation of the Perpetual Lease Accelerated Freeholding (PLAF) project.

THE YEAR AHEAD

- Progress development of large scale biodiversity corridors that deliver *NatureLinks* goals
- Initiate a State Biodiversity Plan to further develop the '*No Species Loss*' strategy
- Proclaim the Encounter Marine Protected Area
- Establish the 'South Australian Heritage Council'
- Support the Board of the Botanic Gardens to initiate a program to upgrade the Botanic Gardens of Adelaide and celebrate 150 years of operation
- Complete a management plan for the Heysen Trail
- Establishing the Adelaide Dolphin Sanctuary
- Establish over 400 000 local indigenous plants as part of the 2004 planting program for the One Million Trees, and
- Facilitating the development of a State Greenhouse Strategy

DEPARTMENTAL PROGRAMS

The Department manages its business through the following seven programs:

Sustainability

The promotion of sustainable and eco-efficient human endeavour with minimal impact on essential life systems

Nature Conservation

The management, science and education contributing to conserving the State's biodiversity

Public Land Management

The conservation, maintenance and stewardship of the State's public lands

Coast and Marine Conservation

The conservation, management and protection of the State's coast and marine environments

Heritage Conservation

The understanding, conservation and protection of the State's rich heritage

Animal Welfare

The promotion and regulation of the humane treatment of animals

Organisation Support

Business support services that facilitate effective and efficient delivery of the department's programs

ENVIRONMENT AND CONSERVATION PORTFOLIO

DEH is part of the Environment and Conservation Portfolio, which is the responsibility of the Minister for Environment and Conservation, Hon John Hill MP. In addition to DEH, the portfolio comprises three other agencies:

- [The Department of Water, Land and Biodiversity Conservation](#) (DWLBC), provides advice and regulatory support to Government and the community for natural resource management and facilitates the allocation and sustainable management of natural resources.
- [The Environment Protection Authority](#) (EPA), aims to achieve a healthy and valued environment that supports social and economic prosperity for all South Australians by changing behaviour of industry, community and governments to more sustainable practices through a combination of regulation, education, economic instruments and co-operation.
- [Zero Waste SA \(ZWSA\)](#), promotes waste management practices that, as far as possible, eliminate waste or its consignment to landfill, and advances the development of resource recovery and recycling.

PORTFOLIO STRATEGIC OUTCOMES

In conjunction with the other agencies in the Environment and Conservation Portfolio, DEH has established seven key strategic outcomes to provide high-level guidance to the portfolio's many and varied operations.

The first six outcomes describe the environmental outcomes sought for the State and the community of South Australia and the seventh relates to the desired culture for the portfolio and the agencies within it.

Wise resource allocation and use

Sustainable use of the environment and natural resources for economic prosperity and quality of life

Clean and healthy environments

Waste and pollution minimised to protect human and environmental health

Conserved and functioning ecosystems

Viable and diverse ecosystems that maintain a living planet and enrich society

Conserved and celebrated heritage

Conservation of the landscapes and human history to celebrate our sense of place, identity and belonging

Improved condition of our air, land, water and biodiversity

Protection, conservation and rehabilitation of our environment and natural resources

Society actively engaged in the sustainable management of the environment and natural resources

A society that understands and is committed to the sustainability of the environment and natural resources

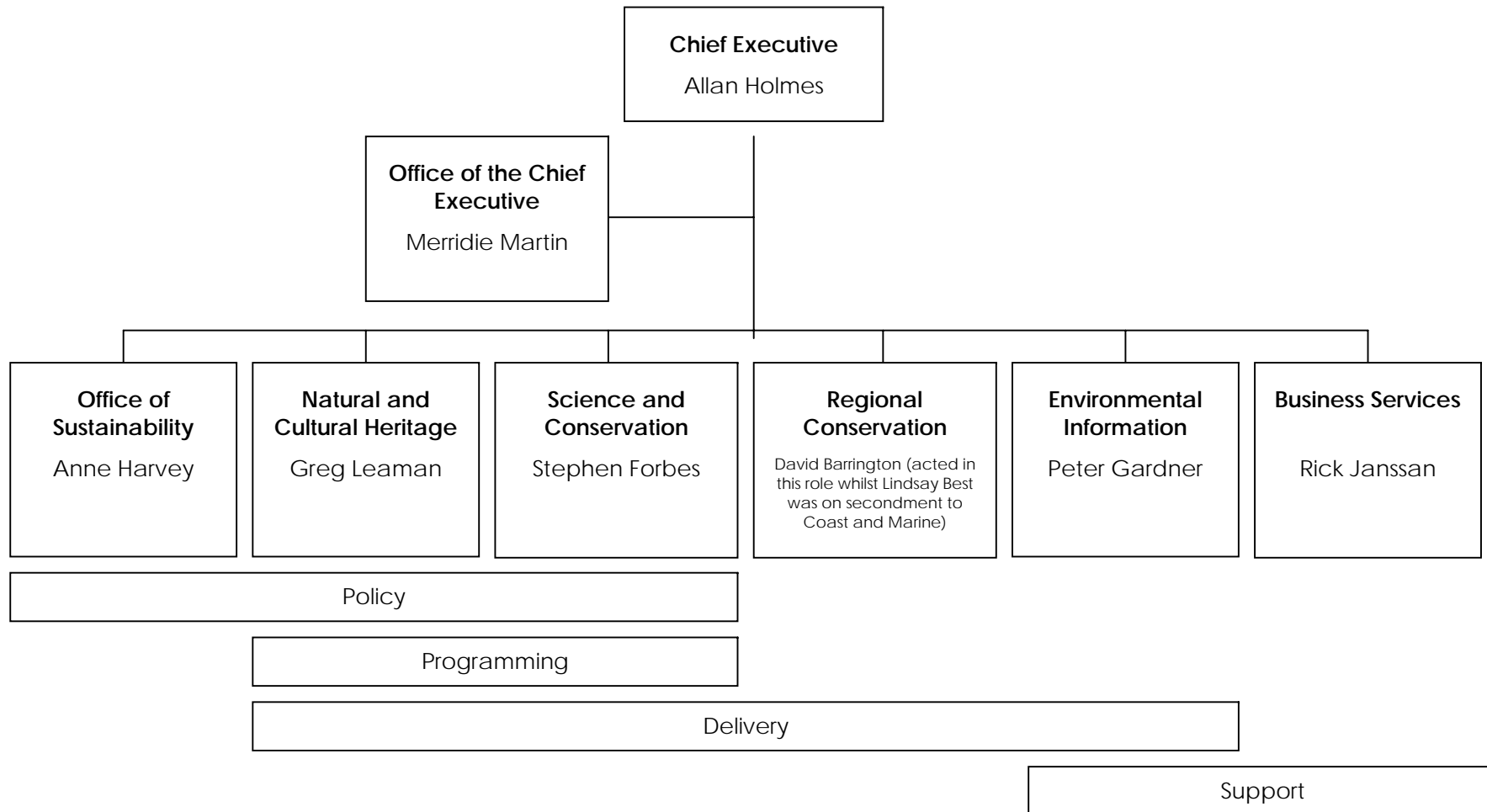
A culture of excellence and ethical behaviour

Excellence in service and governance

Figure 1

ORGANISATIONAL STRUCTURE

The organisational structure for DEH identifies policy and planning, program support and delivery roles across the agency.



SERVICE ROLES AND STRUCTURE

DEPARTMENT STRUCTURE

The current organisation structure is shown in Figure 1. It came into effect in December 2002, addressing the need to operate as a single, cohesive organisation through the creation of seven directorates. As demonstrated in the organisation chart, these directorates inter-relate either along a policy-programming-delivery continuum or through the supply of support services. Five of the directorates form the basis of the continuum, namely:

- Office of Sustainability (Policy)
- Natural and Cultural Heritage (Policy and Programming)
- Science and Conservation (Policy and Programming)
- Regional Conservation (Delivery), and
- Environmental Information (Delivery).

The remaining two directorates, Business Services and the Office of the Chief Executive, provide specialist support services across the agency.

OFFICE OF SUSTAINABILITY

The Office of Sustainability (OoS) was established on 1 July 2002, giving expression to one of the government's key environmental election commitments. The Premier articulated the role of OoS to be:

'The centre for environmentally innovative thinking for the whole of the government. It will be responsible for developing future planning directions for South Australia and then identifying practical measures for responding to them'.

Accordingly, part of OoS's role is to pursue environmental sustainability across government. OoS is seeking to assist Government agencies to build the principles of ecologically sustainable development into decision-making. In particular, OoS seeks to ensure that, where relevant, Cabinet submissions include an assessment of environmental outcomes.

OoS provides a high level strategic approach to the integration of sustainability principles across government and oversees the development of environmental policies and the reform of environmental and conservation legislation, as well as mechanisms for monitoring environmental performance. Consistent with the underlying philosophies of sustainability, OoS is developing approaches based on cooperation, collaboration, facilitation and partnerships.

OoS is actively exploring relationships with other agencies (for example, Planning SA, Land Management Corporation, Transport SA, and the Office of Local Government) to ensure that emerging sustainability initiatives are appropriately complemented.

NATURAL AND CULTURAL HERITAGE

The Natural and Cultural Heritage directorate provides policy leadership, program direction and support for the protection and management of natural and cultural heritage across the State.

More specifically, the directorate:

- Provides policy advice, programs and support for protected areas and public land management, coast and marine management, heritage protection, natural resource management, visitor management, Aboriginal and other community partnerships, and animal welfare, and
- Delivers programs, such as conservation and management of state heritage, Crown lands and coast and marine, where there is a need for centralisation.

The Director, Natural and Cultural Heritage also holds the statutory position of Director of National Parks and Wildlife under the *National Parks and Wildlife Act 1972*.

SCIENCE AND CONSERVATION

The Science and Conservation directorate consolidates DEH's scientific resources to deliver biodiversity conservation through policy development, research, monitoring, planning and programming. These activities are linked to the Botanic Gardens of Adelaide and State Herbarium as a cultural and scientific institution to provide a vehicle to communicate programs with the community.

The Science and Conservation directorate is responsible for:

- Policy, research, planning and delivery of biodiversity conservation programs and provision of scientific support and monitoring for biodiversity management, and
- Integrating the botanic gardens as a cultural and scientific institution focussing on plants, culture and environment, promoting sustainable urban landscapes, and contributing to habitat restoration.

The Director, Science and Conservation also holds the statutory position of Director, Botanic Gardens and State Herbarium under the *Botanic Gardens and State Herbarium Act 1978*.

REGIONAL CONSERVATION

The Regional Conservation directorate undertakes the majority of DEH's on-ground programs and is responsible for:

- Delivery of DEH's conservation programs state-wide
- Management of the State's public lands (national parks and wildlife reserves and Crown land), including maintenance of built assets and visitor facilities, and
- Delivery of State-wide programs addressing fire management and resource protection, including wildlife licensing.

Close working relationships with the Natural and Cultural Heritage and Science and Conservation directorates are maintained to ensure that policy and programming work can be delivered to achieve desired outcomes.

ENVIRONMENTAL INFORMATION

The Environmental Information directorate has a multi-faceted role, servicing the diverse needs of DEH, the Environment and Conservation Portfolio, business and the wider community.

Environmental Information's responsibilities include:

- Access, delivery, integration and analysis of geographic, environmental, social, economic and demographic data, information, products and services
- Developing spatial models to support environmental and natural resource management
- Providing policy development for environmental and geographic information
- Providing satellite imagery and remote sensing services for global, national and State purposes
- Developing an environmental education framework
- Officiating as the coordinating body for State management of spatial (geographical) information and as the State representative for National management issues, and
- Providing information technology, records management, Internet and Intranet services to support business units of the department and other elements of the Environment and Conservation Portfolio.

BUSINESS SERVICES

The Business Services directorate provides specialist services to support the functions of the department.

Business Services provides leadership in corporate business processes and offers strategic advice in line with the requirements of the Government, Minister, central agencies, and DEH directorates in the areas of Financial Services, Human Resource Services, Asset Services, Administrative Services, and Business Planning. The Business Planning function will move to the Office of the Chief Executive from July 2004.

The directorate ensures that the agency's capacity to deliver programs to its customers is maximised through the provision of sound, efficient and effective support services, processes, and advice. It seeks to do this through a focus on customer service, a streamlining of processes, and the implementation of accountability mechanisms to ensure quality service delivery.

OFFICE OF THE CHIEF EXECUTIVE

The Office of the Chief Executive (OCE) provides a range of high-level corporate governance and organisational management services to support the Chief Executive in his role as a principal Government adviser to the Minister and strategic manager of the organisation.

OCE's key roles include:

- Establishment and improvement of corporate governance arrangements for DEH, oversight and monitoring of internal control frameworks, and independent assurance of agency activities

- Agency-wide and cross-portfolio collaboration on organisational issues to ensure consistent, integrated achievement of requirements, and executive management services to the Chief Executive and DEH Executive
- Facilitation of intra-agency communication and liaison on behalf of the Chief Executive
- Management of strategic initiatives to improve the organisational management of the agency and portfolio and promote associated culture change, and
- Coordination of marketing and communications, media and public relations and event management and sponsorship.

Program – Sustainability

The promotion of sustainable and eco-efficient human endeavour with minimal impact on essential life systems

Sub-Program

Sustainability Assessments

Embedding sustainability principles into planning and accountability frameworks in the department, the portfolio and across Government by influencing and engaging key individuals and intervening in key processes with the department and across government.

Premier's Round Table on Sustainability

The Premier's Round Table on Sustainability (Round Table) was formed in October 2003. It comprises 15 members and is chaired by Professor Tim Flannery, Director of the South Australian Museum. The Round Table met four times in 2003-04 and has formed four sub-committees (which met independently of the Round Table on a number of occasions) to focus on:

- Communication and Change
- Energy
- Sustainable Settlements, and
- Ecosystem Management

DEH provides Executive Officer support to the Round Table.

2003 State of the Environment Report

The fourth State of the Environment Report (SoE), a Report that provides the most comprehensive information available on the current state of South Australia's environment and the pressures upon it, was completed on behalf of the Environment Protection Authority. A well received education resource was produced to accompany the report.

A response to the Report's 116 recommendations is currently being co-ordinated on behalf of the Government.

Other achievements for 2003-04

During 2003-04, the Sustainability Assessments sub-program:

- Contributed to the development of the State Strategic Plan
- Developed measures to expand environment reporting in State Government Annual reports
- Completed work for the 2004 edition of Green Print SA, reporting on progress against targets, and
- Further refined the process for assessing Cabinet submissions with 200 Cabinet submissions assessed this year

Targets for 2004-05

Targets for 2004-05 include:

- A review of Government circulars and guidelines to be progressed within the Greening of Government Operations Framework
- Development of and training in sustainability assessment tools
- Development of sustainability reporting systems for South Australia
- Progressing Green Print SA, the State of the Environment Report and Giradet's ' *Creating a Sustainable Adelaide* ', and
- Commencing development of an ecological footprint for South Australia

| Sub-Program | Sustainability Strategies |
|---|---|
| | <i>Enhancing the capacity of the State and targeted sectors (for example local, State Government, business and community) to embrace a sustainable future by developing policy advice and implementing programs, through partnerships, strategic intervention and collaboration</i> |
| Greening of Government Operations Framework | |

The Greening of Government Operations (GoGO) Framework was formally launched across the South Australian Public Sector in October 2003. The GoGO Framework implements the Government's election commitment to "build principles of Ecologically Sustainable Development into Government decision-making".

The GoGO Framework focuses on eight key Priority Areas for greening action with lead Portfolios and Agencies identified for each Priority Area, namely:

1. Energy Management (PIRSA Energy SA)
2. Water Conservation and Wastewater Management (SA Water)
3. Waste Management (Zero Waste SA)
4. Built Facilities (Green Building) Management (DAIS Building Management)
5. Travel and Fleet Management (DAIS Fleet SA & DTUP Transport Planning Agency)
6. Green Procurement (DAIS Contract Services)
7. Human Resource Management (Office for the Commissioner for Public Employment), and
8. Government Administrative Policies and Guidelines (DEH Office of Sustainability).

Senior representatives from these lead Agencies constitute a GoGO Steering Committee, co-chaired by Department of the Premier and Cabinet and the Office of Sustainability.

A GoGO Steering Committee is managing the development of a detailed GoGO Framework Action Plan, Business Case, and Communication Strategy. It is anticipated that the implementation of the GoGO Framework Action Plan will commence in 2004-05. A cross-agency Reference Group is currently being convened, to provide a consultative forum and facilitation mechanism for Agencies, in implementing the GoGO Framework.

State Greenhouse Strategy

Australia's climate is changing as a result of greenhouse gases. Work on the development of a State Greenhouse Strategy has commenced. The Strategy will address the reduction of South Australia's greenhouse emissions, adaptation to climate change and the opportunities for innovation which will position South Australia to deal with a carbon-constrained future. It will be released early in 2006.

Other achievements for 2003-04

Other notable achievements for 2003-04 included:

- Policy work leading to the establishment of the Office of Zero Waste SA
- Establishment of the Green City Program in partnership with the Capital City Project, Department of the Premier and Cabinet
- Initiation of a Sustainable Adelaide and Local Sustainability and Sustainable Communities programs

Targets for 2004-05

In 2004-05 it is anticipated that the following targets will be achieved:

- Developing a Scorecard as part of implementing the Greening of Government Operations Framework
- Developing a Sustainability alliance between State and Local Government
- Further developing effective partnerships with Local Government to mainstream sustainability principles and practices
- Investigating development of partnerships for the Sustainable Communities program with the aim of encouraging sustainable behaviour in the South Australian community, and
- Preparing a report outlining steps required for the establishment of a South Australian Sustainable Industries Program.

Sub-Program

Legislation and Environment Policy

Developing environmental policy for the protection and enhancement of the South Australian environment by initiating or contributing to legislative, planning and other environment policy initiatives and, as appropriate, leading whole of Government or whole of agency processes

Achievements for 2003-04

In 2003-04 the following initiatives were progressed:

- Supported the passage of the Nuclear Waste Storage Facility (Prohibition) (Referendum) (No.2) Amendment Bill 2003 and the Environment Protection (Miscellaneous) Amendment Bill 2002
- Consulted on the Access to Biological Resources Bill
- Provided input to a range of legislative initiatives and work at the national level on the development of the replacement framework for the *National Greenhouse Strategy 1998*
- Improved whole-of-Government coordination of business arising under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999*
- Strengthened the coordination of policy advice and its interaction with the planning system across DEH
- All Development Plans, Policy reviews and Environment Protection and Biodiversity Conservation Act referrals were responded to within statutory timeframes, and
- Over 100 reviews of amendments to Development Plans and other planning policies were undertaken.

Targets for 2004-05

It is anticipated that the following targets for 2004-05 will be achieved:

- Investigate options for a Sustainability Act and other legislative options to provide South Australia with a framework for decision-making based on ecologically sustainable development principles
- Develop planning modules for use under the Better Development Plans initiative to ensure that environment and conservation objectives are addressed in the South Australian planning system, and
- Examine the implications of work currently proceeding at national level to ensure the Government effectively addresses major environmental risk issues which cross agency boundaries.

Sub-Program Education Services

Improving people's environmental knowledge and uptake of sustainable practices by the delivery of environmental education initiatives

Achievements for 2003-04

In 2003-04 achievements included:

- Development of a Framework for SA Sustainable Schools and Preschools, and for Coast and Marine Education
- Development of the Adelaide Dolphin Sanctuary Education Resource and Junior Dolphin Rangers program
- Professional development for over 170 teachers and 20 environmental educators across the State
- Production of the State of the Environment Education Resource
- Ongoing improvement of the environmental education school curriculum and support for improved environmental education by schools and community educators, and
- Support for the Youth Environment Council and in particular for their capacity building and representation of youth in various Government and community fora, development and delivery of Youth for Environmental Action program across the State, and their participation in the Australian Futures for Cities and Towns conference.

Targets for 2004-05

It is anticipated that the following targets for 2004-05 will be achieved:

- Further development of environmental education programs within the formal education system through the implementation of the South Australian Sustainable Schools Initiative
- Development of the Online Sustainability Education Learning Centre and promotion of widespread uptake of sustainability education and practice throughout South Australia, and
- Support for Student Voice and for youth involvement in environmental action practice.

Sub-Program Information Services

Contributing to effective decision making within the Department by managing and analysing information and providing access.

Support improved environmental management and sustainable land management practices through the maintenance, enhancement and application of fundamental geographic data sets

Achievements for 2003-04

Key achievements for 2003-04 included:

- Completed coastal salt marsh mapping and mapping of Murray Mallee pre-European vegetation
- Provided intranet mapping capability to DEH central and regional offices for fire, coast, biodiversity and heritage management
- Developed and deployed a mobile Geographic Information System support capability and on-call arrangements during state emergencies
- Transferred responsibility for the database, IT and policy functions supporting the State's land administration processes to the Department of Administrative and Information Services (DAIS). This included responsibility for Property Assist, LOTS Enquiries the Section 7 statement processes, and
- Adopted digital methodologies and business practices for most State mapping functions.

Targets for 2004-05

In 2004-05 it is envisaged that the following will be achieved:

- Extension of intranet mapping capability for management of national parks and marine parks
- Extension of DEH intranet mapping capability to facilitate integrated analysis of both mapping and other departmental data
- Contributing to National Vegetation Information System
- Progressing web mapping and data services, and
- Structured management and geocoding of priority datasets to improve integration and analysis.

Program – Nature Conservation

The management, science and education contributing to conserving the State's biodiversity

Sub-Program Scientific Services

Informing effective conservation management by undertaking and supporting research, surveys and monitoring of South Australia's ecosystems, habitats, species and populations.

Biological Survey of South Australia

Biological Surveys focusing on the impacts of salinity on biodiversity in the Murray River Corridor, Yorke Peninsula and Mid North Regions were undertaken during 2003-04. The documentation of the distribution and relative abundance of plants and animals in the range of habitats within each survey area enables conservation and management of native species, habitats and ecosystems.

Survey reports were completed and released for the Anangu Pitjantjatjara Yankunytjatjara Lands, (winner of the 2003-04 SA Great Environment Award) the Northern Mount Lofty Ranges, the Adelaide Parklands and the South East. Work continued on biological surveys in the Maralinga Tjarutja Lands and Eyre Peninsula.

Over 74 per cent or 735, 706 square kilometres of the State has now been surveyed.

Other achievements for 2003-04

Other notable achievements for 2003-04 included:

- Continued to review the existing statutory and policy framework for biodiversity conservation to ensure that it is contemporary and comprehensive, and
- Continued to make strong representations to ensure biodiversity conservation priorities were incorporated into integrated natural resource management.

Targets for 2004-05

The following targets have been established for 2004-05:

- Releasing a discussion paper on biodiversity legislation and advancing a State Biodiversity Plan to give greater direction to regional biodiversity strategies and increased use of scientific evidence in addressing conservation issues
- A review of the Biological Survey of South Australia to establish future requirements and priorities
- Improving knowledge of the State's vegetation and plants through the development of pre-European vegetation mapping, the creation of a national virtual herbarium, and publication of a census of South Australian plants

- Commencing development of specific biodiversity research strategies to address fire, landscape restoration and species loss
- Progressing the Millennium Seedbank project and an upgrade of biological databases, and,
- Implementing a review of biological databases.

Sub-Program Biodiversity Conservation Services

Protecting and restoring ecosystems, habitats, species and populations by developing conservation programs with industries, government and communities

South Australian Tammar Wallaby

The mainland South Australian sub-species of Tammar Wallabies are listed as extinct in the wild. During 2003-04 a total of 84 Tammar Wallabies have been transported from a feral population in New Zealand to the Monarto Zoological Park in South Australia. The Adelaide and Monarto Zoos, University of Adelaide and the University of California, Los Angeles, supported this repatriation project.

A Consultative Committee with representation from local farming communities, tourism operators, the Narungga Aboriginal Community, the local District Council and community groups has been set up to assist in the re-establishment of these Wallabies back into the wild at Innes National Park, Yorke Peninsula.

One Million Trees

Partnerships have been developed with 12 State Government agencies, 20 Local Councils and numerous non-Government organisations to establish local indigenous plants through approximately 40 major projects throughout the Adelaide Metropolitan Open Space System. Over 400,000 local indigenous plants were established as part of the 2003-04 planting program. The majority of these were grown and established at prepared sites by 30 June 2004 with the final planting of some sites occurring in 2004-05.

Up to 100 young people were involved in the program in 2003-04 through the Youth Conservation Corps and over 60 schools are participating in projects. Community groups and the wider public are being encouraged to participate in and take ownership of plantings.

Planning and monitoring frameworks and methodologies were developed to guide on-ground projects through a 'current best practice' approach.

Other achievements for 2003-04

Further achievements throughout the 2003-04 financial year included:

- Continued to develop biodiversity conservation initiatives that were effective, scientifically credible and involve the community. This included the progression of biodiversity planning in the State's Rangelands, *NatureLinks*, and *No Species Loss* projects.
- Continued to review the existing statutory and policy framework for biodiversity conservation to ensure that it is contemporary and comprehensive.
- Continued to make strong representations that identified biodiversity conservation priorities into integrated natural resource management planning and investment processes

- South Australia contributed to the National Biodiversity and Climate Change Action Plan, 2004-2007, for the Management of Climate Change Impacts to Biodiversity, which was endorsed by Natural Resource Management Ministerial Council (NRMMC)
- Secured funding to determine causes of Mundulla Yellows over three years through Natural Resource Management (NRM)
- 21 species recovery plans have been adopted under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and are being implemented and a further 112 threatened species have formal, draft recovery plans at varying stages of implementation
- Three large scale ecological recovery projects, East Meets West, Cape Borda to Barossa and Bounceback, have been implemented and expanded, and
- Implemented the DEH contribution to the Kuka Kanyini Project and coordinated the removal of feral animal impacts, and enhanced native animal and plant species in the Anangu Pitjantjatjara Yankunytjatjara Lands. (More detail is provided in the Aboriginal Reconciliation Report).

Targets for 2004-05

In 2004-05 the department will:

- Progress the *No Species Loss* and *NatureLinks* initiatives. Five large-scale ecological recovery programs will be further developed to contribute to *No Species Loss* and *NatureLinks* objectives, including a strategic increase in private land conservation aligned with public conservation lands and planning for biodiversity corridor establishment.
- Establish over 400 000 local Indigenous plants as part of the Million Trees initiative
- Improve threatened species and ecological community conservation, and ecological protection, restoration and monitoring, and
- Maintain current 'sustainable use of wildlife' programs and commence development of further policies related to the sustainable use of wildlife, including the development of a 'Living With Wildlife' strategy.

Sub-Program Regulatory Services

Regulating the use of wildlife and DEH managed lands and preventing the illegal clearance of native vegetation through the management of permits, community education, voluntary compliance and pro-active enforcement

Operation Aegis

During 2003-04 Operation Aegis, a taskforce approach to detect illegal native vegetation clearance using satellite technology, identified over 30 possible areas of native vegetation clearances, totalling 1, 024 hectares in the Upper South East requiring investigation. These investigations are in progress and both criminal and civil proceedings have been initiated for those investigations which have been completed. Others are still pending.

Other achievements for 2003-04

Key achievements for 2003-04 included:

- Developed strategies to ensure consistent portfolio delivery of enforcement services
- Reviewed the enforcement structure to improve provision of DEH enforcement support services, and
- Upgraded law enforcement training for authorised officers.

Targets for 2004-05

Targets for 2004-05 include:

- Outstanding investigations will be completed and adjudicated to action either criminal and/or civil proceedings.

Program - Public Land Management

The conservation, maintenance and stewardship of the State's public lands

Sub-Program Visitor Management Services

Promoting public enjoyment and the conservation of the State's natural and cultural heritage through the development of environmentally sensitive, economically viable and socially responsible visitor experiences.

Responsible Nature-Based Tourism Strategy

The *Responsible Nature-based Tourism Strategy* was developed jointly by DEH and the South Australian Tourism Commission to ensure that nature-based tourism in South Australia is sustainable.

The Strategy developed during 2003-04 provides seven objectives and 60 strategies to guide the development of policies, products, promotion and capacity to enhance the State's image as a nature-based tourism destination.

Other achievements for 2003-04

Other notable achievements in 2003-04 included:

- Developed a number of publications including the new Parks Guide and Great Short Walks and launched the Yurrebilla Trail and map
- Improved the quality and sustainability of park facilities and visitor management services in targeted areas, including the Yurrebilla Trail in the Mount Lofty Ranges and the Heysen Trail
- There were over 2,061,042 visitors to Icon and Key Parks, reflecting a growth of 2 per cent. A 96 per cent visitor satisfaction rate with facilities and services was achieved
- Continued the provision of quality information and interpretation services that promote parks, conservation and heritage, including the development of a State-wide interpretation framework
- Conducted a review of park fees and charges and commercial tour operator licences
- Commenced development of a marine mammal interaction policy
- Upgraded visitor facilities at a number of Icon and Key Parks, including:
 - Belair National Park – upgrade of public facilities and amenities as stage one of five year upgrade within the Park. Stage one has upgraded the Karka Pavillion, toilet facilities, shelter sheds and BBQ sheds at the Pines and Karka Precinct
 - Mount Remarkable National Park – provision of shower facilities and upgrade of existing solar power supply at Mambray Creek campground, and significant road upgrading and widening of the Alligator Gorge Road
 - Flinders Ranges National Park – major restoration works to heritage buildings, development of visitor infrastructure and implementation of self-guided interpretive trail around Old Wilpena Station Heritage Site

- Waterfall Gully (Cleland Conservation Park) – construction of a disabled access ramp to provide improved access for visitors to Waterfall Gully and the Waterfall Gully Kiosk
- Innes National Park – provision of improved visitor access to address risk issues to visitors accessing Ethel Beach and Chinaman’s Hat Beach, and
- Coffin Bay National Park – upgraded campground facilities at Yangie Bay campground.

Targets for 2004-05

In 2004-05 the following initiatives will be pursued:

- Continuing the establishment of policy and planning frameworks for the delivery of visitor management services on DEH managed lands
- Completing a management plan for the Heysen Trail
- Strengthening partnerships for the delivery of visitor services with other government agencies and the private sector
- Continuing to facilitate the identification and pursuit of social, health and economic benefits arising from visitor services and facilities and develop its capacity to capitalise on these opportunities
- Undertaking targeted research to guide policy and planning decisions regarding health benefits of parks, accommodation in parks, trails and visitor satisfaction, and
- Continuing to provide quality information, education and interpretation as a means of engaging the community.

Sub-Program Land Administration Services

Meeting the community's ongoing interest in public lands by effectively acquiring, disposing and allocating.

Improving the conservation of South Australia's natural biodiversity by assisting the establishment of a comprehensive, adequate and representative system of protected areas.

Reserve Classification System (Parks Review)

A review of the reserve classification system commenced during 2004. The review seeks to improve the effectiveness of the current protected areas system through a classification system that:

- Is closely aligned with International Union for the Conservation of Nature (IUCN) criteria
- has clear management objectives for each park or reserve, and
- is easily understood by the community and protected area managers.

Perpetual Lease Accelerated Freeholding (PLAF) project

The application period to freehold perpetual leases as part of an accelerated program closed for most applicants on 30 September 2003. There have been over 8,800 applications (92 per cent of eligible lessees) covering approximately 13,000 leases.

Other achievements for 2003-04

Other achievements in 2003-04 included:

- Prepared a draft Bill to replace the Crown Lands Act for introduction into Parliament in 2004-05

- Implemented stage one of a workflow system for managing and tracking Crown lands administration processes
- Completed spatial data capture of licenses along the River Murray as a precursor to licensing unauthorised structures
- A Bill to amend the Crown Lands Act was introduced to Parliament to facilitate the PLAF Project
- Conducted a Registration of Interest process and selected a contractor for development of a new billing system in 2004-05
- Assisted in negotiations for Narungga Indigenous Land Use Agreement over Yorke Peninsula
- Introduced online Crown Land Maps series to assist with management of Crown land
- Assumed responsibility for administration of all National Park's alien tenures, and reviewed and rationalised existing lease data and revenue collection
- Purchased Bimbowrie Station as an addition to the reserve system, and
- Proclaimed one new conservation park (Hanson Scrub Conservation Park) and additions to two other conservation parks (Whyalla and Mt George Conservation Parks).

Targets for 2004-05

In 2004-05 the following initiatives will be progressed:

- Completing the public consultation phase of the reserve classification system review (Parks Review) and continue the review of existing public lands, to determine the most appropriate long-term management arrangements and ownership, with an emphasis on coastal protection and nature conservation
- Implementing the first stage of a new Lease and Licence Billing System
- Delivering stages two and three of the workflow system for Crown lands processes
- Progressing a Comprehensive, Adequate and Representative Reserve System, consistent with the strategies for *NatureLinks*, and
- Introducing new legislation for the management of Crown lands to Parliament.

| Sub-Program | Botanic Gardens |
|--|-----------------|
| <i>Advancing plant conservation and sustainable horticultural practices and enriching society by managing the natural and cultural assets and resources of the Botanic Gardens of Adelaide</i> | |
| Adelaide Botanic Gardens and Mount Lofty Botanic Gardens | |

As part of the process of developing Site Master Plans for the Adelaide Botanic Garden and Mount Lofty Botanic Garden, a number of studies have been initiated, continued or concluded.

Work initiated in 2002-03 has continued throughout 2003-04 focussing on stages of the production of Conservation Studies and Site Master Plans for the Adelaide and Mount Lofty Botanic Gardens.

Other complementary studies have already been completed. A Waterways Study for Adelaide Botanic Gardens was finalised at the beginning of the financial year. Also completed were a Botanic Park Power and Lighting Study, and an Access Plan for Adelaide Botanic Garden and Botanic Park. A Tree Study for the Adelaide Botanic Garden and

Botanic Park was undertaken, investigating health and risk issues associated with all tree stock in the Garden, and reporting on issues including management, risk, landscape contribution and spatial data. A possible new Western Entrance for Adelaide Botanic Gardens is also being considered by a working party made up of the Adelaide City Council, Adelaide University and the Botanic Gardens and State Herbarium.

Adelaide Parklands

Following the release for public consultation of an Options Paper for the Management of the Adelaide Parklands in 2002-03, a final report has been presented to the Minister for Environment & Conservation and the Adelaide City Council (ACC). Consultation is currently occurring with the ACC and within Government on the form of legislation.

Other achievements for 2003-04

Other notable achievements in 2003-04 included:

- Continued effective gardens and collection planning and sustainable horticulture practices, and
- Completed Stage One of the Botanic Gardens Site Master Plan.

Targets for 2004-05

In 2004-05 the following initiatives will be progressed:

- Promoting sustainable landscapes through developing partnerships with local councils and private developers
- Developing Parklands legislation
- Initiating a Gardens 150 program that will lead to a significant upgrade of the scientific, cultural and horticultural aspects of the Gardens and celebrate 150 years of operation, commencing in 2005
- Developing a lecture theatre in the western end of the Plant Biodiversity Centre, and
- Planning for the re-development of the western entrance of the Adelaide Botanic Gardens (Royal Adelaide Hospital car park).

| Sub-Program | Land Management Services |
|---|---------------------------------|
| <i>Managing public lands in an ecologically sustainable manner, by developing statutory planning and policy frameworks, undertaking on-ground work on reserves and engaging the community</i> | |
| Coongie Lakes Wetlands | |

Amendments to the *National Parks and Wildlife Act 1972* to increase protection of the Coongie Lakes areas within the Innamincka Regional Reserve and create a no-mining zone were passed by Parliament in December 2003.

Unnamed Conservation Park

Agreement has been reached with the Maralinga Tjarutja Community to transfer the Unnamed Conservation Park to the Aboriginal traditional owners while retaining its status as a Conservation Park. An innovative new framework for the cooperative management of parks has also been developed and the Statutes Amendment (Co-Managed Parks) Bill was introduced to Parliament to enact the required legislative amendments.

An Aboriginal Ranger training program has been launched and Co-Management Agreement and Management guidelines are being developed.

Other achievements for 2003-04

Notable achievements for 2003-04 included:

- Continued discussions on options for the improved protection and management of the Yellabinna region's biodiversity
- Coordinated the implementation and promotion of the *NatureLinks* program and principles
- Completed a review of reserve management processes and continued an accelerated program for the development of reserve management plans
- Coordinated regional and State-wide agency input into regional Natural Resource Management (NRM) plans and investment strategies
- Advanced a program of Cooperative Management of National Parks and Reserves with Aboriginal communities across the State
- Developed a discussion paper on the protection of fossils, and
- Implemented new protection measures for the Great Australian Bight Marine Park.

Targets for 2004-05

Targets for 2004-05 include:

- Continuing to improve reserve management planning processes and priorities and accelerate the preparation of management plans for reserves under the *National Parks and Wildlife Act 1972* and the *Wilderness Protection Act 1992*
- Consolidating the Kuka Kanyini project in the Anangu Pitjantjatjara Yankunytjatjara lands
- Incorporating *NatureLinks* principles into the landscape-scale management and ecological restoration of public lands
- Completing the handback of the Unnamed Conservation Park to the traditional owners
- Increasing community participation in activities that improve the conservation and management of public lands, and
- Preparing a Ramsar site management plan for Bool and Hacks Lagoon and developing wetland management plans for River Murray wetlands managed by DEH.

Sub-Program Fire Management

Reducing risk to life and property, and conserving our natural and cultural heritage on lands managed by DEH by developing and implementing fire management policy, procedures and programs

Bushfire Management

On May 2003 the Premier announced a \$10 million increase in funding over four years to increase the capacity of DEH to plan and implement fire management plans in Parks across the State. Many activities have commenced during 2003-04 including:

- A model developed for Community Bushfire Protection adjacent to National Parks
- Fire management planning for five reserves in the South East of South Australia completed

- A Fire Management plan completed for the Flinders Chase National Park
- Prescribed burning programs as part of a comprehensive campaign of fuel reduction undertaken in consultation with the Country Fire Service throughout the Mt Lofty Ranges during autumn 2004. 24 burns were successfully implemented totalling approximately 100 hectares, and
- Prescribed burning programs in country areas totalled another 450 hectares.

Other achievements for 2003-04

Further achievements throughout the 2003-04 financial year included:

- Developed strategic fire planning and management frameworks for DEH use
- Appointed a Senior Fire Research Officer to coordinate fire related research for DEH
- Engaged stakeholders through the Bushfire 2004 Conference
- Developed Prescribed Burning Code of Practice with the Government Agencies fire liaison committee
- Developed procedures for clearance approval in regard to prescribed burning under the *Native Vegetation Act 1991*
- Developed interim prescriptions for prescribed burning in South Australia
- Established Draft Monitoring Guidelines for prescribed burning, and
- Established summer fire crews in the Mt Lofty Ranges

Targets for 2004-05

In 2004-05, the following targets will be progressed:

- Implementing the fuel management strategy for the Mount Lofty Ranges
- Expand the fuel assessment program throughout the State
- Developing cooperative arrangements with the Bushfire Cooperative Research Centre to leverage research outcomes relevant to South Australia and support fire management
- Developing guidelines for ecological burning
- Establishing summer crews for Mt Lofty Ranges, and
- Developing four landscape scale fire management plans.

Program – Coast and Marine Conservation

The conservation, management and protection of the State's coast and marine environments

Sub-Program Coast and Marine Conservation Services

Ensuring the conservation and sustained productivity of the State's coastal, estuarine and marine environments by implementing planning and legislative initiatives from the Living Coast Strategy

Adelaide Dolphin Sanctuary

The Adelaide Dolphin Sanctuary Bill was prepared during 2003-04 to protect the resident dolphins in the Port River and Barker Inlet area and will be introduced into Parliament during September 2004. A Management Plan is also being prepared.

Living Coast Strategy

The Living Coast Strategy, which sets out the environmental policy directions over the next five years to help manage and protect South Australia's coastal areas, estuaries and marine ecosystems for the conservation and sustainable use, was finalised during 2003-04.

Other achievements for 2003-04

Other notable achievements for 2003-04 included:

- Developed the Pilot Spencer Gulf Marine Plan ready for public consultation
- Developed a draft Discussion Paper on an Estuaries Policy for SA and undertook targeted consultation, and
- Undertook a broad consultation on the Encounter Pilot Marine Protected Area zone plan and management considerations.

Targets for 2004-05

The following targets have been established for 2004-05:

- Finalising the Marine Planning Framework (MPF)
- Releasing the Spencer Gulf Marine Plan
- Drafting the Marine Plan for the Gulf of St Vincent
- Developing new legislation for marine reserves in South Australia, and
- Proclaiming the Encounter Pilot Marine Protected Area.

Sub-Program

Coastal Protection Services

Protecting the State's built and natural coastal assets by providing advice on coastal planning, development proposals and implementing targeted coastal works programs.

Semaphore Park Trial Breakwater & Beachport Breakwater

During 2003-04 the substantial completion of a trial breakwater at the boundary of Semaphore Park and Semaphore South was achieved, implementing Stage One of the Coast Protection Board's strategy for protecting the eroding foreshore at Semaphore Park.

In December 2003, the Beachport breakwater, designed to protect the foreshore, underlying sandbank and remnant seagrass meadows, was completed. Some height adjustments were made in April 2004. The Project has wide support from the local community.

Metro Coast Strategy Review

A Discussion paper for the Adelaide Beach Coast Protection Strategy for Government consideration was commenced in 2003-04 and developed to near final form. The paper provides a number of coast protection options and reassesses the sustainability of the 30-year beach replenishment program that protects Adelaide and provides sandy beaches.

As part of this project, an analysis of the Adelaide beaches monitoring program and beach replenishment data sets was undertaken to determine sand movements. A consultancy on coastal processes was also completed.

Other achievements for 2003-04

Other achievements for 2003-04 include:

- Over 65,000 cubic metres of sand was placed as part of the Hove-Brighton sand replenishment program, and beach replenishments at Semaphore Park, Tennyson and Henley South were completed
- Provided advice to Transport SA on sand bypassing required at West Beach and Glenelg, to ensure dune protection and beach amenity works were completed
- Provided advice and funding to coastal Councils for protection and conservation works around the State's coastline, and
- Provided advice and direction to planning authorities on coastal development applications.

Targets for 2004-05

The following targets have been established for 2004-05:

- Releasing a discussion paper on a Coast and Marine Act, followed by a draft Bill.
- Continuing the review of the Adelaide Metro Coast Protection Strategy through the release of a discussion paper on protection issues including sand recycling, structural solutions and alternative sand sources, and

- Increasing the focus on preventing development that will have an adverse effect on South Australian coastal assets through:
 - developing and implementing, in partnership with Planning SA and regional local governments, coastal development strategies and associated policy frameworks that will lead to Development Plan Amendment Reports
 - assisting Planning SA in the preparation of policy material suitable for generic use in Development Plans, and
 - commencing the development of a State Coastal Vision by working with Planning SA, Local Government and the community on aspirations for SA's coastal landscapes.

Program – Heritage Conservation

The understanding, conservation and protection of the State's rich heritage

Sub-Program Heritage Conservation Services

Ensuring the State's heritage is identified, protected, conserved and celebrated by administering the State Heritage Register and State Heritage Fund, providing conservation advice, assessing development applications, interpreting heritage sites, maintaining educational and promotion programs and managing heritage properties.

Heritage Directions – A Future for Built Heritage in SA

The 'Heritage Directions' framework was released for public comment in August 2003. Eighty submissions were received and during the consultation period and a Government response to the report and submissions, including additional funding of \$2.9 million over four years, was announced in May 2004.

The framework addresses the identification, management, protection and promotion of built heritage in South Australia and provides the Government's directions for the management of the State's heritage assets.

Other achievements for 2003-04

Other achievements in 2003-04 included:

- Announced the first *Edmund Wright Heritage Awards*
- Increased the focus on interpretation of heritage places and community appreciation of their heritage
- Conducted the first Schools Heritage Competition, and
- Commenced a second round of Heritage Cemetery Fund Grants.

Targets for 2004-05

Targets for 2004-05 include:

- Amending the *Heritage Act 1993* to improve State and Local heritage, with consequential changes to the *Development Act 1993*
- Commencing the development and implementation of a single Register for State and Local Heritage in association with Planning SA
- Establishing the South Australian Heritage Council
- Increasing the capacity of local government to administer and manage heritage programs through an expanded heritage advisory service, and
- Reviewing the management, use and ownership of State government-owned heritage building sites.

Program – Animal Welfare

The promotion and regulation of the humane treatment of animals

Sub-Program

Animal Welfare Services

Ensuring animals are treated humanely by the provision of public awareness and information and supporting the RSPCA in the administration and enforcement of the provisions of the Prevention of Cruelty to Animals Act 1985

Dog and Cat Management Legislation

In 2003-04 the *Dog and Cat Management Act 1995* was amended to provide greater protection from dangerous dogs while maintaining the rights of responsible dog owners. The amended Act comes into effect on 1 July 2004.

Tail Docking

As part of a Primary Industries Ministerial Council national agreement, a regulation to prohibit non-therapeutic tail docking of dogs was enacted and came into effect on 1 February 2004.

Targets for 2004-05

In 2004-05, a review of the Prevention of Cruelty to Animals Act will be undertaken.

Program – Organisational Support

Business support services that facilitate effective and efficient delivery of the department's programs

Sub-Program Human Resource Services

Maximising organisational performance by providing human resource management advice, programs, information and business systems.

Human Resource Systems

The 2003-04 financial year saw an increased emphasis on initiatives and systems to support human resource management priorities and strategies to assist DEH in meeting its current and future business needs, including:

- Implementing Phase 1 of a new Human Resource Management (HRM) system, CHRIS (Complete Human Resource Information System), to ensure improved delivery of accurate, timely and relevant 'high level' workforce information, and
- Establishment of a centralised and streamlined departmental recruitment and selection advisory and administration service.

Other achievements for 2003-04

Other notable achievements in 2003-04 included:

- Implemented Phase 2 of the CHRIS Human Resource Management System including the training and development module and web focus reporting for managers and employees
- Undertook a major review of DEH's performance management system
- Implemented a hazardous substances register (Chemwatch) and a new on-line hazard and incident reporting system (HIRS)
- Undertook a review of the department's Employee Assistance Program
- Developed and sought tenders for a Leadership and Management Development Program for senior managers, and
- Developed a strategic HR Plan for the organisation.

Targets for 2004-05

In 2004-05, the following key initiatives will be implemented or progressed:

- Building leadership and management capacity to support DEH Corporate business goals and priorities
- Implementing a Graduate Recruitment Program
- Focusing on recruitment and selection including support and training for selection panels
- Strengthening DEH's induction program
- Promoting the importance of good performance management practices, and
- Revitalising DEH's Occupational Health, Safety and Welfare (OHS&W) program.

A more detailed report of Human Resource Services may be found in the Human Resources (page 64) area of the report.

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| Sub-Program | Information Technology, Web and Records Management Services |
| <i>Supporting agency business functions by the effective management and provision of IT, Web and Records Management services</i> | |
| Achievements for 2003-04 | |

Notable achievements in the 2003-04 financial year have included:

- Commissioned new web sites for national parks such as Naracoorte Caves and Flinders Ranges and for a number of conservation parks
- Commissioned a mass storage facility to enable better access, more security and improved back-up of data
- Continued rationalisation and consolidation of server hardware throughout the agency
- Improved IT governance via the formation of a departmental IT Committee and independent review of IT infrastructure and services, and
- Progress towards adequate records management practice and recovery, registration, sentencing and storage of records at risk.

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| Targets for 2004-05 |
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In 2004-05 it is envisaged that the following will be progressed:

- Adjustment of DEH Information Communication Technology service model to maximise potential benefits from government's new Information Technology Services and State Economic Development (ITSSSED) contract arrangements
- Regional ICT services provided to a standard similar to that of metropolitan offices
- Management of digital imagery within an image server environment
- Rollout of an agency-wide education program and audit framework for management of DEH records and investigation of an electronic document and records management system, and
- Implementation of a web management framework and evaluation of a web content management system.

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| Sub-Program | Asset Management Services |
| <i>Contributing to the achievement of the Agency's program goals by providing technical advice and delivery support services to DEH operations</i> | |
| Achievements for 2003-04 | |

Achievements for 2003-04 included:

- Implemented the Project Initiation Process (PIP) Gateways system across DEH operations to assist in the planning, budgeting and project delivery cycles.
- Developed and commenced implementation of strategic management frameworks for Asset Management, Risk Management, Facilities Management, and Procurement Management

- Promulgated Risk/Opportunity Management policy and Procedures for DEH operations
- Developed and commenced the implementation plan for Greening DEH strategy
- Implemented site-based administrative support units
- Upgraded security and refurbishment of DEH office accommodation facilities to incorporate initiatives for Greening DEH, and
- Developed six site-based asset management plans.

Targets for 2004-05

In 2004-05, the following will be actioned:

- Begin implementation of the revised DEH Strategic Asset Management Plan
- Strengthening DEH's commitment to environmental management through a range of projects including the development of a DEH Energy Efficiency Plan, Greening Action Plans within each Directorate (incorporating environmental standards into procurement invitation documents), and promoting the conversion of DEH fleet to alternative energy use
- Developing site-based risk management plans for Icon and Key sites including Belair, Flinders Ranges, Kangaroo Island and Innes
- Upgrading DEH asset data and information to assist in the strategic management of DEH built infrastructure, plant and equipment assets
- Relocating the Environmental Information Directorate from Netley to the CBD
- Refurbishing Chesser House to reduce environmental impacts of DEH occupation of the building, and
- Reviewing and upgrading the Environment and Conservation Portfolio accommodation plan.

Sub-Program Governance and Organisational Strategy Services

A vibrant organisation through relevant and well-articulated strategic direction and sound corporate governance

Planning, Budgeting and Reporting Framework

The introduction of a matrix model of management consisting of a program planning and directorate service delivery framework was implemented. A series of workshops were provided to assist Program and Sub-program Managers in the development of Program Plans and performance indicators.

Management, Planning and Reporting Tool (MPRT)

A system based tool to assist in quarterly reporting on progress against strategic initiatives and performance measures was developed with the assistance of DEH Information Technology Services.

Corporate Plan

The DEH Corporate Plan was developed and released during 2004. The plan will be monitored and reviewed during 2004-05.

Other achievements for 2003-04

Other initiatives advanced in the 2003-04 financial year include:

- Continued improvement in providing legal support and advice, particularly relating to Freedom of Information and governance matters
- Assisted directorates with National Competition Policy matters
- Revised DEH's Risk Management policy and developed associated Intranet-based information and tools, and
- Provided coordination services for DEH and across the portfolio on specific initiatives, including administration of the Portfolio Chief Executives' Group and Ministerial correspondence.

Targets for 2004-05

In 2004-05, focus will be directed towards:

- Improving cohesiveness and corporate governance within DEH by improving internal communication, promoting the use of risk management in decision-making and initiating regular program and project evaluation
- Consolidating the planning, budgeting and reporting framework within DEH by reviewing the planning framework and reviewing the Management Planning and Reporting Tool
- Improving the quality of coordination, information and advice by improving Cabinet submission processes and improving response times to requests from the Minister and Chief Executive, and
- Implementing the agency's Corporate Plan.

Sub-Program

Financial Services

Supporting the achievement of the Agency's program goals and external reporting requirements by providing financial advice, information and business systems.

COGNOS Implementation

The COGNOS project built upon the successes of 2002-03 by implementing a range of new financial management reports and providing enhanced inquiry solutions. Training was provided to over 80 staff members and regional follow up visits were arranged to provide additional support.

Extension of the database to include Fixed Asset information commenced.

Land Administration Function Transfer

Significant support was provided to successfully implement new financial arrangements arising from the transfer of the land administration functions such as Section 7 statements, Property Assist, and LOTS enquiries to the Department of Administrative and Information Services (DAIS).

Other achievements for 2003-04

Other initiatives progressed in 2003-04 included:

- Reduced the cost of providing financial services by a continued review of business processes and optimisation of new technologies, particularly the new COGNOS reporting tool
- Improved the quality of internal reporting by developing new format Directorate and Corporate monthly reports
- Developed an automated model set of statutory financial statements which has introduced further efficiencies into annual year-end processes
- Extended service provision to Zero Waste SA
- Undertook a review of the Point Of Sale system and its impact on Accounts Receivable, with a view to replacing an ageing system, and
- Undertook policy and procedural development to improve asset management areas such as infrastructure stocktakes and 3-year revaluation planning

Targets for 2004-05

During 2004-05, the following targets will be pursued:

- Improving financial management systems through the replacement of Point of Sale systems, development of COGNOS reporting for other financial data including Fixed Assets, GST Reporting, Accounts Payable and Accounts Receivable, and the enhancement of standard reports.
- Improving the provision of financial management advice through the review of financial planning, budgeting and reporting processes, and
- Improving the quality of financial transactions recording, ensure accounting controls are maintained and Financial Statements of DEH and its client agencies meet the changing requirements of accounting standards and policies.

Sub-Program

Administration Services

Contribute to the achievement of the Agencies program goals by providing an administrative support function to Adelaide based Directorates.

Achievements for 2003-04

In 2003-04, the following key initiatives were advanced:

- Finalised the administrative structures and procedures at Keswick/Netley, Hackney and Adelaide CBD sites as result of a major restructure in late 2002, and
- Undertook a Regional Linkages project to review and improve the administrative systems and processes, and communication linkages and processes between Regional business offices and the CBD.

Targets for 2004-05

In 2004-05 the following will be progressed:

- Implement the recommendations outlined in the Regional Linkages project.

Sub-Program

Public Affairs Services

Raising awareness of DEH policy by shaping and delivering the department's messages, image and reputation.

Achievements for 2003-04

In 2003-04, the following initiatives / projects were advanced:

- Developed and implemented a Special Event Policy and Standards
- Produced and implemented a corporate marketing plan for DEH
- Developed and implemented a Media Policy, Advertising Policy and Public Communications Policy
- Developed and implemented five-stage roll-out of new corporate brand, and
- Conducted media training for key DEH staff.

Targets for 2004-05

In 2004-05 focus will be directed towards:

- Enhancing promotion of DEH through a Corporate Marketing and Communications Plan including implementation of Publications Review recommendations
- Developing and implementing a Corporate Media Plan
- Developing and introducing new measures to foster debate on the environment and engage the community, and
- Improving relationships with external stakeholders through a review of current market research data.

FOURTH ANNUAL ENVIRONMENTAL REPORT

INTRODUCTION

DEH is committed to the systematic management of its operational impacts on the environment. The Corporate Plan, developed and adopted during 2003-04, acknowledges this commitment, and the need for DEH to model best practice to other agencies. The approval by Cabinet of a Greening of Government Operations (GoGO) Framework and the inclusion of 'Attaining Sustainability' as Objective Three in the new State Strategic Plan have strengthened this commitment. The DEH Environmental Report reviews the agency's role in whole-of-Government initiatives during the course of the last year.

Continual improvement in the management of the agency's impacts on the environment is a significant priority action. Establishing and maintaining 'greening' as fundamental to the way staff go about their work is at the core of this approach, as is the creation of a complementary corporate culture. Whilst these elements will continue to be indicators of long-term success with greening, I am proud to acknowledge the contribution that all staff have made to the achievements so far.

Our progress in 2003-04 is reflected in this report. In commending it to you, I would also like to especially acknowledge the work of those staff, particularly in Business Services, whose diligence and attention to detail have enabled the complex sets of underlying data to be collated and presented in such a succinct and effective manner.

Allan Holmes
CHIEF EXECUTIVE

HIGHLIGHTS 2003-04

The list below is a summary of achievements in 2003-04:

- Adoption of a revised DEH Policy, *Managing our Impacts on the Environment*, and a comprehensive framework for Greening Action Plans to enable a standardised approach to identifying and managing operational impacts on the environment
- The most comprehensive collation and reporting of energy usage ever produced by DEH
- The Visy co-mingled recycling scheme (initiated by DEH in Chesser House in May 2003) diverted 39.3 tonnes of waste from the building (DEH five floors, Office of Consumer and Business Affairs four floors, Commonwealth Government two floors). This waste would otherwise have been disposed to landfill
- The Department recycled 436 kilograms of toner cartridges and associated printing/photocopying waste
- Refurbishment of the Regional Conservation offices in Port Augusta and Port Lincoln included investment in energy efficiency measures such as T5 luminaries and flat PC screen monitors
- Whilst our total number of vehicles increased slightly, our continuing policy of conversion of non-diesels to dual/hybrid fuel brought the number using only ULP down to 25 per cent of what it was five years ago
- Our purchase and use of 100 per cent recycled, chlorine free, white A4 copy paper reached 78 per cent of total consumption of this product by the agency
- Our monthly average consumption of white A4 copy paper fell by 8 per cent from 1045 reams to 958 reams, and
- As part of the Department's Human Resource Management commitment, an Environmental Capabilities Framework was developed and adopted to inform the identification of staff training needs necessary for the successful implementation of Directorate Greening Action Plans.

CORPORATE COMMITMENT

DEH's role as the South Australian Government's lead agency on the environment is reflected in our Corporate Plan, which nominates as a priority action the strengthening of our commitment to environmental management through *Greening DEH* and modelling best practice for other agencies.

To underpin this commitment, the agency has adopted a revised policy, *Managing our Impacts on the Environment*, which requires DEH to meet the following objectives:

- systematically identify, assess and document impacts on the environment associated with the delivery of programs
- develop and implement documented Action Plans in all Directorates to manage the impacts according to a standardised, whole-of-agency framework
- internally audit, for effectiveness and continual improvement, Directorates' identification, assessment and management of their impacts on the environment, and
- review and publicly report on environmental performance.

This policy also requires all staff to recognise and accept their obligations and responsibilities for, and to actively contribute to, managing impacts on the environment associated with their work. To assist Directorates in meeting the above objectives, a Greening Action Plan

Framework has been adopted. A Greening DEH Working Group, comprised of senior management representatives from each Directorate, has also been established to oversee implementation of the policy and ensure the effective use of the Greening Action Plan Framework.

The text of the policy *Managing our Impacts on the Environment* is included as an Appendix 1 to this Environmental Report.

The Greening DEH Program

Greening DEH is a key priority in the Corporate Plan Goal of *Maximising Organisational Performance*. The Business Services Directorate has principal responsibility for achievement of this priority.

Accordingly, the Greening DEH Program has been transferred from the Office of Sustainability (where it had been hosted for two years) to the Business Services Directorate as part of the Business Operations Branch. This enables the Program Coordinator to not only facilitate and support Directorates in developing and implementing Greening Action Plans but also to work closely with Asset, Project, Facilities and Procurement Managers to ensure the incorporation of appropriate greening measures in key areas of DEH business operations. An immediate and critical achievement has been the insertion of a detailed Environmental Impact Assessment tool in the revised DEH PIP Gateways system used by all Directorates to plan and initiate major projects.

2004 Staff Greening Survey

DEH conducts an annual survey of staff attitudes and practices related to greening. A table comparing selected, key responses from the 2004 survey (for which there was a 25 per cent staff response), and staff responses for the 2003 and 2002 Greening Surveys is attached as Appendix 2 to this report.

In general terms, the latest survey results reinforce the view that effective greening outcomes, based on changes in work place culture and practices, can only be achieved and maintained where there is long term corporate commitment to resourcing and facilitating the necessary processes. Whilst DEH has made such a commitment, our 'stretch target' approach gives us the incentive to maintain our endeavours – if the lead agency for the environment still has only one third of its work sites recycling paper 'all of the time', notwithstanding a 50 per cent improvement over two years, then the survey is telling us that we still have a considerable way to go.

MANAGING OUR IMPACTS ON THE ENVIRONMENT

The Department's overall environmental performance, as an outcome of the Greening DEH Program, is detailed under the seven headings below. These headings correspond to the Priority Areas contained in the GoGO Framework, and their adoption enables DEH to demonstrate its compliance with this whole-of-Government strategy as well as meeting its own corporate commitments.

Energy Management/Energy Efficiency Action Plan

In accordance with the reporting requirements of the whole-of-Government Energy Efficiency Action Plan (EEAP), DEH's energy performance is reported here in relation to previous annual usage and in terms of significant achievements.

DEH Annual Energy Use Performance

In previous years, the energy performance reported by DEH has been based on data that was not complete, reflecting the difficulties associated with collating the various sets of usage figures that are involved. For the 2003-04 report, DEH has made a concerted effort to rectify this situation, including detailed consultations with Energy SA officers who manage the Government Energy Usage data base and provide annual, portfolio performance reports to Cabinet.

The first outcome of this process has been the acceptance by Energy SA of estimates of energy usage for previous years. These estimates are based on the 2003-04 performance in end-use categories. This has resulted in an approved, upward revision of the 2000-01 base line of energy usage in buildings, from which DEH's 2010 target of a 15 per cent reduction (as required by the EEAP) is calculated.

The department's performance in respect of buildings energy usage is shown in the table below. As with previous years, it has been necessary to incorporate Environment Protection Authority and Office of Zero Waste SA usage in these figures to allow for organisational changes that have occurred since 2000-01 and thereby ensure consistency of the data now being reported. In addition, the more comprehensive nature of the energy usage figures that have been extracted and analysed has enabled identification of benefits from a change in the heating operations for the Bicentennial Conservatory after 2000-01. This change has produced more than 50 per cent reduction in natural gas usage that has been sustained over subsequent years. On this basis alone, DEH met its EEAP target for savings in buildings energy by 2001-02.

DEH has set its own target for 2010 buildings energy, based on a 15 per cent reduction in the 2001-02 figure. This figure is incorporated in the table below and shows that DEH still has a reduction of some 4,000 Giga Joules (GJ) to achieve.

| Year | Buildings Energy Use (GJ) | GHG Emissions (tonnes) | Expenditure (\$) |
|-------------------------------|---------------------------|------------------------|------------------|
| 2000-01 ¹ | 38,596 | 6,428 | 876,391 |
| 2001-02 ² | 27,370 | 4,990 | 706,175 |
| 2002-03 | 28,221 | 5,221 | 719,772 |
| 2003-04 | 27,379 | 5,324 | 729,831 |
| 2010 EEAP Target ³ | 32,807 | N/A | N/A |
| 2010 DEH Target ⁴ | 23,264 | N/A | N/A |

¹ EEAP Base Line

² DEH Base Line

³ 15% off EEAP Base Line

⁴ 15% off DEH Base Line

The second outcome of the Department's energy data exercise has been the completion of the most comprehensive reporting of energy usage ever provided by DEH. As required by the EEAP, the reported performance is a collation of data on all forms of energy used by DEH, EPA and OZWSA, expressed in Giga Joules, and covering electricity, natural gas, diesel, ULP, LPG and AVGAS.

A complete breakdown of the revised usage data, by energy type, is attached to this report as Appendix 3. It is anticipated that the separation into different usage categories (such as non-vehicle diesel and bottled LPG), will better enable the identification of opportunities for future energy efficiencies. In the case of diesel, non-vehicle use (eg electricity generation) accounts for some 35 per cent of the Department's total use of this fuel. This is significant and

warrants the further investigation of alternatives, especially when the operational requirement for diesel fuelled fire-fighting vehicles limits opportunities. Equally, whilst the detailed figures show that in terms of Giga Joules, DEH electricity usage is about two thirds that of our total diesel consumption, the environmental impact through Greenhouse Gas emissions is nearly three times as great. Clearly, the area of electricity efficiencies is one that offers particular potential for achieving DEH's objectives for energy action and managing our impacts on the environment.

Significant Energy Management Achievements

In accordance with the whole-of-Government EEAP, DEH has continued to implement measures designed to help the agency meet the target of reducing energy usage by 15 per cent by 2010.

Particular initiatives undertaken in this area include:

- Mambray Creek Public Amenities

Construction of the Mambray Creek amenities block in Mount Remarkable National Park was completed as part of a joint initiative between DEH and the Port Pirie Regional Development Board.

The new shower block is of open design, to provide passive light and ventilation, and more solar panels have been added to the existing toilet block solar array to provide light at night. The amenities are provided with a solar hot water service that is designed to cater for most occasions, and a bottled gas-fired booster to ensure the availability of hot water during peak visitation periods.

The amenities are also designed to be very low maintenance, with minimal paint finishes and the use of natural materials. Water is accessed from the existing mains supply but rainwater is also collected and is available for visitor use. Grey water is treated by conventional septic systems.

- Port Augusta and Port Lincoln Regional Offices

The existing office accommodation at Port Augusta and Port Lincoln was refurbished during 2003-04. As part of the project, agreement was reached with the building owners to replace existing light banks with energy efficient, T5 luminaries with electronic ballast. This decision was based on technical advice which projected reduced energy consumption by DEH, at both locations, in the vicinity of 25 per cent.

In addition to this initiative, staff PC computer monitors in both offices have been replaced with the flat screen type, which use about 50 per cent less energy than the old cathode ray models. These new monitors also produce about 75 per cent less heat, and this reduction will in turn lower the load on the air-conditioning systems, thereby creating further savings.

- Chesser House Energy Audit

An energy audit was carried out, in conjunction with the Office of Consumer and Business Affairs, of the State Government tenancies in Chesser House, in order to identify efficiency opportunities that could be considered as part of lease renewal negotiations.

Water Conservation

As shown in the table below, in 2003-04 there has been a decrease in water usage at the Adelaide Botanic Garden as a result of the implementation of water restrictions, the on-going upgrade of irrigation systems and the installation of dual flush toilet systems and 'waterless urinals'. A Water Application Technology review of the Garden is expected to enable the achievement of further efficiencies once recommendations have been considered and implemented.

Wittunga Botanic Garden has maintained an average reduction of around 57 per cent in total water consumption that it had achieved by 2001-02 (consumption at the Garden peaked 10 years ago (1993-94) at 35 Mega Litres). The reduction has been maintained in spite of lower rainfall (see table below) and reflects the progressive conversion from overhead sprinklers to drip irrigation.

| Water Usage (ML) | 2001-02 | 2002-03 | 2003-04 | Change (ML) in past year |
|---------------------|---------|---------|---------|-----------------------------|
| Garden | | | | |
| Adelaide | 102 | 107♦ | 97 | -10 |
| Wittunga | 14 | 16 | 16 | 0 |

♦This figure was incorrectly reported in 2002-03 as 117 ML

Water usage for Mount Lofty Botanic Gardens cannot be reported because the Gardens utilise underground water supplies which are not metered.

The following rainfall table illustrates the variability of this factor in Botanic Gardens management and the significance of water conservation initiatives by staff whilst maintaining the viability of the Gardens' plant collections.

| Rainfall (mm) | Jan-June 2003 | July-Dec 2003 | Jan-June 2004 | Total 2003-04 |
|---------------|------------------|------------------|------------------|------------------|
| Garden | | | | |
| Adelaide | 194 | 417 | 246 | 663 |
| Wittunga | 403 | 365 | 318 | 683 |

Waste Management

DEH has actively pursued its commitment to maximising the diversion from landfill of waste generated in the course of delivering its programs to the Government and community. Key achievements for both on-going waste management programs and new initiatives are detailed below.

Toner cartridges and associated printing waste

In 2003-04, DEH business units continued to recycle toner cartridges, ink jet bottles and associated waste from printers and photocopiers by way of the 'Close the Loop' operation. An enhanced collection system initiated by 'Close the Loop', utilising the Australia Post parcel post service, has improved the efficiency of the scheme for many sites, whilst other small offices have committed to forwarding this waste to a metropolitan site as part of the regular transmission of internal mail.

The 2002-03 figure of 744 kilograms (884 individual items) diverted from landfill, included cartridges etc from the EPA. The separation of the two agencies on 1 July 2003 is reflected in the lesser DEH figure for 2003-04 of 436 kilograms (608 individual items), of which 361 kilograms

(326 items) were toner cartridges. It is anticipated that DEH's reduced paper usage, as indicated elsewhere in this report, would also have contributed to these lower figures.

Co-mingled Recycling in Chesser House

Late in 2002-03, DEH, State and Commonwealth Government tenants in Chesser House adopted a comprehensive, whole-of-building recycling scheme utilising a co-mingled service provided by Visy Recycling. This scheme was instigated by DEH.

Data from Visy shows that after a full year of operation, the occupants of Chesser House had diverted 39.3 tonnes of recyclables from landfill, made up of 4.8 tonnes of paper (including confidential destruction material), 11.5 tonnes of cardboard and 23 tonnes of other co-mingled waste (bottles, cans, plastics).

The success of co-mingled recycling in moving from a trial to a model of best practice is demonstrated by the fact that a similar scheme has now been put in place at DEH's Keswick site. In addition, a number of Greening Officers from other agencies in the city precinct have inspected the Chesser House operation with a view to introducing it in their work sites.

Organic Waste

Building on the 2002-03 trial using worm farms to divert organic waste generated in office work sites, DEH staff have installed these systems in a number of sites, with four farms now operating in the Department's Chesser House tenancy. Records kept by the Office of Sustainability show that, over a full year's operation, the level 6 worm farms enabled at least 273 litres of organic waste to be diverted from landfill.

Land Environment Management Plan – Flinders Ranges NP

Flinders Ranges National Park is one of DEH's high visitation sites, receiving about 150,000 visitors a year. The Park's waste management arrangements have been replaced with the implementation of an innovative Land Environment Management Plan (LEMP) and Waste Management Plan (WMP) with associated infrastructure. The combined set-up costs were \$120,000. Several Local Councils in rural and remote areas have adopted the LEMP as a template and the EPA has recognised the new facilities as setting a standard for remote area waste management.

The Park Plans provide for the separation of waste into five categories (mixed, recyclables, grease/fat/oils, kitchen and putrescible waste) with facilities to make these readily managed, including latest design waste stations for the collection of recyclables and mixed waste throughout the Park. A contract for the on-going collection and management of National Park waste has been let and work has commenced on a Waste Management Plan for Flinders Ranges Tourism Services¹ that will also assist in the overall reduction in waste disposed to landfill. On current projections, the LEMP will reduce the amount of Park waste that goes to landfill from 90 per cent to 50 per cent within three years.

As a further innovation, DEH and the Waste Management Plan contractors have a managed grant of \$15,000 from the EPA to investigate other recycling initiatives such as the production of "fire bricks" made from recycled cardboard and paper for use in Wilpena Campground. This has the additional benefit of reducing the consumption of firewood.

¹ Operators of the Wilpena Resort within the Flinders Ranges National Park

Built Facilities (Green Building) Management

Port Lincoln Regional office

As part of the refurbishment of the Port Lincoln Regional Office, the existing carpet had to be replaced. The selection of Ontera carpet tiles in its place included an assessment of environmental aspects in both the manufacture of the product and its subsequent recyclability when it is eventually removed.

Green Star Building Rating System

A number of managers and senior officers in the Asset Services section, Business Operations Branch, undertook a one-day training course in the use of the Green Star Building Rating System. The system has been developed by the Green Building Council Australia and has been taken up by both Government agencies and private sector organisations across the country.

By having staff undertake this training, DEH has equipped itself with expertise that will enhance the Department's awareness and capacity to effectively incorporate environmental factors into the design, construction and management of built infrastructure.

Travel and Fleet Management

The Department requires that all new long term lease (LTL) vehicles from Fleet SA have either dual fuel or single LPG fuel systems. This requirement has been modified to include petrol/electricity hybrid cars (eg. Toyota Prius). Two of these hybrid vehicles have been added to the DEH fleet.

The table below shows the number and percentage of different types of vehicles in the DEH fleet over the period 2000 – 2004. These figures indicate that the Department has continued to increase the number of dual fuel vehicles. The corresponding number of ULP-only vehicles are now than 25 per cent of the number five years ago.

However, there is considerable scope to include fuel usage (see Appendix 3). Whilst LPG use has risen as expected, so too has petrol, and to a degree inconsistent with the changes in vehicle numbers. DEH now needs to consider other aspects of travel management, such as driver practices, distances travelled and ensuring the multiple occupancy of vehicles.

| Types of LTL Vehicles | Number & % of Fleet as at 30/06/00 | | Number & % of Fleet as at 30/06/01 | | Number & % of Fleet as at 30/06/02 | | Number & % of Fleet as at 30/06/03 | | Number & % of Fleet as at 30/06/04 | |
|-----------------------|------------------------------------|------|------------------------------------|------|------------------------------------|------|------------------------------------|------|------------------------------------|------|
| Diesel only | 156 | 59% | 146 | 57% | 143 | 56% | 144 | 62% | 148 | 62% |
| ULP only | 105 | 40% | 89 | 35% | 70 | 27% | 32 | 14% | 25 | 10% |
| Dual-fuel | | | | | | | | | | |
| ULP/LPG | 5 | 1% | 20 | 8% | 42 | 16% | 47 | 20% | 51 | 22% |
| ULP/Elec | Nil | 0% | Nil | 0% | Nil | 0% | Nil | 0% | 2 | 1% |
| LPG only | Nil | 0% | Nil | 0% | 3 | 1% | 8 | 4% | 12 | 5% |
| Total LTL vehicles | 266 | 100% | 255 | 100% | 258 | 100% | 231 | 100% | 238 | 100% |

Green Procurement

The Department's commitment to Green Procurement is reflected in other sections of this report. For example, the incorporation of Environmental Impact Assessment requirements in project management, which includes specifications for contract briefs and construction design. The figures given above for LTL vehicles are another example, with declining numbers of petrol-only vehicles complemented by a corresponding increase in the number of dual-fuel and LPG-only models. Procurement of the refurbishment of DEH Regional Offices in Port Augusta and Port Lincoln, as detailed above, is also applicable here. Finally, the progressive replacement of printers and photocopiers (with models capable of using 100 per cent recycled paper and with duplexing facilities), is integral to DEH's continued progress with paper purchasing, as detailed below.

Paper

DEH continues to use the procurement and usage of white A4 copy paper as a key indicator of environmental performance, with whole-of-agency targets to:

- Reduce the environmental impact of paper consumed by advocating the use (where possible) of office paper that is 100 per cent recycled, has maximum post consumer content and is not manufactured using chlorine bleaching processes, and
- Reduce paper consumption, principally by eliminating unnecessary usage and encouraging the purchase and use of printers and photocopiers with duplexing facilities.

Accordingly, the Department records paper purchasing and usage figures on a Directorate basis. The table below shows this data aggregated and averaged for the whole agency. DEH continued to improve its performance in this area.

| | June 2002 | June 2003 | June 2004 |
|--|------------|------------|-----------|
| % of total A4 copy paper consumed made from 100% recycled material | 68% | 74% | 78% |
| Average monthly consumption of A4 copy paper | 1185 reams | 1045 reams | 958 reams |

Human Resource Management

DEH has adopted an Environmental Capabilities Framework that was developed in a joint initiative between the Human Resource Services Branch and the Greening Program Team. The Framework will be used to inform the identification of staff training needs, as part of the Department's Performance Management process, and thereby help ensure the effective implementation of the *Managing our Impacts on the Environment* policy.

1. - DEH Policy – *Managing our Impacts on the Environment*

1. POLICY STATEMENT

DEH will undertake its activities in such a way that it responsibly and systematically manages any associated impacts on the environment, uses resources sustainably and models best practice in this regard to Government, business and the community.

2. OBJECTIVE

The objective of this policy is to specify the requirement for DEH to:

- systematically identify, assess and document impacts on the environment associated with the delivery of its programs, and
- develop and implement documented Action Plans, in all Directorates, to manage the impacts

according to a standardised, whole-of-agency framework, and:

- internally audit, for effectiveness and continual improvement, Directorates' identification, assessment and management of their impacts on the environment, and
- review and publicly report on its environmental performance.

3. BACKGROUND

DEH has an on-going commitment to adopting and modelling best practice in the management of operational impacts on the environment. The outcomes of the Department's activities to meet this commitment are described in the Environmental Report that is incorporated in the Department's Annual Report.

As the State Government's lead agency for the environment, this commitment is also reflected in the citing of DEH as a best practice exemplar in the whole-of-Government *Greening of Government Operations Framework* (2004).

The DEH Corporate Plan (2004-05) nominates the strengthening of this commitment as a Priority under the *Organisational Support* Program. Business Services Directorate is therefore responsible for coordinating and facilitating the delivery of a whole-of-agency Greening Program.

4. SCOPE

This Policy applies to all Directorates, business units, work sites and staff in the Department for Environment and Heritage

5. MANDATE

This document provides a policy platform from which DEH will deliver on its priority action for greening the department and model best practice in terms of whole-of-government greening.

This Policy supersedes the DEH *Environment Policy Statement* 2001 and the Environment and Conservation Policy Statement *Managing our Impacts on the Environment* 2003.

6. COMPLIANCE REQUIREMENTS

Not applicable for this policy

7. ROLES AND RESPONSIBILITIES

DEH requires all staff to recognise and accept their obligations and responsibilities for, and actively contribute to, managing impacts on the environment associated with their work. Other specific responsibilities are as follows:

- DEH Executive – provide leadership in the implementation of this policy
- Directors – ensure the systematic identification, assessment and documentation of operational impacts on the environment and the implementation of Greening Action Plans, in accordance with the approved Framework, for managing the impacts in their respective directorates
- Managers – ensure the effective management of environmental impacts associated with their specific functional areas, including provision of any necessary staff training, and
- Program Coordinator, Greening DEH –
 - facilitate and support directorates in implementing the DEH Greening Action Plan Framework to identify, assess and manage operational impacts on the environment;
 - coordinate internal auditing of the effectiveness of directorates' Greening Action Plans, and
 - report on DEH's environmental performance.

8. MANAGEMENT

This Policy will be promulgated to all staff electronically, via the DEH intranet (Hub) and in hard copy as required.

Implementation, monitoring, review and reporting in respect of the Policy shall be undertaken as per the Objectives (section 2) and Roles and Responsibilities (section 7) above.

2. - DEH 2004 Annual Staff Greening Survey

Responses to Selected Key Questions – Comparative Table 2002-04

| Key Survey Questions | 2002 | 2003 | 2004 |
|---|-------|-------|------|
| Idea of Greening DEH – very important | 58.8% | 59.5% | 67% |
| Greening action at work site level – very important | 50.6% | 44.7% | 53% |
| Senior management support for greening – very important | 65.7% | 65.8% | 72% |
| Paper recycled at work site – at all times | 22.7% | 33.1% | 33% |
| Cans, bottles etc recycled at work-site – at all times | 26.8% | 33.9% | 45% |
| Organic waste recycled at work site – at all times | 8.6% | 8.6% | 11% |
| Double sided printing at work site – at all times | 7.2% | 23.7% | 23% |
| Work site lights off when not in use – at all times | 16% | 24.1% | 21% |
| PCs etc turned off overnight – most of the time | 31.5% | 34.6% | 57% |
| Greening actions should be in business plans – strongly agree | 30.7% | 31.5% | 36% |
| Link between greening actions & performance management – very closely connected | 9.4% | 15.6% | 11% |
| Amount of work involved a barrier to greening – very significant | 10.8% | 13.2% | 12% |

3. - DEH/EPA/OZWSA 2003-04 Energy Use etc by type

Energy Use (GJ)

| Fuel type | 2000-01 | 2001-02 | 2002-03 | 2003-04 |
|------------------------------|---------|---------|---------|---------|
| AVGAS | 1451 | 1346 | 1240 | 795♦ |
| Diesel - Vehicle | 11,327 | 11,327 | 11,327 | 14,262 |
| Diesel - Other | 8,060 | 8,060 | 8,060 | 8,060 |
| Electricity - CBD/lease | 7,214 | 5,873 | 5,873 | 5,873 |
| Electricity -other buildings | 9,182 | 7,259 | 7,259 | 7,424 |
| LPG -Bottled | 470 | 470 | 470 | 470 |
| LPG -Vehicle | 2116 | 2116 | 2,116 | 4,033 |
| Natural Gas | 13,670 | 5,708 | 6,559 | 5552 |
| ULP -Passenger Vehicles | 4513 | 4513 | 4513 | 5402 |
| ULP - Other | 1565 | 1565 | 1565 | 811 |

♦DEH plane grounded for three months for major refit

Greenhouse Gas Emissions (tonnes)

| Fuel type | 2000-01 | 2001-02 | 2002-03 | 2003-04 |
|------------------------------|----------------|----------------|----------------|----------------|
| AVGAS | 106 | 99 | 96 | 61 |
| Diesel - Vehicle | 848 | 848 | 885 | 1,114 |
| Diesel - Other | 604 | 604 | 630 | 630 |
| Electricity - CBD/lease | 2,222 | 1809 | 1932 | 1932 |
| Electricity -other buildings | 2,828 | 2,236 | 2,388 | 2,443 |
| LPG -Bottled | 30 | 30 | 32 | 32 |
| LPG - Vehicle | 137 | 137 | 144 | 275 |
| Natural Gas | 744 | 310 | 339 | 287 |
| ULP -Passenger Vehicles | 362 | 362 | 362 | 434 |
| ULP - Other | 112 | 112 | 126 | 65 |

Cost (\$)

| Fuel type | 2000-01 | 2001-02 | 2002-03 | 2003-04 |
|------------------------------|----------------|----------------|----------------|----------------|
| AVGAS | 54,795 | 50,813 | 46,828 | 30,014 |
| Diesel - Vehicle | 233,564 | 233,564 | 233,564 | 290,066 |
| Diesel - Other | 167,545 | 167,545 | 167,545 | 167,545 |
| Electricity - CBD/lease | 263,309 | 214,410- | 214,410 | 214,410 |
| Electricity -other buildings | 335,120 | 268,695 | 268,695 | 296,145 |
| LPG - Bottled | 6,254 | 6,254 | 6,254 | 6,254 |
| LPG - Vehicle | 33,900 | 33,900 | 33,900 | 55,078 |
| Natural Gas | 104,163 | 49,271 | 62,868 | 45,477 |
| ULP -Passenger Vehicles | 104,920 | 104,920 | 104,920 | 120,412 |
| ULP - Other | 36,357 | 36,357 | 36,357 | 19,220 |

ABORIGINAL RECONCILIATION STATEMENT

DEH operates four main priority areas as part of the Department's approach to Reconciliation. These priority areas are:

- Land and Biodiversity
- Heritage and Native Title
- Communications, and
- Employment and Training

The DEH Aboriginal Partnerships Unit has been established to provide policy advice and develop strategic initiatives and programs for cooperative management of natural and cultural heritage, to assist in the resolution of native title including Indigenous Land Use Agreements (ILUA), and to contribute to Aboriginal Reconciliation. The Unit is also responsible for employment and training initiatives for Aboriginal people in the Environment and Conservation portfolio.

DEH undertook a number of significant initiatives in 2003-04 as components of these priorities.

LAND AND BIODIVERSITY

The Kuka Kanyini Watarru project, an initiative of DEH in partnership with the Watarru Community, aims to manage 'country' and improve social well-being in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. The project has support from the Indigenous Land Corporation, the Commonwealth Government and the APY Lands Task Force. Kuka Kanyini builds on the 10-year biological survey of the APY Lands undertaken by DEH in collaboration with Anangu, and the relationships forged during that survey.

Kuka Kanyini aims to conserve biodiversity by removing feral animals, expanding traditional fire management practices, developing natural sanctuaries for preferred species, restoring and protecting water sources and protecting and increasing the availability of native foods for Community members.

This enables the Community to 'look after country', which in turn improves people's health and self-esteem, strengthens respect for culture and traditional family structures and provides valuable employment and income. It is anticipated that the potential for ongoing success and expansion of the Kuka Kanyini Project will have far reaching benefits to Anangu in terms of diet, health and physical and social well-being.

DEH, through its representation on the Aboriginal Lands Integrated Natural Resource Management Group (ALINRMG) contributed to integrated natural resource management reform. The ALINRMG Integrated Natural Resource Management Plan and Investment Strategy identify key natural resource management priorities and targeted investments for the next five years. DEH, as a member of the ALINRMG, will continue to provide advice and support for the implementation of the Plan and Investment Strategy.

HERITAGE AND NATIVE TITLE

DEH undertakes a range of co-operative management activities in selected areas across the State in recognition of the importance of country to Aboriginal people. A lease over the Witjira National Park exists with the Irrwanyere Aboriginal Corporation and a Board of Management has been established to ensure a Park management plan is carried out as well as addressing aspirations of the Aboriginal Community. A Co-management Committee, which includes members of Adnyamathanha Traditional Lands Association, also exists for the Vulkathunha-Gammon Ranges National Park.

DEH is actively negotiating with a number of other Indigenous groups about co-management. Amendments to the *National Parks and Wildlife Act 1972* and the *Maralinga*

Tjarutja Lands Rights Act 1984 will facilitate the handover and subsequent co-management of the Unnamed Conservation Park in the State's far west and will establish a framework for the co-management of other National Parks and Reserves. Under these arrangements, traditional knowledge and contemporary park management skills can be brought together to form a partnership to improve park management and contribute to Reconciliation.

A planning process has commenced for the management of Aboriginal heritage sites within the National Park reserve system.

DEH also provides training on Native Title and Aboriginal Heritage to all field-based branches and regions.

COMMUNICATIONS

The communications priority area is designed to provide a better understanding of Aboriginal issues and cultural matters and to develop strong relationships with Aboriginal people and communities through a variety of communications and awareness raising activities.

DEH co-hosts a successful annual community barbecue with the Adelaide City Council and the Aboriginal Legal Rights Movement as part of Reconciliation Week celebrations.

DEH supports Taoundi Cultural Agency, which runs the Tappa Mai Bush Tucker Tour in the Botanic Gardens of Adelaide for general visitors and school groups. Aboriginal guides teach visitors how Aboriginal people use plants for food, medicine, shelter, clothing and artefacts. The Adelaide Botanic Garden Education Service provides cultural resources for teachers and students. When supported by an Aboriginal Community, Aboriginal arts and culture are celebrated in park management plans and local interpretive products.

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.

The DEH Corporate Plan emphasises the relationship and role of the Department in advancing Reconciliation and addressing Indigenous issues through its role as significant landholder. The Plan includes as priorities; *"Working in partnership with Indigenous communities to co-operatively manage parks and biodiversity and to support the management of their land"* and *"recognising and respecting the connection between Indigenous Australians, their cultural heritage and connection with place and country."* All DEH staff and major stakeholders receive a copy of the Plan, and DEH programs support and give effect to these priorities.

EMPLOYMENT AND TRAINING

DEH has an employment strategy to increase the representation of Aboriginal people in the Department and provide opportunities for Aboriginal people in land and biodiversity management.

DEH has implemented an Indigenous Graduate Cadetship Program. To date, three graduates have been placed within the Department in the Natural and Cultural Heritage and the Science and Conservation Directorates.

The Department's four-year Indigenous Apprentice Program is continuing with placements at Vulkathunha-Gammon Ranges National Park, Coorong National Park, Murraylands Region, Yorke/Mid North Region, and West Region. An Aboriginal trainee has also been employed within the West Region. Aboriginal people now represent about 2.5 per cent of DEH workforce.

DEH is currently canvassing Universities for Indigenous employment opportunities through the mainstream graduate programs. DEH is also developing a Recognised Prior Learning package and identifying career-mapping opportunities for all Indigenous staff.

In addition, the Kuka Kanyini project provides training and development opportunities in land management for members of the Watarru Community in the APY Lands. Co-management initiatives also provide for Aboriginal Employment in park management.

Cultural awareness training is provided to DEH staff through targeted training and at the time of induction in locations where close contact with Aboriginal people occurs. Over 90 staff have received cultural awareness training in the Adelaide, Outback and South East Regions since the last report. Local Traditional Owners are invited to assist in the delivery of the training program.

THE YEAR AHEAD

In 2004-05, the DEH Reconciliation Initiative will continue to be advanced and will strongly reflect the broader commitment to Aboriginal People by the State Government.

HUMAN RESOURCES

HUMAN RESOURCE MANAGEMENT

Human Resource Services' (HRS) key focus is to align its human resource management services and programs with the Department's Corporate Plan.

The HRS Branch has also focused on building more effective, collaborative and consultative business relationships with Directorates and stakeholders. This approach ensures that HRS contributes to the achievement of DEH's program goals as well as ensuring greater management accountability for human resource related decision-making.

Accountability is attached to the personnel management standards encompassed in the *Public Sector Management Act 1995*. These standards are embodied in the eight key result areas of the *Strategic HRM Framework for the South Australian Public Sector* developed by the Office of the Commissioner for Public Employment (OCPE).

Successful delivery of programs relies on Human Resource Management (HRM) strategies that ensure DEH is able to attract, retain, develop and maximise the performance of the right people for the business.

This year, the direction for HRM has been shaped by goal five of the DEH Corporate Plan "Maximising Organisational Performance".

Maximising Organisational Performance focuses on:

- Quality Recruitment and Selection
- Performance Enhancement
- Developing People
- A Safe and Healthy Place to Work and Visit, and
- A Planned Workforce

MAJOR INITIATIVES

Major human resource development initiatives for DEH in 2003-04 included the following:

- successful implementation of the personnel, payroll, leave, and training and development modules of the Complete Human Resource and Payroll Information System (CHRIS), including the Employee and Manager Self-Service Kiosks, and Web Focus Manager's Reports
- streamlining recruitment and selection administration services
- up-skilling Selection Panels in the art of selection
- embedding performance management (including 360 degree feedback) in DEH people management practices and culture
- ensuring effective HRM advice and support to the agency
- developing and implementing a Hazardous Substances identification system
- designing and commencing implementation of Leadership and Management Development programs
- implementing manual handling and ergonomic assessment programs across key areas of the agency, and
- raising the awareness of Strategic Staffing (Workforce Planning).

As 2003-04 was a year of consolidating human resource management activities, many of the initiatives will continue into 2004-05.

EXECUTIVE EMPLOYMENT

This year has seen an increase in the Executive team due to minor restructuring and changing responsibilities.

Director's achievements continue to be measured quarterly against planned business outcomes as part of the Department's Executive Performance Management Program. Individual development needs are supported through the availability of both online (Savvy web site) and other learning opportunities.

DEH also participated in the *SA Public Sector Executive Mobility Program*, a public sector-wide initiative supporting executive development through short-term executive placements in other agencies. A member of DEH's Executive team is currently undertaking a six-month placement in another agency while DEH hosts a similar placement.

| 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 | | | 6 | 3 | | | 6 | 3 | 9 |
| EXEC0B | | | 3 | 1 | 2 | | 5 | 1 | 6 |
| EXEC0C | | | 1* | 1 | 1 | | 2 | 1 | 3 |
| EXEC0E | | | | | 1 | | 1 | | 1 |
| TOTAL | | | 10 | 5 | 4 | | 14 | 5 | 19 |

*1.0 FTE Male Tenured Executive placed within Justice Portfolio at the EXEC0C level has a substantive position within DEH of EXEC0A

The contribution of the HRS team towards initiatives undertaken during 2003-04, is highlighted in the following assessment of OCPE's Key Result Areas.

A PLANNED WORKFORCE

Identify the workforce that is required to meet government objectives and implement workforce strategies to address these requirements.

A program to raise awareness of Strategic Staffing (Workforce Planning) was considered with the intention of implementing a pilot program in a selected Directorate. This proposal was abandoned in favour of upskilling Human Resource Account Managers (HRAMs) in HR information analysis and its application to Workforce Planning. This program will be delivered in late 2004.

QUALITY STAFFING

Appoint the best possible staff and manage their career mobility to best effect.

Aspirations for a more strategic approach to recruitment and selection were an impetus for the adoption of a centralised recruitment and selection service in 2003-04. To date, the centralised system has been operating very successfully. An initial review of the service has revealed areas of improvement in advertising and processes, which will streamline the effectiveness and efficiency of DEH's recruitment and selection activities.

A comprehensive Induction Kit facilitating a smoother orientation for staff new to DEH was completed and made available to managers and staff. This kit rounds off the recruitment process by introducing new employees to life in DEH in a comprehensive and consistent manner, covering everything a new employee needs to know to facilitate an easy transition to DEH's general business practices and processes. The Induction Kit will be continually updated.

A revamped departmental Exit Interview process (introduced in April 2004) provides both demographic and qualitative information from employees leaving the department. Quarterly reporting to Executive on relevant factors highlighted by this process contributes to

a more holistic picture of the effectiveness of DEH's selection outcomes and use of Induction, providing a useful guide to key areas requiring attention in DEH's management processes. A lack of succession planning is one example of an identified need that will be addressed during the coming year.

RESPONSIVE AND SAFE EMPLOYMENT CONDITIONS

Provide remuneration and employment conditions so as to economically attract develop and retain the best staff and ensure workplace safety.

The DEH Health and Safety Framework was revisited in 2003-04, with current and proposed programs main-streamed as part of normal business. Integrated with this initiative, key areas requiring Manual Handling training were identified, and appropriate programs delivered as required or on an invitation basis, primarily as a preventative measure designed to reduce the frequency of manual handling related injury. Substantial effort has also been devoted to ergonomic assessment and replacement of office chairs and furniture where necessary.

Further health and safety initiatives include the implementation of Chemwatch, an online system available to all staff to assist with the management of hazardous substances on work sites. Appropriate training has also been delivered enabling staff to confidently use the system. Monitoring of the use of Chemwatch has highlighted the need for refinements to the system and further training.

Resourcing issues have delayed the delivery of some Occupational Health, Safety and Welfare (OHS&W) programs this year, with the departure of a senior staff member and a substantial delay in appointing a replacement.

The Workers Compensation claims management function has been undertaken through a service contract with the Department for Administrative and Information Services (DAIS) since November 2003.

A review of the Employee Assistance Program (EAP) was also undertaken. Staff were surveyed to determine how they viewed the current program and what features they wanted as part of any future program. Tenders for the provision of an EAP will be sought early in 2004-05.

Leave Management

| AVERAGE DAYS LEAVE TAKEN PER FULL TIME EQUIVALENT EMPLOYEE | | | | |
|--|-----------|-----------|-----------|-----------|
| Leave Type | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 |
| Sick Leave Taken | 6.1 | 6.5 | 5.4 | 5.9 |
| Family Carer's Leave Taken | 0.5 | 0.6 | 0.5 | 0.6 |
| Special Leave with Pay | N/A | N/A | N/A | 0.4 |

The annual outcome for sick leave taken per employee is 5.9 days per employee, which is above the agency target of 5.0 days and last year's figure of 5.4 days. The improved recording and reporting capabilities of the CHRIS system will enable a more **complete** picture of the leave situation at the end of 2004.

Voluntary Flexible Workforce Arrangements

| NUMBER OF EMPLOYEES USING VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER | | | |
|---|------|--------|-------|
| | Male | Female | Total |
| Purchased Leave | 6 | 7 | 13 |
| Flexitime | 466 | 411 | 877 |

| | | | |
|---------------------|----|----|-----|
| Compressed Weeks | 3 | 1 | 4 |
| Part-time Job Share | 2 | 17 | 19* |
| Working from Home | 11 | 10 | 21* |

**This information was self-reported by employees and may not be a true and accurate representation of utilisation of Voluntary Flexible Working Arrangements in DEH. Anecdotal evidence suggests that these categories either under represent the true level or do not represent formally approved arrangements due to a misinterpretation of specifications.*

The number of staff accessing Voluntary Flexible Working Arrangements in DEH remains relatively stable when compared to last year's figures.

MANAGED PERFORMANCE

Define fair performance requirements and standards of ethical conduct for all employees, provide support for their achievement of identified goals, review performance and provide clear feedback, and agreed rewards and sanctions where appropriate.

During 2003-04, DEH commenced a significant program to revitalise and reinvigorate performance management activities across the Department. The program has a broad focus on increasing the Department's performance through its Corporate Plan goal of "Maximising Organisational Performance", and a complementary program focusing on individual performance, branded as "M.Y.Performance" (Managing Your Performance).

The key tenets of both programs are maximising performance, maximising potential and maximising productivity. Consultation took place with each Branch within the Department to develop meaningful and flexible performance management activities that are aligned to the business activities and the management style of each specific branch. The development and implementation of these activities will be consolidated during 2004-05.

The Department has also commenced the development of an Electronic Performance Management Reporting Tool that will streamline reporting requirements for performance management and provide HRS with the collective training and development needs of staff within the Department. The training and development data will be used to inform a corporate training program for the Department. It is anticipated that the Electronic Reporting Tool will be implemented early in 2004-05.

A significant component of the program completed in 2003-04 was the training of over 100 managers and supervisors in Goal Setting and Performance Feedback, previously identified through the 360 degree feedback program as key areas for skill development. The feedback received indicated that this program was excellent value and has resulted in managers undertaking performance management activities with more confidence.

PLANNED HUMAN RESOURCE DEVELOPMENT

Provide development opportunities for all staff on a planned basis, related to performance management, so as to meet government and individual needs.

Training and Development

Each of the six principles set out in the OCPE's *Guideline for Planned Human Resource Development in the South Australian Public Sector (July 2001)* are addressed below:

i. Human resource development is approached strategically

Recognising that development of our people is one of the keys to future success, DEH has commenced the implementation of a development program for staff designed to match departmental priorities and build business and leadership capacity within the agency.

Leadership and management development in DEH encompasses a number of learning opportunities structured to cater to many different learning styles. Opportunities currently offered internally include 360-degree feedback and Frontline Manager Training, while OCPE sponsor the Savvy websites for Executive and Senior Managers, the LEAD course, and Leadership Development Centres. Phase two of the DEH Leadership and Management Development (LMD) Strategy is about to commence and is primarily aimed at senior managers.

Phase two involves a proposal to conduct a LMD program addressing (at an individual level) the collective development needs² of our senior manager group. Proposals were sought from interested providers in May 2004 to design and implement a suitable program. A preliminary selection short-listing process was underway at the end of June 2004, with the program anticipated to commence late in 2004.

The DEH Community Leadership Seminar Series sponsored by the Office of Sustainability is a new initiative designed to broaden the focus on organisational development and leadership across the agency. These seminars feature both external and internal speakers presenting and sharing their experiences with strong themes around empowerment, innovation, creativity, influence and vision. While not considered to be a formal training and development opportunity, the seminars provide an extension of personal development for staff.

An ongoing need for refresher training in internal management practices (eg delegations, selection, HR administration, financial management) has also been identified. A Needs Analysis will be conducted during 2004-05, and based on this information, a program entitled "Management Essentials" will be developed and delivered during the year.

Work has also commenced on the development of an online, annual training calendar which will be available to all staff through the DEH intranet, enabling them to easily identify where and when appropriate training is available. In developing this training calendar, potential opportunities for cross-portfolio training programs will be pursued where possible.

Orientation for new employees has also been identified as a concern, and in response, the DEH Induction Manual has been updated and is now available on the departmental intranet. Further refinement of the manual's format will occur during the next financial year allowing even easier access to information. An Induction Information Brochure for new employees has been designed and, as an extension to the Induction process, a proposal for facilitating quarterly DEH Orientation Days has been developed.

Phase two of the CHRIS implementation project in DEH incorporated the Training and Development module, the Employee and Manager Self-Service Kiosks and Web Focus Manager's Reports, and was completed in September 2003.

The CHRIS Training and Development Module enables the scheduling and recording of data related to training courses, including attendance, cost and skills information. The module also facilitates the recording of skills and education requirements against positions. A wide range of training and development reports will also be available for managers and users during 2004-05.

The Employee Web Kiosk not only provides electronic access to payroll and leave records for employees, but also enables individuals to update selected personal details themselves. Web focus reporting gives managers the ability to access the reports they require directly from the system, thus streamlining the provision of information.

² Collective development needs were identified in a 360-degree feedback process conducted in 2002-03. The 360-degree feedback process is now a biannual activity for our senior manager group, and development needs identified through this process will form the basis for future planned training and development in the agency.

ii. Employee skill profile is known and skill gaps are identified

The DEH Performance Management process provides Managers and Supervisors with the opportunity to identify with their staff where gaps in work-related skills occur and to plan appropriate development activities to address these gaps.

During 2003-04, two key training and development programs were undertaken in the Department to address skill gaps. Workshops on Goal Setting and Performance Feedback and a follow up workplace project, were provided to over 100 managers as part of the reinvigoration and revitalisation of performance management. This program will now be provided on a regular basis as a core component of the Management Essentials Program targeted at the middle to senior manager group.

iii. A Human Resource Development Plan exists

A basic requirement of the revitalised DEH Performance Management process is for all identified training to be collated into a Branch Training and Development Plan, which in turn is reflected in the agency's more holistic Human Resource Development Plan. A notional amount of \$1000 for each full time equivalent staff member has been allocated for budgeting and programming purposes.

| TRAINING EXPENDITURE AS A PERCENTAGE OF TOTAL REMUNERATION EXPENDITURE BY SALARY BANDS | | | |
|--|----------------|----------------|----------------|
| Salary Bracket | Target 2003-04 | Actual 2003-04 | Target 2004-05 |
| \$0 - \$38 000 | 2% | 1.34% | 2% |
| \$38 001 - \$49 000 | 2% | 2.48% | 2% |
| \$49 001 - \$64 000 | 2% | 2.00% | 2% |
| \$64 001 - \$83 000 | 2% | 1.82% | 2% |
| \$83 001+ | 2% | 0.14% | 2% |
| TOTAL | 2% | 1.56% | 2% |

iv. Development plans exist for individual employees

This activity has been identified as a key area for improvement in DEH. Individual Development Plans have or will be created for every employee as part of the DEH Performance Management process in 2004-05, identifying skill gaps and potential future development activities.

| DOCUMENTED INDIVIDUAL PERFORMANCE DEVELOPMENT PLAN | | | |
|--|--|----------------------------------|------------|
| Salary Bracket | % with a plan negotiated within the past 12 months | % with plan older than 12 months | % no plan |
| \$0 - \$38 000 | 24% | 17% | 59% |
| \$38 001 - \$49 000 | 41% | 5% | 54% |
| \$49 001 - \$64 000 | 37% | 6% | 57% |
| \$64 001 - \$83 000 | 42% | 3% | 55% |
| \$83 001+ | 56% | 0% | 54% |
| TOTAL | 40% | 6% | 54% |

v. Development opportunities are equitable and accessible

A comprehensive Course Outline service is located on the agency intranet. This has recently been enhanced and supplemented by providing employees with access to the Australian Training Register, an extensive inventory of training, providers and resources Australia-wide.

Where there is a legislative, occupational health and safety, or professional requirement for training, staff are offered training in these activities as required.

Equity and access to development will be monitored during 2004-05 when reports derived from information in the CHRIS T&D Module are enhanced.

vi. Agency investment in human resource development is evaluated

The CHRIS Training and Development module provides the mechanism to record and report significant expenditure on training and development. Staff can record their own human resource development information on CHRIS through the employee kiosk, and CHRIS seeks evaluation information for all development activities.

PROTECTION OF MERIT AND EQUITY

Appoint and promote staff on merit, prevent nepotism and patronage, use workforce diversity to advantage, prevent unlawful discrimination, address grievances and treat all employees fairly.

Workforce Diversity

Age

| NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER | | | | | |
|--|------------|------------|-------------|------------|----------------------------------|
| Age Bracket | Male | Female | Total | % of Total | % of South Australian Workforce* |
| 15-19 | 5 | 6 | 11 | 1.1% | 7.3 |
| 20-24 | 29 | 50 | 79 | 7.6% | 10.7 |
| 25-29 | 55 | 70 | 125 | 12.0% | 10.2 |
| 30-34 | 66 | 65 | 131 | 12.6% | 11.2 |
| 35-39 | 60 | 60 | 120 | 11.5% | 11.4 |
| 40-44 | 84 | 64 | 148 | 14.2% | 13.3 |
| 45-49 | 122 | 62 | 184 | 17.7% | 12.0 |
| 50-54 | 104 | 41 | 145 | 14.0% | 10.7 |
| 55-59 | 48 | 22 | 70 | 6.7% | 7.7 |
| 60-64 | 13 | 4 | 17 | 1.6% | 3.6 |
| 65+ | 3 | 6 | 9 | 0.9% | 2.0 |
| Total | 589 | 450 | 1039 | 100 | 100.00 |

**As at march 2004 from ABS Supertable LM8*

Indigenous Employment

| NUMBER OF ABORIGINAL AND/OR TORRES STRAIT ISLANDER EMPLOYEES | | | | | |
|--|------|--------|-------|-------------|---------------------------------|
| | Male | Female | Total | % of Agency | State Strategic Plan Benchmark* |
| Aboriginal/Torres Strait Islander | 10 | 6 | 16 | 1.5% | 1.2% |

**Benchmark from the State Strategic Plan*

An Aboriginal and/or Torres Strait Islander (ATSI) employee is a person who identifies as an Aboriginal and/or Torres Strait Islander, is a descendant of an Indigenous inhabitant of Australia, and is recognised as Aboriginal and/or Torres Strait Islander by members of the community in which he or she lives.

Anecdotal evidence indicates that the workforce data presented in this report under represents the true level of Aboriginal and/or Torres Strait Islander employment across the public sector, particularly due to the difficulties associated with collecting data which relies

on self-identification. The transition to new Human Resource Management Systems has also presented some difficulties for data extraction.

There is a strong commitment within DEH for an enhanced awareness of Aboriginal cultures and respect for their values. The Department has an active cultural awareness program. The Aboriginal Partnerships Unit focuses on recognising the needs of DEH Aboriginal staff and recognises relationships with Aboriginal communities (being major stakeholders) as integral to the Department's business.

DEH is committed to, and has been active in, developing and establishing partnerships with Aboriginal people and communities to ensure the proper implementation of plans that are acceptable to traditional owners, and to ensure that the provision of services does not conflict with the values of the community.

DEH participates in the employment of Indigenous Trainees utilising the SA Government Youth Training and Apprenticeship Scheme by employing a number of Indigenous trainees across the agency.

The department also employs five Indigenous apprentices across the State, and has employed three Indigenous Cadets within the Science and Conservation and Natural and Cultural Heritage Directorates. The Aboriginal Partnerships Unit is coordinating a Recognised Prior Learning package for all Indigenous staff to identify future training and development for career paths within DEH. The department supports initiatives endeavouring to be more inclusive of Aboriginal people specifically through the Aboriginal Partnerships Unit.

Cultural and linguistic diversity

| CULTURAL AND LINGUISTIC DIVERSITY | | | | | |
|--|------|--------|-------|-------------|---------------|
| | Male | Female | Total | % of Agency | SA Community* |
| Number of employees born overseas | 71 | 47 | 118 | 11.4% | 20.3% |
| Number of employees who speak language(s) other than English at home | 0 | 2 | 2 | 0.2% | 15.5% |
| TOTAL | 71 | 49 | 120 | 11.6% | 35.8% |

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

Disability

| NUMBER OF EMPLOYEES WITH ONGOING DISABILITIES REQUIRING WORKPLACE ADAPTATION | | | | |
|--|------|--------|-------|-------------|
| | Male | Female | Total | % of Agency |
| TOTAL | 10 | 6 | 16 | 1.5% |

Disability Action Plans

DEH developed a draft Disability Action Plan during 2002-03 which outlined strategies to enhance equality of access and opportunity for the department's clients, staff and people with disabilities.

DEH reviewed and updated the draft Disability Action Plan in 2003-04 with the aim of developing long-term strategies to improve equality of access and opportunity for people with disabilities. The agency convened a working group to review access to visitor facilities. All new major facility development projects comply with the enhanced code for disability access (AS1428, Part 2) and the Building Code. An audit of existing buildings is planned for

2004-05 to develop a better understanding of facilities that may require upgrading in the future.

DEH is coordinating a training and development program for key staff to enhance their understanding of issues relating to people with disabilities, and to foster awareness of the *Disability Discrimination Act 1992*. Such awareness raising is included in other training and development activities where appropriate.

DEH displays international symbol signage in visitor facilities, and audio/visual information about our parks and gardens is also available at a number of sites.

The DEH website currently meets Web Content Accessibility Guidelines. The DEH website will be reviewed during 2004-05 to further improve access.

Equal Employment Opportunity Programs

DEH supports, and where possible participates in, public sector equal opportunity and employment programs. In 2004-05, DEH will be investigating the development of initiatives to support and foster women in DEH.

CONTINUOUS IMPROVEMENT

Continuously review and improve human resource management structures, systems and processes so that they facilitate government directions, draw on best practice, work flexibly, and adapt quickly to changing needs.

A review of service provision and delivery structures prompted the implementation of a significant restructure of the HRS team early in the year. Restructuring involved the adoption of an Account Manager model for the Advice and Support Team, with a position of Principal HR Consultant as the team leader.

Following the adoption of this model, there has been a concerted effort to ensure the skills of HRS staff members are appropriate to undertake this new role. To this end, the department has undertaken a development centre activity to identify key areas for skill improvement.

One of the key areas identified, and a core component of the work undertaken by this group of employees, was Recruitment and Selection activities. As such all HRS staff were offered a series of workshops on Recruitment and Selection, including Behavioural Interviewing, Alternative Selection Methodologies and legislation and compliance issues. A modified version of this program was then developed for managers and supervisors within DEH. The program will be further implemented during 2004-05 as part of the Management Essentials Program.

All Directors were consulted with regard to their individual service needs, and delineation of services to be provided centrally, as opposed to those provided on a site basis, were agreed upon. Monthly HR reporting for Directorates has also commenced, and a review of the effectiveness of the new model will commence in 2004-05.

A thorough review of HR policies was conducted as part of a rolling program to update and maintain our systems.

MONITORING AND REPORTING

Regularly monitor human resource management practices to identify trends and issues, and enable appropriate reporting and accountability.

Plans to develop closer working relationships and provide enhanced OHS&W advisory and reporting services to Directorates have been impeded this year as a result of the loss of a key staff member in our OHS&W team, and the subsequent delay in appointing a replacement.

The initial implementation and further enhancement of CHRIS has provided managers with a useful tool, giving rise to more readily accessible information to monitor and report on issues in their day-to-day environment and plan appropriate strategies to address those issues. Issues have arisen during the year that impact on reporting capability. These will be addressed during 2004-05.

Employee numbers, gender and status

| | |
|----------------|------|
| Persons | 1039 |
|----------------|------|

| | |
|--------------|-------|
| FTE's | 978.6 |
|--------------|-------|

| Gender | % Persons | % FTE's* |
|---------------|------------------|-----------------|
| Male | 56.7% | 58.9% |
| Female | 43.3% | 41.1% |

**FTE's shown to one decimal place*

| | |
|--|-----|
| Number of persons separated from the agency during the 2003-04 financial year | 220 |
|--|-----|

| | |
|--|-----|
| Number of persons recruited to the agency during the 2003-04 financial year | 255 |
|--|-----|

| | |
|---|----|
| Number of persons on leave without pay at 30 June 2004 | 15 |
|---|----|

| NUMBER OF EMPLOYEES BY SALARY BRACKET | | | |
|--|-------------|---------------|--------------|
| Salary Bracket | Male | Female | Total |
| \$0 - \$38 000 | 177 | 197 | 374 |
| \$38 001 - \$49 000 | 150 | 148 | 298 |
| \$49 001 - \$64 000 | 178 | 76 | 254 |
| \$64 001 - \$83 000 | 69 | 26 | 95 |
| \$83 000 + | 15 | 3 | 18 |
| TOTAL | 589 | 450 | 1039 |

Employment Arrangements

| STATUS OF EMPLOYEES IN CURRENT POSITION | | | | | |
|---|----------------|--------------------|--------------------|--------|-------|
| | <i>FTE's</i> | | | | |
| | Ongoing | Short-Tem Contract | Long-Term Contract | Casual | Total |
| Female | 252.1 | 72.4 | 63.9 | 14.1 | 402.6 |
| Male | 498.2 | 98.3 | 75.8 | 3.8 | 576.0 |
| TOTAL | 650.2 | 170.7 | 139.7 | 17.9 | 978.6 |
| | <i>Persons</i> | | | | |
| | Ongoing | Short-Tem Contract | Long-Term Contract | Casual | Total |
| Female | 275 | 77 | 66 | 32 | 450 |
| Male | 402 | 101 | 77 | 9 | 589 |
| TOTAL | 677 | 178 | 143 | 41 | 1039 |

OCCUPATIONAL HEALTH SAFETY AND INJURY MANAGEMENT (OHS&IM) SUMMARY

The focus in 2003-04 was reinforcing the commitment to continuous improvement in health and safety performance, with an ultimate goal of zero injuries. Achieving this requires everyone to take responsibility and make their safety and the safety of others a personal goal.

In recent years, effort and resources have been focused on implementing systems to identify risks, outline responsibility and the implementation of strategies to reduce identified risks. During 2003-04, more emphasis has been placed on providing practical help and solutions as well as assisting sites in identification of potential problems.

Several strategies to assist DEH staff have been implemented in the last year, in conjunction with the maintenance of existing systems. New initiatives undertaken include the implementation of Chemwatch, an online service providing staff with access to material safety data sheets, allowing them to maintain a manifest of all chemicals on the site.

DEH was also involved in a pilot program for the Hazard and Incident Reporting System (HIRS), a whole-of-Government mandated system currently being implemented and due to come online at the end of July 2005. The system also incorporates integrated incident investigation and electronic notification and sign off.

Both Chemwatch and HIRS promote simplicity, efficiency and ease of use while supporting DEH greening values and goals.

Aside from the new system projects, site risk assessments have prompted an additional focus on addressing potential manual handling problems. Manual handling training programs have been extended and an emphasis has also been placed on further research into better product and equipment availability. Combined with the relevant, targeted training, this has undoubtedly contributed to a considerable improvement in manual handling incident statistics.

While statistics representing the number of injuries and other issues have remained relatively consistent with last year, it is extremely encouraging that manual handling injuries (also known as body stressing) have been significantly reduced from 56.4 per cent to only 24 per cent of all injuries. The most prevalent cause of injury this year was slips, trips and falls, accounting for a total of 31 per cent of all injuries.

The focus in the coming year will be on promoting leadership in workplace OHS&IM and consequently further encouraging employees to engage and participate in the OHS&IM aspect of their own practices at work.

| | | 2003-04 | 2002-03 | 2001-02 |
|----------|--|----------------------------|----------------------------|----------------------------|
| 1 | OHS legislative requirements | | | |
| | Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6 | 1 | 1 | NIL |
| | Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6 | 1 | 1 | 2 |
| | Number of notices served pursuant to OHS&W Act s35, s39 and s40 | 0 | 0 | NIL |
| 2 | Injury Management legislative requirements | | | |
| | Total number of employees who participated in the rehabilitation program | 17 | 20 | 35 |
| | Total number of employees rehabilitated and reassigned to alternative duties | 2 | 1 | 4 |
| | Total number of employees rehabilitated back to their original work | 9 | 14 | 17 |
| 3 | WorkCover Action Limits | | | |
| | Number of open claims as at 30 June | 58 | 59 | 86 |
| | Percentage of workers compensation expenditure over gross annual remuneration | 0.78% | 0.56% | 0.59% |
| 4 | Number of claims | | | |
| | Number of new workers compensation claims in the financial year | 55 | 55 | 71 |
| | Number of fatalities, lost time injuries, medical (F) treatment only | NIL | NIL | |
| | (MTO) | 30 | 31 | NIL |
| | (LTI) | 25 | 24 | |
| | Total number of whole working days lost | 192.58 | 206 | 904 |
| 5 | Cost of workers compensation | | | |
| | Cost of all claims excluding lump sum payments | \$221,959 | \$255,691 | \$269,235 |
| | Amount paid for lump sum payments s42 | \$116,900 | | |
| | (s42, s43, s44) s43 | \$113,985 | \$89,587 | \$134,327 |
| | s44 | } | } | |
| | Total amount recovered from external sources (s54) | NIL | NIL | NIL |
| | Budget allocation for workers compensation | \$257,600 | \$255,691 | \$331,200 |
| 6 | Trends | | | |
| | Injury frequency rate for new lost-time injury/disease for each million hours worked | 18.4 | 14.0 | 17.9 |
| | Most frequent cause (mechanism) of injury | Falls, trips & slips | Body Stressing | Body Stressing |
| | Most expensive cause (mechanism) of injury | Body Stressing | Mental Stress | Body Stressing |
| 7 | Meeting the organisation's strategic targets | | | |
| | Achieve reduction in incidence of workers compensation claims from 2000/01 baseline | Target 20% Achieved 32% | Target 20% Achieved 32% | Target 10% Achieved 12% |
| | Achieve reduction in cost of workers compensation claims from 2000/01 baseline | Target 20% Achieved 63% | Target 20% Achieved 69% | Target 10% Achieved 63% |

FREEDOM OF INFORMATION STATEMENT

This information is published pursuant to section 9 of the *Freedom of Information Act 1991*.

DEH STRUCTURE AND FUNCTIONS

DEH is one of four agencies under the portfolio responsibility of the Minister for Environment and Conservation. Details of the Department's organisational structure and functions are set out in the organisational chart and elsewhere in this annual report.

The DEH internet site (www.environment.sa.gov.au/) provides an overview of the functions, programs and structure of the Department, and information relating to the Department generally.

There are a total of 44 Boards, Advisory Committees, Trusts and Councils, listed in this report. The roles and functions of these bodies are detailed in their individual annual reports.

FUNCTIONS OF DEH AFFECTING MEMBERS OF THE PUBLIC

As the Government's principal environment agency, DEH has a key leadership role in promoting and pursuing the development of a sustainable and eco-efficient society. DEH is responsible for conserving, enhancing and managing the State's natural, cultural and built heritage for the benefit, use and enjoyment of the whole community, and for providing environmental and geographic information to business and the community.

The role and programs of DEH are detailed throughout this annual report.

PUBLIC PARTICIPATION

DEH involves the public in the formation of its policies through its community liaison sessions, environmental education support for schools and community educators, agency promotional activities, and consultation and discussion papers on specific issues as appropriate.

Additionally, DEH provides support to a large number of Boards and Committees which include members of the public who contribute to the development of policies on a range of programs and issues.

DESCRIPTION OF KINDS OF DOCUMENTS HELD BY DEH

- Publications, reports, papers, guidelines, maps and guides relating to environmental information, national parks, the Botanic Gardens of Adelaide, Coast Protection Board, animal welfare and the Office of Sustainability. (For further information about publications telephone the environment hotline on (61 8) 8204 1910)
- Administrative records
- Asset maintenance records
- Corporate and strategic planning records
- Correspondence files
- Financial records
- Leases and Licences
- Occupational health and safety records

- Personnel records
- Policy documents
- Procedures and reference manuals
- Records and annual reports of administered boards and committees
- State Heritage Register
- State Heritage (built and maritime) guidelines, technical notes, reports, surveys and information leaflets, and
- Survey and environmental reports/records.

DEH POLICY DOCUMENTS

- Accommodation Policy
- Accounts Payable Policies & Procedures
- Accounts Receivable Policies & Procedures
- Animal Welfare Policies and Procedures
- Asset Recording Procedures Manual
- Budget Policy Framework
- Capital Works in Progress (CWIP) Procedures Manual
- Coast Protection Board Policies
- Code of Conduct
- Corporate Credit Card Policy and Brochure
- Corporate Identity Policies & Procedures
- Crown Lands Policies, Procedures and Guidelines
- DEH Greening Action Plans Framework
- DEH Managing our Impacts on the Environment Policy
- DEH Officers as Witnesses in Private Litigation Policy
- DEH Public Communications Policy
- Energy Policy Statement
- Fox Baiting Procedures
- GST Pricing Policy
- GST Policy Statements
- Human Resource Management Manual (Policies, Guidelines booklets and Summary Brochures)
- Internet (including email) Access and Usage Policy and Guidelines
- IT Quality Management Systems Policy
- Legal Advice Policy
- Mobile Phone Policy
- Occupational Health, Safety and Welfare Management System
- Planting Indigenous Species Policy
- Policy, Procedures and Standards Development & Management Framework
- Procurement Policy and Guidelines
- Records Management Policy
- Responsiveness to Telephone Calls Guidelines
- Risk Management Policy
- Software Copyright Policy

- Special Event Management Policy
- Staff Concessions Policy
- Taxation Issues Policies & Procedures
- Vehicle Policy
- Working Alone Policy
- National Parks policies & guidelines including: Fire Management Policy; Friends of Parks Grants Policy; Staff and Volunteer Entitlements Policy; Staff Exchange Policy; Commemoration and Memorials Policy; Recreational Vehicles and Protected Area Access Policy; Bee Site Policy; Public Consultation Policy, Plant Propagation Guidelines; Plant Risk Assessments Procedure, and
- Botanic Gardens of Adelaide policies including: Access to Genetic Resources and Benefit Sharing Policy; Botanic Gardens of Adelaide Living Collection Policy; Wittunga Botanic Garden Living Collections Policy; Potential Weed Species Policy; Functions Policy and Procedures; Memorial Seats Policy; Major Events Policy and Procedures; Memorial & Commemorative policy; Wedding and Wedding Photography Policy.

ARRANGEMENTS FOR SEEKING ACCESS TO RECORDS AND POLICIES

Applications or enquiries regarding access to documents and policies, or amendment of personal records in the possession of DEH should be addressed to:

Freedom of Information Coordinator
 Department for Environment and Heritage
 GPO Box 1047
 ADELAIDE SA 5001
 Telephone: (08) 8204 9307

Office hours are between 9.00am and 5pm Monday to Friday.

BOARDS, COMMITTEES, TRUSTS AND COUNCILS STATEMENT

| | |
|---|---|
| Animal Ethics Committee - CSIRO | Consultative Committee - Lofty/Barossa |
| Animal Ethics Committee - Dept of Education, Training and Employment | Consultative Committee - Lower South East |
| Animal Ethics Committee - Flinders University | Consultative Committee - Mallee |
| Animal Ethics Committee - IMVS | Consultative Committee - Murraylands |
| Animal Ethics Committee - Non Government Schools | Consultative Committee - Sturt |
| Animal Ethics Committee - North Western Adelaide Health Service | Consultative Committee - The Outback |
| Animal Ethics Committee - PIRSA | Consultative Committee - Upper South-East |
| Animal Ethics Committee - University of Adelaide | Consultative Committee - Yorke/Mid North |
| Animal Ethics Committee - Wildlife | Coorong and Lower Lakes Ramsar Taskforce |
| Animal Ethics Committee - Women's and Children's Hospital | Dog and Cat Management Board |
| Animal Welfare Advisory Committee | General Reserves Trust |
| Board of the Botanic Gardens and State Herbarium | Kangaroo Industries Reference Group (KIRG) |
| Board of the Royal Zoological Society of South Australia Inc * | Land Board |
| Coast Protection Board | Premier's Round Table on Sustainability |
| Consultative Committee - Apiary Industry | South Australian National Parks and Wildlife Council |
| Consultative Committee - Captive Fauna | State Heritage Authority |
| Consultative Committee - Coorong and Lakes District | Tail Docking Advisory Panel |
| Consultative Committee - Eyre | Vulkathunha-Gammon Ranges National Park Cooperative Management Committee |
| Consultative Committee - Far West | Wilderness Advisory Committee |
| Consultative Committee - Fleurieu | Wildlife Advisory Committee |
| Consultative Committee - Fort Glanville | Witjira National Park Board of Management |
| Consultative Committee - Gawler Ranges | |
| Consultative Committee - Kangaroo Island | |

*Independent incorporated body that has a courtesy reporting relationship with the Minister/Department

FINANCE

FINANCIAL OVERVIEW

The department was affected by restructuring and changes to accounting treatments during the financial year ending 30 June 2004.

On 24 July 2003, the Chief Executive, DEH, and the Chief Executive, Department for Administrative and Information Services (DAIS), approved transfer arrangements for a range of land administration functions from DEH to DAIS effective from 1 September 2003. The financial impact of this transfer was not provided for in DEH's 2003-04 budget and as a result it is a cause of variations between budgeted and actual expenditure.

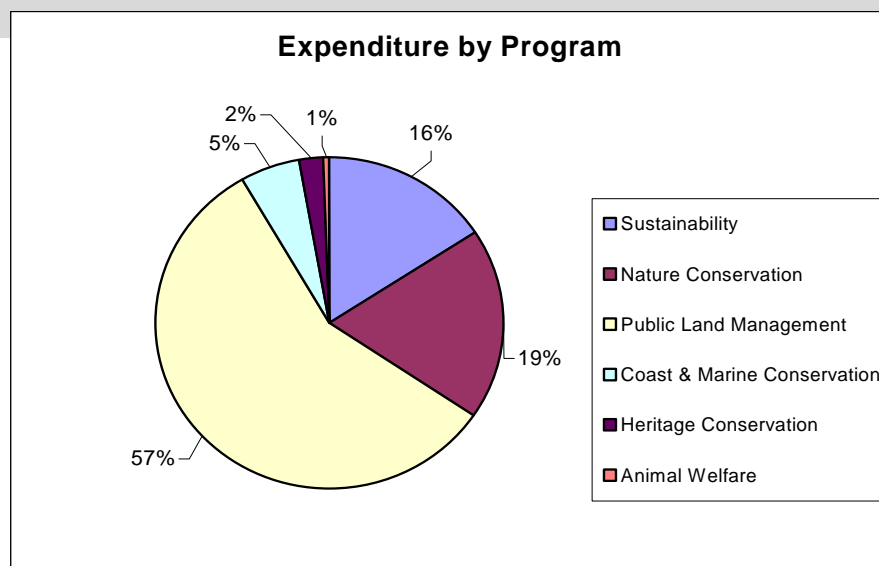
During the 2002-03 financial year the General Reserves Trust (GRT), State Heritage Fund (SHF) and Wildlife Conservation Fund (WCF) met the accounting criteria of a controlled entity. As such, from 1 July 2002 the transactions for these Trusts have been accounted for in the Department's financial statements. However, the Department's 2003-04 budget did not reflect the reclassification of these Trusts, and as a result they are the cause of variations between budgeted and actual expenditure.

The 'Actual' figures in the abridged Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows have been extracted from the DEH audited financial statements, which are available at the DEH Internet website at www.environment.sa.gov.au.

The budget figures used in this document correspond with the 2003-04 budget papers that were tabled in Parliament in May 2003.

PROGRAM EXPENDITURE

The expenditure by program graph below highlights that the three major programs in terms of resources allocated are Public Land Management (57 per cent), Nature Conservation (19 per cent), and Sustainability (16 per cent).

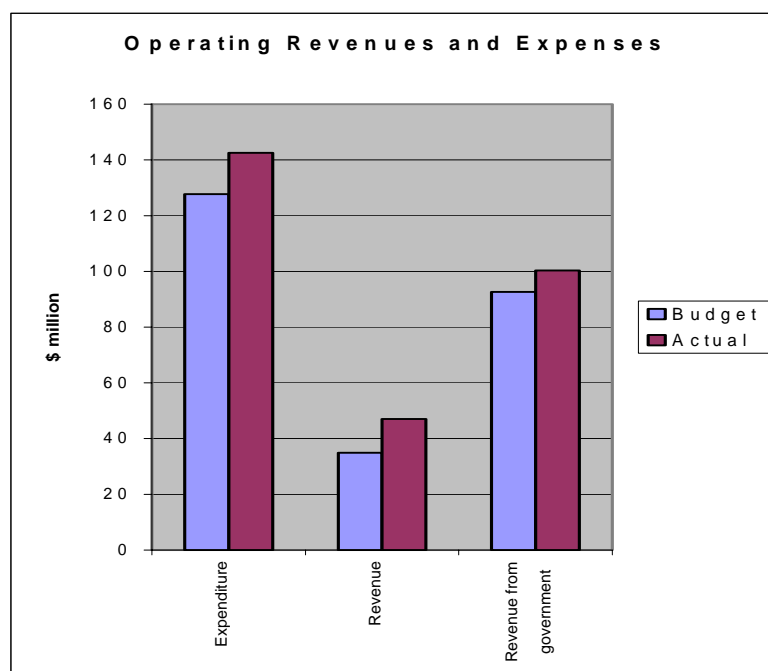


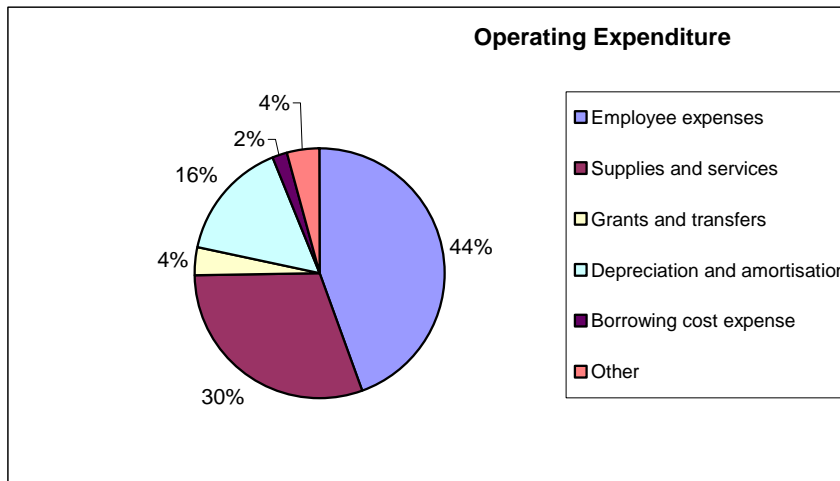
**SUMMARY STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2004**

| | Budget 2003-2004 (\$'000) | Actual 2003-2004 (\$'000) |
|--|---------------------------------|---------------------------------|
| Operating expenses | 127 758 | 142 514 |
| Operating revenues | 34 969 | 46 954 |
| Net cost of services | 92 789 | 95 560 |
| Revenues from Government | 92 651 | 100 331 |
| Net revenue (expense) from restructuring | - | (1 752) |
| Net Result after Restructuring | (138) | 3 019 |
| Increase (Decrease) in asset revaluation reserve | - | (6 132) |
| Total changes in equity | (138) | (3 113) |

Statement of Financial Performance

The Department's budgeted operating result provided for a net loss after restructuring of \$0.138 million. The actual result was a net gain after restructuring of \$3.0 million, before movements in reserves.





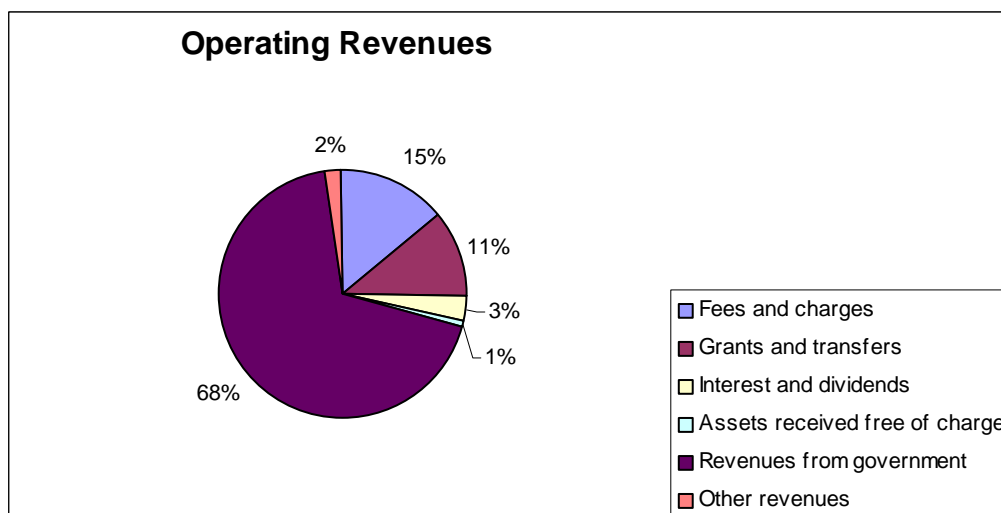
Operating Expenditure

Operating expenses were approximately \$14.8 million higher than expected, largely as a result of:

- Unbudgeted expenditure relating to asset write downs and capital work in progress write-offs of \$5.2 million (as a result of revaluations and the re-categorisation of operating project costs initially captured as capital work in progress for investing projects)
- Target Voluntary Separation Packages (TVSP's) of approximately \$2.7 million that were not budgeted, but were recouped from central agencies (see also revenue variations)
- Additional expenditure due to the classification of the State Heritage Fund (\$611,000), and Wildlife Conservation Fund (\$513,000) as controlled entities, and
- Additional expenditure funded from increases in own source revenues (sales of goods and services, Commonwealth contributions, interest, and other fees and charges).

Offset by:

- A decrease in expenditure as a result of the transfer of land administration functions to DAIS of approximately \$5.2 million, offset by increased expenditure for transitional support of approximately \$863,000 (see also revenue variations), and



- A decrease in depreciation expense of \$2.0 million.

Operating Revenues

Operating revenue was approximately \$12.0 million higher than budgeted, primarily as a result of:

- Reimbursement for TVSP's of approximately \$2.7 million
- Assets acquired free of charge that were not budgeted for, amounting to approximately \$1.2 million
- Additional revenue due to the classification of the State Heritage Fund (\$506,000), and Wildlife Conservation Fund (\$458,000) as controlled entities, and
- Higher than anticipated revenue from sales of goods and services, Commonwealth contributions, interest, and other fees and charges.

Offset by:

- A decrease in revenue as a result of the transfer of Land Administration functions to DAIS of approximately \$4.3 million, offset by increased revenue for transitional support of approximately \$859,000.

Revenue from Government was approximately \$7.7 million higher than budgeted, primarily as a result of:

- A once off cash injection of \$6.0 million to boost operating cash reserves
- Additional appropriation relating to the Perpetual Leases Accelerated Freehold Project of \$361,000, and
- Additional appropriation of \$250,000 recognised as a result of the classification of the SHF as a controlled entity.

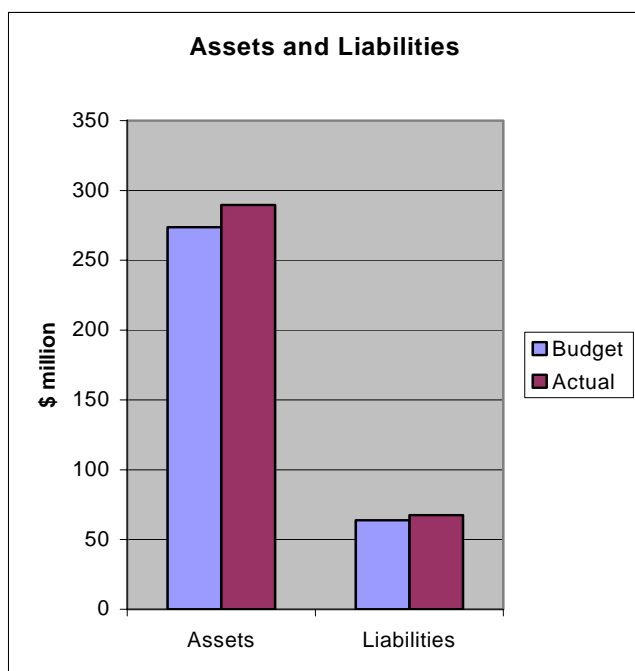
SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

| | Budget 2003-2004 (\$'000) | Actual 2003-2004 (\$'000) |
|--------------------------|---------------------------------|---------------------------------|
| Current assets | 79 047 | 93 465 |
| Non-current assets | 194 589 | 196 169 |
| Total assets | 273 636 | 289 634 |
| Current liabilities | 16 346 | 15 374 |
| Non-current liabilities | 47 510 | 51 925 |
| Total liabilities | 63 856 | 67 299 |
| Net assets | 209 780 | 222 335 |
| Equity | 209 780 | 222 335 |

Net Assets and Equity are approximately \$12.6 million higher than expected.

The classification of the GRT, SHF and WCF as controlled entities was not reflected in the Department's 2003-04 Budget, and as such their inclusion in the actual result has resulted in a change to the Department's net assets.

In addition, budget details for 2003-04 were established prior to the finalisation of the Auditor-General's Report for the 2002-03 financial year. Consequently, the opening balances of the budgeted Statement of Financial Position do not reflect the 2002-03 audited financial result



and cause a number of variances.

Assets and Liabilities

Current Assets for the Department are approximately \$14.4 million higher than budgeted. The main reasons for this variance are:

- A once off cash injection of \$6.0 million to boost operating cash reserves
- The inclusion of the GRT, SHF and WCF in the Departments actual result causing an increase in current assets of approximately \$2.9 million
- Increases in asset values relating to opening balance adjustments for 2003-04 amounting to \$2.7 million, and
- Increases to the Department's cash balance as a result of carryovers to 2004-05.

Non Current Assets are approximately \$1.6 million higher than budgeted. The main reasons for this variance are:

- The opening balances for 2003-04 were understated in the budget by \$11.9 million when compared to the 2002-03 audited financial statements, and
- Assets acquired free of charge that were not budgeted for, amounting to approximately \$1.2 million.

Offset by:

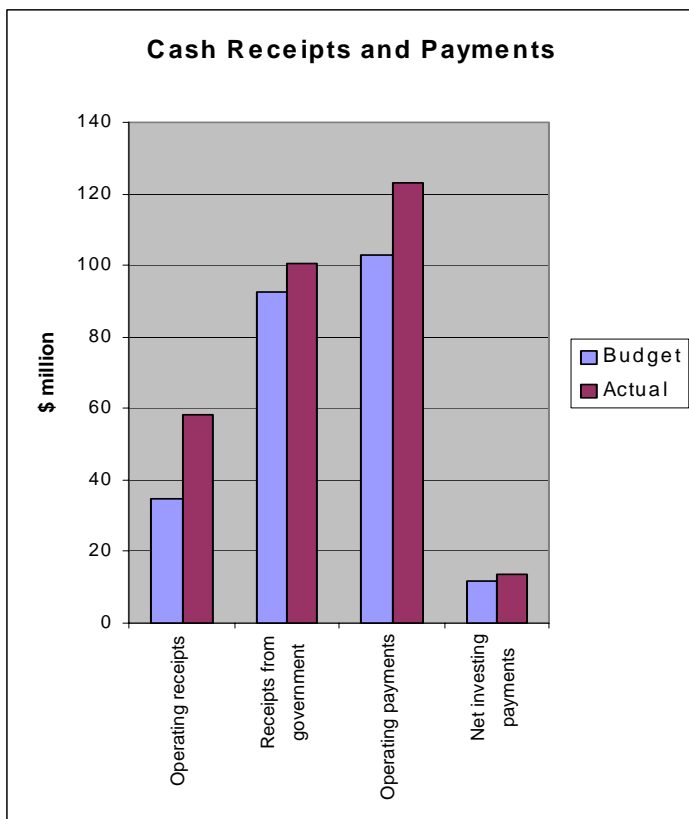
- A decrease in the asset revaluation reserve of \$6.1 million
- Unbudgeted asset write downs totalling \$5.2 million, and
- A decrease in property, plant & equipment of approximately \$1.1 million as a result of the transfer of land administration functions to DAIS.

Liabilities are approximately \$3.5 million higher than expected, comprising a \$4.4 million increase in *Non Current Liabilities*, offset by a \$972,000 decrease in *Current Liabilities*. The main reasons for these variances are:

- The opening balances for 2003-04 were understated in the budget by \$2.4 million when compared to the 2002-03 audited financial statements, and
- An increase in employee related liabilities of \$2.3 million throughout the year.

SUMMARY STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2004

| | Budget 2003-2004 (\$'000) | Actual 2003-2004 (\$'000) |
|--|---------------------------------|---------------------------------|
| Cash flows from operating activities: | | |
| Payments | 102 948 | 123 197 |
| Receipts | 34 969 | 58 267 |
| Cash flows from Government | 92 651 | 100 331 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 24 672 | 35 401 |
| Cash flows from investing activities: | | |
| Payments | 11 784 | 13 948 |
| Receipts | 262 | 300 |
| NET CASH USED IN INVESTING ACTIVITIES | 11 522 | 13 648 |
| Cash flows from financing activities: | | |
| Payments | - | 20 |
| Receipts | - | 236 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | - | 216 |
| Net increase (decrease) in cash held | 13 150 | 21 969 |
| Cash at 1 July 2003 | 56 768 | 63 502 |
| Cash at 30 June 2004 | 69 918 | 85 471 |



Statement of Cash Flows

The operating cash variations are explained, in general, by the same influences that impacted on the Statement of Financial Performance.

Investing payments were higher than budgeted primarily due to the acquisition of a significant parcel of land for inclusion in the National Parks reserve system.

ACCOUNT PAYMENT PERFORMANCE

The department has achieved the Government's accounts payable performance standard and placed significant emphasis on monitoring and managing the performance of this function.

DEH's accounts payable performance, as a percentage of accounts and amounts paid, is summarised in the following table.

| PARTICULARS | NUMBER OF ACCOUNTS PAID | PERCENTAGE OF ACCOUNTS PAID (BY NUMBER) | VALUE IN \$ OF ACCOUNTS PAID (\$' MILLION) | PERCENTAGE OF ACCOUNTS PAID (BY VALUE) |
|---|-------------------------|---|--|--|
| Paid by the due date* | 47053 | 89.0% | 88.512 | 83.5% |
| Paid within 30 days or less from the due date | 4513 | 8.5% | 12.101 | 12.7% |
| Paid more than 30 days from due date | 1332 | 2.5% | 3.740 | 3.8% |
| *Excludes Workers Compensation payments | | | | |
| Total | 52898 | | 104.353 | |

Accounts Payable performance, measured by the number of accounts paid within 30 days, exceeded the agency benchmark target of 85 per cent by 4 per cent with an average of 89 per cent of invoices paid within 30 days, throughout the year.

A business efficiency initiative to move payments away from cheques has seen the payments made by Electronic Funds Transfer (EFT) increase from 38 per cent of payments to 41 per cent of payments by year-end. Cheque payments decreased by 9 per cent and credit card payments increased by 6 per cent. The decentralisation of the Accounts Payable function continues, with remote site data input now contributing 30 per cent of the department's total payments.



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

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

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

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

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

QUALIFICATION

Due to limitations with respect to the reliability and completeness of information maintained on property administered by the Department for Environment and Heritage that have prevented the production of timely and appropriate information, I am unable to form an opinion on the completeness and reliability of values ascribed to the property, plant and equipment component of the Statement of Administered Assets and Liabilities. Recognising this property using similar valuation methodology to that used for other property in this financial report may have material effects, the amounts of which are uncertain, on the property, plant and equipment reported in the Statement of Administered Assets and Liabilities.

QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial report of the matter referred to in the qualification paragraph, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department for Environment and Heritage as at 30 June 2004, its financial performance and its cash flows for the year then ended.

23 September 2004

Handwritten signature of K I MacPherson.

K I MacPHERSON
AUDITOR-GENERAL

DEPARTMENT FOR ENVIRONMENT AND HERITAGE

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 2004

| | Note | 2004 \$'000 | 2003 \$'000 |
|---|------|----------------|----------------|
| EXPENSES FROM ORDINARY ACTIVITIES | | | |
| Employee Benefits | 4 | 63,382 | 58,071 |
| Supplies and Services | 5 | 43,048 | 42,994 |
| Grants and Contributions | 6 | 5,375 | 4,403 |
| Depreciation and Amortisation | 7 | 22,183 | 26,239 |
| Borrowing Costs | 8 | 2,764 | 2,766 |
| Net Loss from Disposal of Non-Current Assets | 9 | 566 | 881 |
| Other | 10 | 5,196 | 4,711 |
| Total Expenses from Ordinary Activities | | <u>142,514</u> | <u>140,065</u> |
| REVENUES FROM ORDINARY ACTIVITIES | | | |
| Fees and Charges | 11 | 21,453 | 27,492 |
| Grants and Contributions | 12 | 16,015 | 10,172 |
| Interest and Dividends | 13 | 4,849 | 3,712 |
| Assets Received Free of Charge | 14 | 1,214 | 5,724 |
| Other | 15 | 3,423 | 2,549 |
| Total Revenues from Ordinary Activities | | <u>46,954</u> | <u>49,649</u> |
| NET COST OF SERVICES FROM ORDINARY ACTIVITIES | | <u>95,560</u> | <u>90,416</u> |
| SOUTH AUSTRALIAN GOVERNMENT REVENUES AND EXPENSES | | | |
| Revenues | 16 | 100,331 | 83,315 |
| Total South Australian Government Revenues and Expenses | | <u>100,331</u> | <u>83,315</u> |
| NET RESULT BEFORE RESTRUCTURING | | <u>4,771</u> | <u>(7,101)</u> |
| Net Gain/(Loss) from Administrative Restructure | 17 | (1,752) | 1,088 |
| NET RESULT AFTER RESTRUCTURING | | <u>3,019</u> | <u>(6,013)</u> |
| CHANGES IN EQUITY THROUGH NON-OWNER TRANSACTIONS | | | |
| Net Increase/(Decrease) in Asset Revaluation Reserve | 29 | (6,132) | 15,052 |
| Net Increase/(Decrease) in Accumulated Funds on Adoption of a New Standard | 29 | - | (291) |
| Total Revenues, Expenses and Valuation Adjustments Recognised in Equity | | <u>(6,132)</u> | <u>14,761</u> |
| TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNERS | | <u>(3,113)</u> | <u>8,748</u> |

DEPARTMENT FOR ENVIRONMENT AND HERITAGE

STATEMENT OF FINANCIAL POSITION

As at 30 June 2004

| | Note | 2004 \$'000 | 2003 \$'000 |
|--------------------------------------|------|----------------|----------------|
| CURRENT ASSETS | | | |
| Cash | 18 | 85,456 | 63,502 |
| Receivables | 19 | 6,296 | 6,933 |
| Inventories | 20 | 1,291 | 1,585 |
| Other | 22 | 422 | 444 |
| Total Current Assets | | <u>93,465</u> | <u>72,464</u> |
| NON-CURRENT ASSETS | | | |
| Receivables | 19 | 622 | 108 |
| Inventories | 20 | 1,929 | 2,762 |
| Financial Assets | 21 | 8 | 8 |
| Property, Plant and Equipment | 23 | 193,610 | 215,720 |
| Total Non-Current Assets | | <u>196,169</u> | <u>218,598</u> |
| TOTAL ASSETS | | <u>289,634</u> | <u>291,062</u> |
| CURRENT LIABILITIES | | | |
| Payables | 24 | 10,263 | 10,192 |
| Provisions for Employee Benefits | 25 | 4,847 | 4,355 |
| Finance Leases | 27 | 15 | 19 |
| Other | 28 | 249 | 218 |
| Total Current Liabilities | | <u>15,374</u> | <u>14,784</u> |
| NON-CURRENT LIABILITIES | | | |
| Payables | 24 | 1,546 | 1,996 |
| Provisions for Employee Benefits | 25 | 12,235 | 10,763 |
| Borrowings | 26 | 38,054 | 38,054 |
| Finance Leases | 27 | 1 | 17 |
| Other | 28 | 89 | - |
| Total Non-Current Liabilities | | <u>51,925</u> | <u>50,830</u> |
| TOTAL LIABILITIES | | <u>67,299</u> | <u>65,614</u> |
| NET ASSETS | | <u>222,335</u> | <u>225,448</u> |
| EQUITY | | | |
| Asset Revaluation Reserve | 29 | 23,458 | 29,590 |
| Accumulated Funds | 29 | 198,877 | 195,858 |
| TOTAL EQUITY | | <u>222,335</u> | <u>225,448</u> |
| Restrictions on Contributions | 31 | | |
| Expenditure Commitments | 32 | | |
| Contingent Assets and Liabilities | 33 | | |

DEPARTMENT FOR ENVIRONMENT AND HERITAGE

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2004

| | Note | 2004 \$'000 | 2003 \$'000 |
|--|------|------------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| PAYMENTS | | | |
| Employee Benefits | | (61,065) | (56,293) |
| Supplies and Services | | (41,804) | (41,927) |
| Grants and Contributions | | (5,375) | (4,403) |
| Interest on Loans | | (2,740) | (2,774) |
| GST Payments on Purchases | | (7,916) | (6,859) |
| GST Remitted to the ATO | | (3,551) | (2,554) |
| Other | | - | (22) |
| | | <u>(122,451)</u> | <u>(114,832)</u> |
| RECEIPTS | | | |
| Fees and Charges | | 22,162 | 29,082 |
| Grants and Contributions | | 16,015 | 10,357 |
| Interest and Dividends | | 4,861 | 3,668 |
| GST Received from Customers | | 3,223 | 2,529 |
| GST Refund from ATO | | 7,301 | 6,884 |
| Loan Repayments | | 12 | - |
| Other | | 3,925 | 1,765 |
| | | <u>57,499</u> | <u>54,285</u> |
| SA GOVERNMENT CASH FLOWS | | | |
| RECEIPTS | | | |
| Recurrent Appropriation | | 86,697 | 71,047 |
| Contingency Funds | | 346 | 128 |
| Accrual Appropriation | | 13,288 | 12,140 |
| | | <u>100,331</u> | <u>83,315</u> |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | 30 | <u>35,379</u> | <u>22,768</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment | | (13,940) | (9,616) |
| Proceeds from Sale of Property, Plant and Equipment | | 300 | 11 |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | | <u>(13,640)</u> | <u>(9,605)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of Borrowings | | (20) | (102) |
| Net Receipts/(Payments) from Administrative Restructures | | 235 | 1,086 |
| NET CASH FROM/(USED IN) FINANCING ACTIVITIES | | <u>215</u> | <u>984</u> |
| NET INCREASE/(DECREASE) IN CASH HELD | | <u>21,954</u> | <u>14,147</u> |
| Cash at the Beginning of the Reporting Period | | 63,502 | 49,355 |
| CASH AT THE END OF THE REPORTING PERIOD | | <u>85,456</u> | <u>63,502</u> |

DEPARTMENT FOR ENVIRONMENT AND HERITAGE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2004

1 OBJECTIVES OF THE DEPARTMENT FOR ENVIRONMENT AND HERITAGE

(a) Strategic Context

The Department for Environment and Heritage (the Department) is the Government's principal environment agency with key roles to:

- ⌘ provide policy advice and leadership on the environmental sustainability of human activities and on the conservation, use and enjoyment of natural and cultural heritage and of the public land estate
- ⌘ manage and conserve our public land, special places and wildlife, on behalf of Government, for the use, benefit and enjoyment of all South Australians

The Department's objective is conserving and restoring our environment for all generations by:

- ⌘ having a primary role in environment policy, biodiversity conservation, heritage conservation, environmental sustainability and animal welfare
- ⌘ managing the State's public land held in the conservation reserve system and as Crown Lands
- ⌘ as a custodian of information and knowledge about the State's environment

(b) Financial Arrangements

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

- ⌘ fees, levies and licenses
- ⌘ admissions and guided tour charges
- ⌘ rents for Crown land
- ⌘ sales of spatial information

The financial activities of the Department are primarily conducted through Deposit Accounts with the Department of Treasury and Finance (DTF) pursuant to Section 8 and Section 21 of the *Public Finance and Audit Act, 1987*. The Deposit Accounts are used for funds provided by Parliamentary appropriation together with revenues from services provided.

(c) Reporting Entity

The Department performs functions related to Departmental and Administered activities. Both Departmental and Administered financial statements are prepared as the administered activities are significant to the Departments overall activities.

The Departmental financial statements include the assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right.

The Administered Items' financial statements include the assets, liabilities, revenues, expenses and cash flows which the Department administers on behalf of the SA Government, industry and the Minister for Environment and Conservation but does not control. Further, the Administered Items' financial statements detail the sum of the individual Administered Items' revenues, expenses, assets, liabilities and cash flows and as such the principles of consolidation have not been applied in preparing these financial statements as the definition of an economic entity has not been satisfied. Accordingly, transactions and balances between the individual Administered Items have not been eliminated. The Administered Items are:

- ⌘ Board of the Botanic Gardens and State Herbarium
- ⌘ Coast Protection Board
- ⌘ Crown Land Sales Freeholding Account
- ⌘ Land Services Group
- ⌘ Minister's Other Payments:
 - ⌘ Royal Zoological Society of SA Inc.
- ⌘ Special Acts Allocation
 - ⌘ Salary and Allowances – Minister
- ⌘ Other, being comprised of:
 - ⌘ Beachport Breakwater Project
 - ⌘ Bookmark Biosphere Trust (Dissolved 1 April 2003)
 - ⌘ General Reserves Trust (Controlled 1 July 2002)
 - ⌘ Martindale Hall Conservation Trust (Dissolved 1 July 2003)
 - ⌘ Mount Lofty Summit Development Trust (Dissolved 18 December 2003)
 - ⌘ Murray Mallee Partnership
 - ⌘ State Heritage Fund (Controlled 1 July 2002)
 - ⌘ Surplus Land and Property Sales
 - ⌘ War Service Land Settlement Scheme
 - ⌘ Wildlife Conservation Fund (Controlled 1 July 2002)

The Administered Items' financial statements and associated notes follow the Department's financial statements and associated notes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The Department's Financial Statements are a general purpose financial report that has been prepared on an accrual basis pursuant to the *Public Finance and Audit Act, 1987* and in accordance with:

- ⌘ Statements of Accounting Concepts
- ⌘ Applicable Australian Accounting Standards (AAS)
- ⌘ Other authoritative pronouncements of the Australian Accounting Standards Board (AASB)
- ⌘ Urgent Issues Group (UIG) Consensus Views
- ⌘ Treasurer's Instructions and Accounting Policy Statements issued pursuant to the *Public Finance and Audit Act, 1987*

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, consideration is given to the order of preference of other pronouncements as outlined in AAS 6 'Accounting Policies'.

The financial statements, including administered items, have been prepared on the accrual basis of accounting. Accordingly, revenues are recognised when they are earned or when the Department has control over them, rather than when they are received and expenses are recognised when they are incurred, rather than when they are paid. Some revenues are recognised when cash is received as this is when the Department gains control of these revenues. These revenues include items such as non-perpetual leases and licence and accreditation fees, fines and penalties.

The financial statements have been prepared in accordance with the historical cost convention, with the exception of certain types of physical non-current assets which are valued at fair value, in accordance with APS guidance. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements detail the revenues, expenses and financial position of the Department as a single entity and accordingly all intra Departmental transactions and balances have been eliminated.

(b) Administrative Restructures

During the current and previous reporting periods a number of administrative restructures occurred which are summarised below. Additional information about administrative restructures is provided in Note 17.

Current Reporting Period

- ⌘ Land administration functions and Vaughan Terrace Land and Building were transferred to the Department for Administrative and Information Services (DAIS)
- ⌘ Queens Theatre Land and Building was transferred to the Department of the Premier and Cabinet (Arts SA)
- ⌘ Martindale Hall Conservation Trust was dissolved
- ⌘ Mount Lofty Summit Development Trust was dissolved under section 45L of the *National Parks and Wildlife Act, 1972* with effect on 18 December 2004, as at that date the Trust had no net assets

Previous Reporting Period

- ⌘ Environment protection functions transferred to the Environment Protection Authority
- ⌘ Biodiversity conservation functions transferred to the Department of Water, Land and Biodiversity Conservation
- ⌘ General Reserves Trust, State Heritage Fund and Wildlife Conservation Fund transferred to controlled activities of the Department
- ⌘ Bookmark Biosphere Trust was dissolved

(c) Revenue Recognition

Government Appropriations

All Government Appropriations are recorded as revenue in the Statement of Financial Performance at the time control passes to the Department. In general, the Department gains control of Appropriations upon receipt of the funds.

Other Revenue

All other revenues recorded in the Statement of Financial Performance are recognised when the Department obtains control over the future economic benefits in the form of increases in assets or reductions in liabilities. With respect to licences, leases and accreditation fees revenue, where the period exceeds one reporting period, the Department obtains control upon receipt.

The Department is not economically dependent on one individual for its revenue, however, the amount of revenue earned from transactions with our customer base can be influenced by the South Australian economy.

(d) Cash

Cash in the Statements of Financial Position and Cash Flows is comprised of cash on hand (including petty cash and cashier floats), at call accounts with banks and monies held by DTF in Deposit Accounts.

(e) Receivables

Receivables are recognised and carried at the original invoiced amount less a provision for any doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable whereas bad (uncollectable) debts are written off as incurred.

(f) Inventories

Items held for use by the Department are accounted for at cost unless it is apparent that they are obsolete or surplus to requirements in which case they are written off. Items held for sale are accounted for at the lower of cost or net realisable value.

(g) Property, Plant and Equipment

The Statement of Financial Position includes all Property, Plant and Equipment controlled by the Department.

Assets Disclosed at Valuation

In accordance with the requirements of Accounting Policy Statement 3 'Revaluation of Non-Current Assets', independent revaluations of classes of non-current assets have only been undertaken where there existed an asset within a class that satisfied the criteria specified in Accounting Policy Statement 3 'Revaluation of Non-Current Assets'. That is, there existed an asset within the class with an original acquisition cost of at least \$1 million and a useful life greater than three years.

Asset classes that satisfy the revaluation criteria include:

- ⌘ Land
- ⌘ Buildings and Improvements
- ⌘ Park Infrastructure
- ⌘ Roads, Tracks and Trails
- ⌘ Other

In the 2002-03 financial year, the Department elected to apply the progressive revaluation provisions contained in AASB 1041 'Revaluation of Non-Current Assets' and Accounting Policy Statement 3 'Revaluation of Non-Current Assets', as issued by DTF, to the abovementioned asset classes.

As a consequence of undertaking progressive revaluations, assets within each of the abovementioned asset classes are recognised at different carrying amounts and for those assets revalued prior to the 2002-03 financial year valuations are based on deprival value not fair value.

Non-current assets in Note 23 'Property, Plant and Equipment' are disclosed within each class as follows to distinguish between the different carrying amounts and valuation methodologies.

⌘ Valuer-General's Valuation represents assets within that class yet to be revalued under the current progressive revaluations and carried at revalued amounts as at 1 January 2003 extracted from LOTS.

⌘ Independent Valuation 1999 for Land represents assets within that class valued under \$50,000 that are yet to be revalued under the current progressive revaluations and are carried at revalued amounts based on the deprival value methodology. The independent desktop valuations were performed as at 1 July 1998 by Messrs A.J. Lucas - MBA, B App Sc (Val), Dip Acc, AAPI and F. Taormina - B App Sc (Val), AAPI from Valcorp Australia Pty Limited.

⌘ In the previous reporting period, Independent Valuation 1999 represented assets within that class that were yet to be revalued as at 30 June 2003 and were carried at revalued amounts based on the deprival value methodology. The independent valuations were performed as at 1 July 1998 by Messrs A.J. Lucas - MBA, B App Sc (Val), Dip Acc, AAPI and F. Taormina - B App Sc (Val), AAPI from Valcorp Australia Pty Limited.

⌘ Independent Valuation 2003 represents assets within that class valued over \$50,000 that have been revalued as a part of the current progressive revaluations and are carried at their fair value. The independent valuations were performed as at 1 July 2002 by Messrs A.J. Lucas - MBA, B App Sc (Val), Dip Acc, AAPI and F. Taormina - B App Sc (Val), AAPI from Valcorp Australia Pty Limited.

⌘ Independent Valuation 2003 (Data Dictionary) represents generic assets within that class that have been valued in accordance with the data dictionary valuation model developed in conjunction with independent valuers Valcorp Australia Messrs. A.J Lucas, MBA, B App Sc (Val), Dip Acc, AAPI and F. Taormina, B App Sc (Val), AAPI). The data dictionary valuations were last updated during the year ended 30 June 2003 to ensure compliance with the fair value methodology.

⌘ Independent Valuation 2004 represents assets within that class valued over \$50,000 that have been revalued as a part of the current progressive revaluations and are carried at their fair value. The independent valuations were performed as at 1 July 2003 by Messrs T.F. Nankivell - B App Sc (Val), AAPI, Australian Valuation Office and R.A. Hurl - Tusmore Antiques.

⌘ Transfers from Capital Works in Progress represents assets within that class that have been constructed by the Department through its investment program and transferred to the class upon completion. The cost of construction represents the fair value of these assets.

⌘ At Cost represents assets within that class that are yet to be revalued as part of the current progressive revaluations and are carried at their cost of acquisition and/or construction.

In accordance with the transitional provisions of AASB 1041 'Revaluation of Non-Current Assets', any revaluation increments arising upon revaluing the abovementioned non-current asset classes to their fair value are credited directly to the asset revaluation reserve except that, to the extent that the net increment reverses a net revaluation decrement previously recognised as an expense in Net Cost of Services from Ordinary Activities in respect of that same class of non-current assets, in which case the revaluation increments have been credited directly to accumulated funds.

In accordance with the transitional provisions of AASB 1041 'Revaluation of Non-Current Assets', any revaluation decrements arising upon revaluing the abovementioned non-current asset classes to their fair value are debited directly to the asset revaluation reserve to the extent that a credit balance exists in the asset revaluation reserve in respect of that class of non-current assets, and any remainder of the net revaluation decrement is debited directly to accumulated funds.

Land

Land comprising National, Conservation and Recreation Parks and Wilderness Protection Areas and Reserves, generally have restrictions on use imposed by statute or regulation. These restrictions have been taken into account by the independent valuers.

Assets Deemed to be at Fair Value

For those classes of non-current assets where an independent revaluation has not been undertaken, as the criteria within Accounting Policy Statement 3 'Revaluation of Non-Current Assets' have not been met, these classes of non-current assets are deemed to be at fair value as determined by Accounting Policy Statement 3 'Revaluation of Non-Current Assets' as issued by DTF.

Asset classes that did not satisfy the criteria and are therefore deemed to be at fair value include:

- ⌘ Moveable Vehicles
- ⌘ Computing Equipment
- ⌘ Application Software
- ⌘ Furniture and Fittings
- ⌘ Plant and Equipment
- ⌘ Plant and Equipment under Finance Lease

Other Property, Plant and Equipment Disclosure Information

Heritage Assets

In accordance with Accounting Policy Statement 5 'Heritage Assets' as issued by DTF, heritage assets are recognised in the Statement of Financial Position as part of the aggregate value of the classes of assets to which they belong. Certain heritage assets and works of art that are unique due to their historical or cultural interest are not depreciated due to their long and indeterminate useful lives. Heritage assets that provide a functional service are recorded at depreciated fair value.

Land

The Department is custodian of unallotted Crown land, by virtue of its responsibilities under the *Crown Lands Act, 1929*. This land is considered to be an administered asset. As the Department has been unable to formulate a suitable methodology for determining a reliable measure of the value of the asset, unallotted Crown land is not included in the Administered Items activities.

The Administered Items activities include the Crown's interest in land leased to third parties under perpetual and other leases and annual licences.

Intellectual Property, Databases and Information Systems

The Department controls a large number of databases, registers, information systems and other intellectual property that were developed in-house and are used to store and manage intellectual property owned and controlled by the Department. Whilst the development and maintenance of these databases involves on-going costs to the Department, in general, neither the systems nor the data have been recognised in the financial statements as assets, as it has not been possible to reliably measure the future economic benefits to the Department.

Other

The recoverable amount test prescribed in AASB 1010 'Recoverable Amount of Non-Current Assets' has not been applied as the Department is a not-for-profit entity whose service potential is not related to the ability to generate net cash inflows.

Property, Plant and Equipment provided free of charge is recorded as an asset at its fair value at the time control passes to the Department. Assets received in this way are disclosed as revenue in the Statement of Financial Performance. {Refer Note 14}

Items of Property, Plant and Equipment with an individual value of less than \$2,000 are expensed in the Statement of Financial Performance at the time they are acquired.

(h) Depreciation of Non-Current Assets

All non-current assets with an initial cost greater than \$2,000 having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Depreciation is provided for on a straight line basis, with the following depreciation periods:

| | |
|------------------------------|-------------|
| ⌘ Computing Equipment | 1-12 years |
| ⌘ Application Software | 3-5 years |
| ⌘ Park Infrastructure | 2-70 years |
| ⌘ Plant and Equipment | 3-15 years |
| ⌘ Roads, Tracks and Trails | 3-50 years |
| ⌘ Moveable Vehicles | 5-20 years |
| ⌘ Furniture and Fittings | 5-50 years |
| ⌘ Buildings and Improvements | 7-100 years |
| ⌘ Other | 2-50 years |

In accordance with AAS 4 'Depreciation', leased assets are amortised over the useful life of the asset or the lease term, whichever is the shorter and an annual review of the appropriateness of depreciation rates and associated useful lives is undertaken. The results of the annual review indicated that the depreciation rates and associated useful lives were appropriate and as such no material adjustments were required.

(i) Leases

The Department makes a distinction between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets and operating leases under which the lessor effectively retains substantially all of the risks and benefits incidental to ownership.

Finance Leases

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. These assets are disclosed as Plant and Equipment under Finance Lease in Note 23 and are amortised to the Statement of Financial Performance over the period during which the Department is expected to benefit from the use of the leased assets.

At the same time as recognising a finance lease asset a corresponding finance lease liability is recognised at the same amount. Lease payments are allocated between the principal component (reduction in liability) and the interest expense. Details of finance lease obligations are disclosed in Note 27.

Operating Leases

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred. Details of Operating Lease Commitments are disclosed in Note 32.

Lease Incentive

The Department entered into an operating lease for accommodation whereby it received an incentive, in the form of structural improvements and the provision of certain items of furniture and fittings. A liability has been recognised (Refer Note 24) to reflect the deferred benefits received under the lease incentive arrangement and is systematically reduced by the allocation of lease rental payments between rental expense and reduction of the lease incentive liability.

(j) Payables

Those amounts which represent liabilities for goods and services provided to the Department and other amounts, including interest, are identified as payables.

(k) Provisions for Employee Benefits

In accordance with AASB 1028 'Employee Benefits', a provision is made for the Department's liability for employee benefits arising from services rendered by employees to reporting date. These provisions represent the amounts which the Department has a present obligation to pay to employees for services provided.

Sick Leave

No provision is made for sick leave as experience indicates that on average sick leave taken each reporting period is less than or equal to the accruing sick leave entitlement in each reporting period. This experience is expected to recur in future reporting periods such that it is improbable that existing accrued sick leave entitlements will be used by employees in the reporting period.

Annual Leave

A provision has been made for the unused component of annual leave, including annual leave loading and related on-costs based on the remuneration rates expected to apply when the leave is taken. The expected remuneration rates are calculated as the current remuneration rate plus a salary inflation factor of 4%. This calculation is consistent with the Department's experience of employee retention and leave taking.

Long Service Leave

In calculating long service leave benefits the Department uses a benchmark of 7 years, based on an actuarial assessment undertaken by DTF of a significant sample of employees throughout the South Australian public sector. The long service leave entitlement estimated to be paid within 12 months of balance date, is calculated by multiplying employee benefits and related on-costs by the remuneration rates expected to apply when the leave is taken. The expected remuneration rates are calculated as the current remuneration rate plus a salary inflation factor of 4%. This calculation is consistent with the Department's experience of employee retention and leave taking.

Employee On-Costs

In general, related on-costs of payroll tax and superannuation have been calculated by applying the standard applicable rates to leave balances as at 30 June. Superannuation on-costs are included for part only of the long service leave provision in recognition that it is estimated that 45% of the provision will be paid as a lump sum payment on cessation of employment and will not be subject to employer superannuation contributions. (Refer Note 24)

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 are incurred. There is no liability for payments to beneficiaries as they have been assumed by the superannuation schemes. Any liability outstanding at reporting date relates to any contribution due but not yet paid to the superannuation schemes, any such amount is treated as a payable not an employee benefit. (Refer Note 24)

Workers Compensation

The workers compensation liability recognised for the employees of the Department is based on an apportionment of an actuarial assessment of the whole-of-government workers compensation liability conducted by Taylor Fry Consulting Actuaries based on 31 May data. Taylor Fry Consulting Actuaries extrapolate this data to 30 June. For the 2003-2004 financial year the Department has reflected a workers compensation provision of \$0.49 million (2003: \$0.49 million). (Refer Note 25)

The actuarial assessment conducted by Taylor Fry Consulting Actuaries is based on the Payment Per Claim Incurred (PPCI) valuation method. The assessment has been conducted in accordance with AAS 26 'Financial Reporting for General Insurance Activities' and the WorkCover Guidelines for Actuarial Assessments. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling those claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that not all claims have to be paid out in the immediate future.

(l) Borrowings

Borrowings consist of an unsecured loan advanced by DTF. Interest is incurred at a rate determined by the Treasurer with interest paid quarterly in arrears. The average effective interest rate for the reporting period was 6.75% (2003: 6.50%).

(m) Tax Status

The activities of the Department are exempt from Commonwealth income tax but other Commonwealth taxes such as Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and other State taxes including Payroll Tax are applicable.

(n) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:
⌘ the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as a part of an item of expense
⌘ receivables and payables are stated with the amount of GST included

The net GST receivable from the ATO has been recognised as a receivable in the Statement of Financial Position.

Cash flows are reported on a gross basis in the Statement of Cash Flows. The GST component of the cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO have, however, been classified as operating cash flows.

The Department prepares a Business Activity Statement on behalf of its Administered Items and for clients provided with business services under the grouping provisions of the GST legislation. Under these provisions, the Department is liable for the payments and entitled to the receipts associated with GST. As such, the GST applicable to these entities forms part of the receivables and payables recorded in the Statement of Financial Position and the GST cashflows recorded in the Statement of Cash Flows of the Department.

(o) Impact of Adopting Australian 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 Reporting', 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
- ⌘ key dates for monitoring and reviewing progress

The Department is keeping abreast of changes by:

- ⌘ monitoring the release of updated AIFRS, Pending Accounting Standards, Treasurer's Instructions and Accounting Policy Statements
- ⌘ reviewing the updated authoritative pronouncements to determine the potential impact on the Department
- ⌘ attending whole-of-government reference group meetings as well as information forums organised by professional accounting bodies and DTF

Expected Key Differences in Accounting Policies

Accounting Policies, Changes in Accounting Estimates and Errors

Pending Accounting Standard AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' requires voluntary changes in accounting policy and correction of errors to be accounted for retrospectively by adjusting the opening balance of accumulated funds for the earliest period presented and restating comparative information.

Current GAAPs require the effect of voluntary changes in accounting policy and correction of errors to be recognised as revenues or expenses in the reporting period in which the change is made and the retrospective effect to be disclosed in the notes to the financial report. That is, comparative information is not restated it is presented as reported in the prior reporting period.

Non-Current Assets Held for Resale

Pending Accounting Standard AASB 5 'Non-Current Assets Held for Resale' requires an entity to measure a non-current asset classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

The Department does not currently separately recognise non-current assets held for disposal instead it follows the general measurement requirements of individual standards such as AASB 1041 'Revaluation of Non-Current Assets' and Accounting Policy Statement 3 'Revaluation of Non-Current Assets' that allows the Department to carry non-current assets on a fair value basis.

Inventories

Pending Accounting Standard AASB 102 'Inventories' requires inventories held for distribution by non-profit-entities to be measured at the lower of cost and current replacement cost whereas current GAAPs require all inventories to be measured at the lower of cost or net realisable value. The current GAAP requirements are complied with by the Department.

Property, Plant and Equipment

Pending Accounting Standard AASB 116 '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 an Accounting Policy Statement will continue to require revaluation on a class basis and current thresholds (greater than \$1m and estimated useful life greater than 3 years) will continue to apply.

Employee Benefits

Pending Accounting Standard AASB 119 'Employee Benefits' requires liabilities for long-term employee benefits to be measured at present value. The Department currently measures long-term employee benefits at nominal amounts in accordance with AASB 1028 'Employee Benefits'.

Borrowing Costs

Pending Accounting Standard AASB 123 'Borrowing Costs' permits entities to choose between capitalising or expensing borrowing costs if these costs are associated with a qualifying asset.

The Department currently expenses all borrowing costs. It is anticipated that this will continue in the future as DTF have indicated that an Accounting Policy Statement will be forthcoming that prohibits the capitalisation of borrowing costs.

Impairment of Assets

In accordance with Pending Accounting Standard AASB 136 'Impairment of Assets' the Department will be subjecting all assets to some form of impairment testing, whereas, under existing GAAP's many types of current assets and some types of non-current assets are not subject to impairment testing.

Provisions

Pending Accounting Standard AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' requires the recognition of provisions relating to the retirement or disposal of long-lived assets. The Department does not currently recognise a provision for the retirement or disposal of long-lived assets.

(p) Comparative Figures

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

The comparative figures in the Administered Items' financial statements and associated notes have been amended to reflect the final audited figures of administered items for the previous reporting period. As a result, there may be differences when comparing the comparative figures to those published in the Report of the Auditor-General for the previous reporting period.

(q) Rounding

All amounts have been rounded to the nearest thousand dollars (\$'000) and expressed in Australian currency.

3 PROGRAMS OF THE DEPARTMENT

Information about the Department's programs and the revenues and expenses which are reliably attributable to those programs is disclosed in the following program schedule.

Program 1: Sustainability

The promotion of sustainable and eco-efficient human endeavour with minimal impact on essential life systems.

Program 2: Nature Conservation

The management, science and education contributing to conserving the State's biodiversity.

Program 3: Public Land Management

The conservation, maintenance and stewardship of the State's public lands.

Program 4: Coast and Marine Conservation

The conservation, management and protection of the State's coast and marine environments.

Program 5: Heritage Conservation

The understanding, conservation and protection of the State's rich heritage.

Program 6: Animal Welfare

The promotion and regulation of the humane treatment of animals.

| | <i>Program 1: Sustainability</i> | | <i>Program 2: Nature Conservation</i> | | <i>Program 3: Public Land Management</i> | | <i>Program 4: Coast and Marine Conservation</i> | | <i>Program 5: Heritage Conservation</i> | | <i>Program 6: Animal Welfare</i> | | <i>Program 7: General Not Attributed</i> | | TOTAL | |
|--|--------------------------------------|----------------|---|----------------|--|----------------|---|--------------|---|--------------|--|-------------|--|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES FROM ORDINARY ACTIVITIES | | | | | | | | | | | | | | | | |
| Employee Benefits | 11,482 | 13,777 | 13,194 | 12,099 | 33,052 | 27,551 | 3,739 | 2,934 | 1,709 | 1,560 | 206 | 150 | - | - | 63,382 | 58,071 |
| Supplies and Services | 6,171 | 11,055 | 9,517 | 8,990 | 23,277 | 18,998 | 3,075 | 2,607 | 949 | 1,262 | 59 | 82 | - | - | 43,048 | 42,994 |
| Grants and Contributions | 172 | 562 | 2,039 | 1,268 | 1,834 | 1,516 | 405 | 176 | 424 | 379 | 501 | 502 | - | - | 5,375 | 4,403 |
| Depreciation and Amortisation | 3,538 | 4,635 | 1,141 | 1,351 | 17,054 | 19,706 | 296 | 361 | 154 | 186 | - | - | - | - | 22,183 | 26,239 |
| Borrowing Costs | 301 | 411 | 522 | 652 | 1,661 | 1,415 | 188 | 174 | 70 | 92 | 22 | 22 | - | - | 2,764 | 2,766 |
| Net Loss from Disposal of Non-Current Assets | 90 | 60 | 29 | 630 | 435 | 182 | 8 | 6 | 4 | 3 | - | - | - | - | 586 | 881 |
| Other | 826 | 310 | 234 | 220 | 4,017 | 4,066 | 61 | 86 | 58 | 26 | - | 3 | - | - | 5,196 | 4,711 |
| Total Expenses from Ordinary Activities | 22,580 | 30,810 | 26,676 | 25,210 | 81,330 | 73,434 | 7,772 | 6,344 | 3,368 | 3,508 | 788 | 759 | - | - | 142,514 | 140,065 |
| REVENUES FROM ORDINARY ACTIVITIES | | | | | | | | | | | | | | | | |
| Fees and Charges | 4,709 | 14,676 | 2,033 | 647 | 13,895 | 11,916 | 156 | - | 658 | 251 | 2 | 2 | - | - | 21,453 | 27,492 |
| Grants and Contributions | 6,770 | 881 | 4,040 | 4,905 | 4,405 | 3,923 | 663 | 368 | 137 | 95 | - | - | - | - | 16,015 | 10,172 |
| Interest and Dividends | 496 | 502 | 906 | 842 | 2,974 | 1,992 | 318 | 219 | 118 | 129 | 37 | 28 | - | - | 4,849 | 3,712 |
| Assets Received Free of Charge | - | - | - | - | 1,214 | 5,724 | - | - | - | - | - | - | - | - | 1,214 | 5,724 |
| Other | 429 | 1,053 | 1,581 | 517 | 1,256 | 958 | 117 | 13 | 40 | 8 | - | - | - | - | 3,423 | 2,549 |
| Total Revenues from Ordinary Activities | 12,404 | 17,112 | 8,560 | 6,911 | 23,744 | 24,513 | 1,254 | 600 | 953 | 483 | 39 | 30 | - | - | 46,954 | 49,649 |
| NET COST OF SERVICES FROM ORDINARY ACTIVITIES | 10,176 | 13,698 | 18,116 | 18,299 | 57,586 | 48,921 | 6,518 | 5,744 | 2,415 | 3,025 | 749 | 729 | - | - | 95,560 | 90,416 |
| SA GOVERNMENT REVENUES AND EXPENSES | | | | | | | | | | | | | | | | |
| Revenues | 10,637 | 12,586 | 18,960 | 16,813 | 60,363 | 44,950 | 6,812 | 5,270 | 2,776 | 3,026 | 783 | 670 | - | - | 100,331 | 83,315 |
| Total SA Government Revenues and Expenses | 10,637 | 12,586 | 18,960 | 16,813 | 60,363 | 44,950 | 6,812 | 5,270 | 2,776 | 3,026 | 783 | 670 | - | - | 100,331 | 83,315 |
| NET RESULT BEFORE RESTRUCTURING | 461 | (1,112) | 844 | (1,486) | 2,777 | (3,971) | 294 | (474) | 361 | 1 | 34 | (59) | - | - | 4,771 | (7,101) |
| Net Gain/(Loss) from Administrative Restructure | (983) | - | (782) | 256 | - | 4,358 | - | - | 13 | 323 | - | - | - | (3,849) | (1,752) | 1,088 |
| NET RESULT AFTER RESTRUCTURING | (522) | (1,112) | 62 | (1,230) | 2,777 | 387 | 294 | (474) | 374 | 324 | 34 | (59) | - | (3,849) | 3,019 | (6,013) |

| | 2004 | 2003 |
|------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| 4 EMPLOYEE BENEFITS | | |
| Salaries and Wages | (i) 50,893 | 46,979 |
| Superannuation | 5,328 | 5,082 |
| Annual Leave | 798 | 580 |
| Payroll Tax | 3,087 | 2,929 |
| Long Service Leave | 884 | 1,275 |
| Workers Compensation | 305 | (292) |
| Sitting Fees Boards and Committees | 72 | 81 |
| Other | 2,015 | 1,437 |
| | <u>63,382</u> | <u>58,071</u> |

(i) Targeted Voluntary Separation Packages (TVSPs)

TVSP amounts paid by the Department are included within the salaries and wages expense.

During the year a total of 38 (2003: 18) employees of the Department accepted packages in line with the State Government's policy.

The TVSP component of termination payments totalled \$2.65 million (2003: \$1.19 million). These costs were met from a central fund administered by the Office for the Commissioner for Public Employment (OCPE). A total of \$1.94 million (2003: \$0.12 million) has been recovered relating to 2003-2004.

In addition, accrued annual leave, leave loading and long service leave benefits amounting to \$0.77 million (2003: \$0.38 million) were paid to employees who received a TVSP.

Employee Remuneration

The number of employees whose remuneration exceeded \$100,000 was:

| | 2004 | 2003 |
|--|---------------|--------------|
| \$100,000 – 109,999 | 6 | 3 |
| \$110,000 – 119,999 | 2 | 3 |
| \$120,000 – 129,999 | 3 | 4 |
| \$130,000 – 139,999 | 3 | 1 |
| \$140,000 – 149,999 | 1 | - |
| \$150,000 – 159,999 | - | 1 |
| \$160,000 – 169,999 | 1 | 1 |
| \$170,000 – 179,999 | 3 | 2 |
| \$230,000 – 239,999 | 1 | 1 |
| Total Number of Employees | <u>20</u> | <u>16</u> |
| | 2004 | 2003 |
| | \$'000 | \$'000 |
| Total remuneration received or due and receivable by employees whose remuneration exceeded \$100,000 | <u>2,712</u> | <u>2,200</u> |

Remuneration includes salary, employer's superannuation costs, use of motor vehicles in accordance with prescribed conditions and associated FBT and contract termination payments, but does not include any amounts payable due to retirement under the TVSP arrangements.

Average Number of Employees

During the reporting period the Department had an average of 957 employees (2003: 933).

| | 2004 | 2003 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| 5 SUPPLIES AND SERVICES | | |
| Accommodation and Property Management Services | 7,541 | 7,322 |
| Section 7 Remittances | 599 | 3,061 |
| Materials and Consumables | 2,199 | 2,225 |
| Vehicle and Aircraft | 3,381 | 3,911 |
| Travel and Accommodation | 1,126 | 949 |
| Contractors | 12,257 | 9,655 |
| Consultant Fees | (i) 120 | 365 |
| Computing | 6,419 | 6,248 |
| Minor Plant and Equipment | 1,063 | 715 |
| Printing and Publishing | 939 | 838 |
| Cost of Goods Sold | 761 | 1,431 |
| Cost of Property Sales | 884 | 410 |
| Bank Fees | 141 | 112 |
| Postage, Courier and Freight | 470 | 442 |
| Advertising | 306 | 464 |
| Scholarships, Awards and Prizes | 117 | 36 |
| Scientific and Technical Services | 105 | 207 |
| Telephone Expenses | 1,743 | 1,750 |
| Audit Fees | 216 | 196 |
| Equipment Repairs and Maintenance | 164 | 204 |
| Books, Periodicals and Newspapers | 105 | 112 |
| Commissions and Selling Costs | 87 | 81 |
| Document Storage and Preservation | 93 | 109 |
| Entertainment | 134 | 84 |
| Equipment Hire | 58 | 41 |
| Monitoring Fees | 105 | 119 |
| Photocopying and Preservation | 61 | 75 |
| Conference and Seminar Presentation | 284 | 175 |
| Insurance | 476 | 490 |
| Transportation | 187 | 177 |
| Sand Replenishment | 512 | 753 |
| Valuations | 51 | 36 |
| Bureau Service - CHRIS Payroll | 109 | - |
| Other | 235 | 201 |
| | <u>43,048</u> | <u>42,994</u> |

(i) The number and amount of Consultant Fees fell within the following bandwidths:

| | 2004 | 2003 |
|---|-------------|------------|
| | No. | \$'000 |
| Below \$10,000 | 17 | 40 |
| Between \$10,000 and \$50,000 | 4 | 80 |
| Total number and amount of Consultant Fees | <u>21</u> | <u>120</u> |

| | 2004 | 2003 |
|--|---------------|--------------|
| | \$'000 | \$'000 |
| 6 GRANTS AND CONTRIBUTIONS | | |
| Community Organisations and Associations | 2,652 | 1,871 |
| State Government | 1,208 | 1,061 |
| Individuals - Heritage, Fencing and Other Agreements | 928 | 601 |
| Local Government | 227 | 274 |
| Universities | 51 | 25 |
| Other | 309 | 571 |
| | <u>5,375</u> | <u>4,403</u> |

| | | |
|--|---------------|---------------|
| | 2004 | 2003 |
| 7 DEPRECIATION AND AMORTISATION | \$'000 | \$'000 |
| Buildings and Improvements | 2,010 | 2,269 |
| Park Infrastructure | 4,477 | 5,444 |
| Roads, Tracks and Trails | 8,443 | 8,753 |
| Moveable Vehicles | 561 | 540 |
| Computing Equipment | 3,050 | 4,311 |
| Application Software | 1,121 | 2,797 |
| Furniture and Fittings | 636 | 353 |
| Plant and Equipment | 290 | 496 |
| Finance Leases | 22 | 211 |
| Other | 1,573 | 1,065 |
| | <u>22,183</u> | <u>26,239</u> |
| | 2004 | 2003 |
| 8 BORROWING COSTS | \$'000 | \$'000 |
| Interest on Borrowings | 2,756 | 2,751 |
| Interest on Finance Leases | 8 | 15 |
| | <u>2,764</u> | <u>2,766</u> |
| | 2004 | 2003 |
| 9 NET GAIN/(LOSS) FROM DISPOSAL OF NON-CURRENT ASSETS | \$'000 | \$'000 |
| Proceeds from Disposal of Non-Current Assets | 300 | 11 |
| Less: Written Down Value of Non-Current Assets | 866 | 892 |
| | <u>(566)</u> | <u>(881)</u> |
| | 2004 | 2003 |
| 10 OTHER EXPENSES | \$'000 | \$'000 |
| Bad and Doubtful Debts | 1 | 18 |
| Capital Works in Progress Write-Off | 684 | 1,131 |
| Asset Write-Downs | 4,490 | 3,558 |
| Asset Impairment | 21 | - |
| Other | - | 4 |
| | <u>5,196</u> | <u>4,711</u> |
| | 2004 | 2003 |
| 11 FEES AND CHARGES | \$'000 | \$'000 |
| Rent and Other Related Income | 3,241 | 3,202 |
| Fees, Levies and Licences | 2,477 | 1,710 |
| Admissions and Guided Tours | 4,345 | 4,015 |
| Section 7 Enquiries | 1,863 | 9,863 |
| Property Inquiry Fees | 460 | 2,243 |
| Support Services | 3,006 | 672 |
| Sale of Goods | 1,856 | 1,840 |
| Sale of Services | 1,172 | 1,130 |
| Sale of Property | 1,043 | 409 |
| Sale of Spatial Information | 1,990 | 2,408 |
| | <u>21,453</u> | <u>27,492</u> |
| | 2004 | 2003 |
| 12 GRANTS AND CONTRIBUTIONS | \$'000 | \$'000 |
| Commonwealth Government | 467 | 3,177 |
| State Government | (i) 11,353 | 5,553 |
| Administered Entities | (ii) 727 | 570 |
| Integrated Natural Resource Management Groups | 3,081 | - |
| Other | 387 | 872 |
| | <u>16,015</u> | <u>10,172</u> |

| | 2004 | 2003 |
|--|---------------|--------------|
| | \$'000 | \$'000 |
| (i) State Government Grants and Contributions | | |
| Department for Administrative and Information Services * | 6,760 | - |
| Attorney-General's Department | 2,073 | 2,008 |
| Department of Water, Land and Biodiversity Conservation | 699 | 978 |
| Department of Transport and Urban Planning | 500 | 1,926 |
| Department of Primary Industries and Resources | 428 | - |
| Environment Protection Fund | 424 | 450 |
| South Australian Tourism Commission | 224 | 191 |
| Other | 245 | - |
| | <u>11,353</u> | <u>5,553</u> |

* Includes \$6.40 million as compensation for the loss of income generating activities without a corresponding reduction in expenditure as a result of the transfer of land administration functions. In future years, it is anticipated that the Departments' SA Government - Recurrent Appropriation Revenue will be increased to reflect this change in administrative arrangements across Government.

| | 2004 | 2003 |
|--|---------------|------------|
| | \$'000 | \$'000 |
| (ii) Administered Entities Grants and Contributions | | |
| Board of Botanic Gardens and State Herbarium | 607 | 570 |
| Coast Protection Board | 120 | - |
| | <u>727</u> | <u>570</u> |

| | 2004 | 2003 |
|----------------------------------|---------------|--------------|
| | \$'000 | \$'000 |
| 13 INTEREST AND DIVIDENDS | | |
| Interest on Funds Held | 4,845 | 3,711 |
| Dividends | 4 | 1 |
| | <u>4,849</u> | <u>3,712</u> |

| | 2004 | 2003 |
|--|---------------|--------------|
| | \$'000 | \$'000 |
| 14 ASSETS RECEIVED FREE OF CHARGE | | |
| Land and Improvements | 1,196 | 4,823 |
| Plant and Equipment | - | 343 |
| Moveable Vehicles | - | 13 |
| Transfers Received Assets | 10 | - |
| Other | 8 | 545 |
| | <u>1,214</u> | <u>5,724</u> |

| | 2004 | 2003 |
|---|---------------|--------------|
| | \$'000 | \$'000 |
| 15 OTHER REVENUE | | |
| Salaries and Wages Recoveries | 3,052 | 1,805 |
| Insurance Recoveries | 165 | 352 |
| Sponsorships, Donations, Commissions and Bequests | 146 | 139 |
| Other | 60 | 253 |
| | <u>3,423</u> | <u>2,549</u> |

| | 2004 | 2003 |
|----------------------------------|----------------|---------------|
| | \$'000 | \$'000 |
| 16 SA GOVERNMENT REVENUES | | |
| Recurrent Appropriation | 86,697 | 71,047 |
| Accrual Appropriation | 13,288 | 12,140 |
| Contingency Funds | 346 | 128 |
| | <u>100,331</u> | <u>83,315</u> |

17 NET GAIN/(LOSS) FROM ADMINISTRATIVE RESTRUCTURE

In the current reporting period the following administrative restructures occurred.

- (a) On 24 July 2003, the Chief Executives of the Department and the Department for Administrative and Information Services (DAIS) approved transfer arrangements for a range of land administration functions from the Department to DAIS. The functions include Section 7, LOTS, Property Assist and related information technology and financial services. The land administration functions were realigned on 1 September 2003, resulting in a transfer of functions and staff from the Department to DAIS and a net loss of \$0.98 million due to the transfer of assets and liabilities.
- (b) On 1 July 2003, in accordance with a Ministerial instruction, the ownership, management and control of the Queens Threatre was transferred from the Department to the Department of the Premier and Cabinet (Arts SA) resulting in a net loss on restructure of \$0.29 million.

- (c) On 1 July 2003, Cabinet approved the transfer of the Department's interest in the Vaughan Terrace Land and Building at Berri for nil consideration to DAIS. The realignment resulted in a net loss of \$0.78 million due to the transfer of the assets.
- (d) On 1 July 2003, the Martindale Hall Conservation Trust was dissolved under section 45L of the *National Parks and Wildlife Act, 1972* resulting in a transfer of assets and liabilities to the General Reserves Trust controlled activities of the Department. The realignment resulted in a net gain of \$0.31 million due to the transfer of the assets and liabilities.

The table below shows the assets and liabilities transferred in/(out) of the Department as a result of the administrative restructures in the current reporting period.

| 2004 | (a) | (b) | (c) | (d) | TOTAL |
|--|----------------|---------------|---------------|---------------|----------------|
| Assets | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash | - | (72) | - | 307 | 235 |
| Receivables | - | - | - | 1 | 1 |
| Property, Plant and Equipment | (1,078) | (221) | (782) | - | (2,081) |
| Total Assets | (1,078) | (293) | (782) | 308 | (1,845) |
| Liabilities | | | | | |
| Payables | - | - | - | 2 | 2 |
| Provisions for Employee Benefits | (95) | - | - | - | (95) |
| Total Liabilities | (95) | - | - | 2 | (93) |
| Net Gain/(Loss) from Administrative Restructure | (983) | (293) | (782) | 306 | (1,752) |

In the previous reporting period the following administrative restructures occurred.

- (a) On 1 July 2002, the Environment Protection Authority was created, resulting in a transfer of functions and staff from the Department and a net loss of \$3.85 million due to the transfer of the assets and liabilities.
- (b) On 1 July 2002, the Biodiversity Conservation functions of the Department were realigned, resulting in a transfer of functions and staff from the Department to the Department of Water, Land and Biodiversity Conservation and a net gain of \$0.26 million due to the transfer of the assets and liabilities.
- (c) On 1 July 2002, the General Reserves Trust, State Heritage Fund and Wildlife Conservation Fund no longer satisfied the accounting criteria of an administered item. Consequently, the activities of the Trust and Funds were incorporated into the Department's controlled activities. The realignment resulted in a net gain of \$4.62 million due to the transfer of the assets and liabilities.
- (d) On 1 May 2003 the Bookmark Biosphere Trust was dissolved under section 45L of the *National Parks and Wildlife Act, 1972* resulting in a transfer of assets and liabilities to the General Reserves Trust controlled activities of the Department. The realignment resulted in a net gain of \$0.07 million due to the transfer of assets.

The table below shows the assets and liabilities transferred in/(out) of the Department as a result of the administrative restructures in the previous reporting period.

| 2003 | (a) | (b) | (c) | (d) | TOTAL |
|--|----------------|---------------|---------------|---------------|----------------|
| Assets | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash | (3,371) | (13) | 4,406 | 64 | 1,086 |
| Receivables | (1,174) | (1) | 180 | 1 | (994) |
| Loans | - | - | 102 | - | 102 |
| Inventory | (13) | - | 10 | - | (3) |
| Financial Assets | (4) | - | - | - | (4) |
| Property, Plant and Equipment | (2,810) | (57) | - | - | (2,867) |
| Other | (166) | - | - | - | (166) |
| Total Assets | (7,538) | (71) | 4,698 | 65 | (2,846) |
| Liabilities | | | | | |
| Payables | (923) | (59) | 82 | - | (900) |
| Provisions for Employee Benefits | (2,766) | (268) | - | - | (3,034) |
| Total Liabilities | (3,689) | (327) | 82 | - | (3,934) |
| Net Gain/(Loss) from Administrative Restructure | (3,849) | 256 | 4,616 | 65 | 1,088 |

| | | 2004 | 2003 |
|-----------------------|-----|---------------|---------------|
| | | \$'000 | \$'000 |
| 18 CASH | | | |
| Deposit Accounts | (i) | 10,752 | 19,510 |
| Accrual Appropriation | | 74,261 | 43,654 |
| Advance Accounts | | 98 | 255 |
| Cash in Transit | | 320 | 61 |
| Cash on Hand | | <u>25</u> | <u>22</u> |
| | | <u>85,456</u> | <u>63,502</u> |

(i) In the previous reporting period, DTF approved access to \$5.00 million in accrual appropriation. In addition \$12.14 million accrual appropriation was received and held by the Department at 30 June 2003. These amounts were disclosed in the Deposit Accounts balance as at 30 June 2003 but were transferred to the accrual appropriation account in the current reporting period.

| | | 2004 | 2003 |
|---|-----|---------------|--------------|
| | | \$'000 | \$'000 |
| 19 RECEIVABLES | | | |
| Current: | | | |
| Debtors | | 3,151 | 4,416 |
| Loans | | 6 | 11 |
| Interest | | 63 | 75 |
| GST Recoverable from ATO | | 2,238 | 1,250 |
| TVSP Recoveries | | 706 | 1,073 |
| Other | | 234 | 224 |
| Less: Provision for Doubtful Debts | | <u>102</u> | <u>116</u> |
| | | <u>6,296</u> | <u>6,933</u> |
| Non-Current: | | | |
| Debtors | (i) | 516 | - |
| Loans | | 75 | 82 |
| Other | | <u>31</u> | <u>26</u> |
| | | <u>622</u> | <u>108</u> |

(i) In the current reporting period, the Department transferred a parcel of land to the Land Management Corporation on the understanding that the Department had the right to receive revenue, equivalent to the value at which the land was previously recognised in the Department's financial statements (2003: Inventories - Land Held for Resale), upon the sale of the land.

| | | 2004 | 2003 |
|--------------------------------|--|---------------|--------------|
| | | \$'000 | \$'000 |
| 20 INVENTORIES | | | |
| Current: | | | |
| Raw Materials and Consumables | | 300 | 266 |
| Work in Progress | | 3 | 8 |
| Finished Goods Held for Resale | | 752 | 715 |
| Land Held for Resale | | - | 596 |
| Other | | <u>236</u> | <u>-</u> |
| | | <u>1,291</u> | <u>1,585</u> |
| Non-Current: | | | |
| Land Held for Resale | | <u>1,929</u> | <u>2,762</u> |
| | | <u>1,929</u> | <u>2,762</u> |
| 21 FINANCIAL ASSETS | | | |
| Non-Current: | | | |
| Equity in Listed Entities | | <u>8</u> | <u>8</u> |
| | | <u>8</u> | <u>8</u> |
| 22 OTHER ASSETS | | | |
| Current: | | | |
| Prepayments | | <u>422</u> | <u>444</u> |
| | | <u>422</u> | <u>444</u> |

| 23 PROPERTY, PLANT AND EQUIPMENT | 2004 | 2003 |
|---|-----------------------|-----------------------|
| (a) Land, Buildings and Improvements, Park Infrastructure and Roads, Tracks and Trails | \$'000 | \$'000 |
| Land: | | |
| Valuer-General's Valuation | 6 | 6 |
| Independent Valuation 1999 | 3,119 | 3,161 |
| Independent Valuation 2003 | 63,666 | 63,559 |
| At Cost | <u>8,092</u> | <u>7,767</u> |
| Total Land | 74,883 | 74,493 |
| Buildings and Improvements: | | |
| Valuer-General's Valuation | | 676 |
| Independent Valuation 1999 | - | 13,808 |
| Independent Valuation 2003 | 12,898 | 47,597 |
| Independent Valuation 2003 (Data Dictionary) | 35,631 | - |
| Independent Valuation 2004 | 13,735 | - |
| At Cost | 9,160 | 9,176 |
| Less: Accumulated Depreciation | <u>37,236</u> | <u>30,806</u> |
| Total Buildings and Improvements | 34,188 | 40,451 |
| Park Infrastructure: | | |
| Independent Valuation 1999 | - | 266 |
| Independent Valuation 2003 | 7,316 | 7,879 |
| Independent Valuation 2003 (Data Dictionary) | 104,142 | 105,859 |
| Independent Valuation 2004 | 1,534 | - |
| At Cost | 6,461 | 9,030 |
| Less: Accumulated Depreciation | <u>95,241</u> | <u>95,635</u> |
| Total Park Infrastructure | 24,212 | 27,399 |
| | 2004 | 2003 |
| | \$'000 | \$'000 |
| Roads, Tracks and Trails: | | |
| Independent Valuation 2003 | - | 2,984 |
| Independent Valuation 2003 (Data Dictionary) | 95,462 | 98,031 |
| At Cost | 7,795 | 6,533 |
| Less: Accumulated Depreciation | <u>67,986</u> | <u>61,561</u> |
| Total Roads, Tracks and Trails | 35,271 | 45,987 |
| Total Land, Buildings and Improvements, Park Infrastructure and Roads, Tracks and Trails | <u>168,554</u> | <u>188,330</u> |
| (b) Plant and Equipment | | |
| Moveable Vehicles: | | |
| At Cost | 7,445 | 7,334 |
| Less: Accumulated Depreciation | <u>3,821</u> | <u>3,801</u> |
| Total Moveable Vehicles | 3,624 | 3,533 |
| Computing Equipment: | | |
| At Cost | 14,383 | 17,996 |
| Less: Accumulated Depreciation | <u>11,601</u> | <u>12,605</u> |
| Total Computing Equipment | 2,782 | 5,391 |
| Application Software: | | |
| At Cost | 8,399 | 16,652 |
| Less: Accumulated Depreciation | <u>6,024</u> | <u>13,156</u> |
| Total Application Software | 2,375 | 3,496 |
| Furniture and Fittings: | | |
| At Cost | 6,400 | 3,883 |
| Less: Accumulated Depreciation | <u>4,590</u> | <u>2,097</u> |
| Total Furniture and Fittings | 1,810 | 1,786 |

| | | |
|--|----------------|----------------|
| Plant and Equipment: | | |
| At Cost | 1,702 | 1,767 |
| Less: Accumulated Depreciation | <u>1,233</u> | <u>1,153</u> |
| Total Plant and Equipment | <u>469</u> | <u>614</u> |
| | | |
| Plant and Equipment under Finance Lease: | | |
| At Cost | 81 | 98 |
| Less: Accumulated Amortisation | <u>71</u> | <u>60</u> |
| Total Plant and Equipment under Finance Lease | <u>10</u> | <u>38</u> |
| | | |
| Other: | | |
| Independent Valuation 2003 | 7,711 | 8,988 |
| Independent Valuation 2004 | 1,109 | - |
| Capital Works in Progress | 343 | 1,727 |
| At Cost | 6,811 | 5,865 |
| Less: Accumulated Depreciation | <u>7,757</u> | <u>6,888</u> |
| Total Other | <u>8,217</u> | <u>9,692</u> |
| | | |
| Capital Works in Progress: | | |
| At Cost | <u>5,769</u> | <u>2,840</u> |
| Total Capital Works in Progress | <u>5,769</u> | <u>2,840</u> |
| | | |
| Total Plant and Equipment | <u>25,056</u> | <u>27,390</u> |
| | | |
| Total Property, Plant and Equipment | <u>193,610</u> | <u>215,720</u> |

| Reconciliation | | | | | | | | | | | | | |
|--|---------------|----------------------------|---------------------|--------------------------|-------------------|---------------------|----------------------|------------------------|---------------------|---|--------------|---------------------------|----------------|
| A reconciliation of the carrying amount of each class of Property, Plant and Equipment is displayed in the table below. | | | | | | | | | | | | | |
| | Land | Buildings and Improvements | Park Infrastructure | Roads, Tracks and Trails | Moveable Vehicles | Computing Equipment | Application Software | Furniture and Fittings | Plant and Equipment | Plant and Equipment under Finance Lease | Other | Capital Works in Progress | TOTAL |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Gross Carry Amount | | | | | | | | | | | | | |
| Balance at 30 June 2003 | 74,493 | 71,257 | 123,034 | 107,548 | 7,334 | 17,996 | 18,652 | 3,883 | 1,767 | 98 | 16,580 | 2,840 | 443,482 |
| Additions | 694 | 513 | 1,278 | 50 | 856 | 2,148 | - | 51 | 161 | - | 773 | 7,416 | 13,940 |
| Additions - Transfers from Capital Works in Progress | - | 519 | 2,078 | 357 | - | 5 | 715 | 67 | - | - | 62 | (3,803) | - |
| Net Revaluation Increment/(Decrement) | - | 446 | (1,206) | (2,004) | - | - | - | - | - | - | 53 | - | (2,711) |
| Transfers within Government | (390) | (961) | (6) | - | - | (1,985) | (9,772) | - | (31) | - | - | - | (13,145) |
| Transfers between Classes | - | 465 | (2,991) | 57 | (2) | 82 | - | 2,451 | 5 | - | (67) | - | - |
| Assets Received Free of Charge | 86 | 1,329 | 648 | 237 | - | 153 | - | - | 7 | - | 50 | - | 2,510 |
| Disposals | - | (812) | (2,373) | (482) | (743) | (839) | 865 | (52) | (207) | (17) | (485) | - | (5,145) |
| Assets Written-Off and/or Impaired | - | (1,332) | (1,009) | (2,506) | - | (3,177) | (61) | - | - | - | (165) | - | (8,250) |
| Other | - | - | - | - | - | - | - | - | - | - | (827) | - | (827) |
| Capital Works in Progress Written Off | - | - | - | - | - | - | - | - | - | - | - | (684) | (684) |
| Balance at 30 June 2004 | 74,883 | 71,424 | 119,453 | 103,257 | 7,445 | 14,383 | 8,399 | 6,400 | 1,702 | 81 | 15,974 | 5,769 | 429,170 |
| Accumulated Depreciation/Amortisation | | | | | | | | | | | | | |
| Balance as at 30 June 2003 | - | (30,806) | (95,635) | (61,561) | (3,801) | (12,805) | (13,156) | (2,097) | (1,153) | (60) | (6,888) | - | (227,762) |
| Depreciation Expense | - | (2,010) | (4,477) | (8,443) | (561) | (3,050) | (1,121) | (636) | (290) | (22) | (1,573) | - | (22,183) |
| Revision to Useful Life Estimations | - | - | - | - | - | - | - | - | - | - | (2) | - | (2) |
| Net Revaluation Increment/(Decrement) | - | (4,944) | 579 | 945 | - | - | - | - | - | - | (1) | - | (3,421) |
| Transfers within Government | - | 352 | 2 | - | - | 1,803 | 9,079 | - | 28 | - | - | - | 11,064 |
| Transfers between Classes | - | (283) | 2,179 | (3) | 2 | (43) | 1 | (1,889) | - | - | 35 | - | (1) |
| Assets Received Free of Charge | - | (690) | (270) | (144) | - | (143) | - | - | (7) | - | (42) | - | (1,296) |
| Disposals | - | 491 | 2,125 | 297 | 539 | 790 | (888) | 32 | 189 | 11 | 693 | - | 4,279 |
| Assets Written-Off and/or Impaired | - | 654 | 255 | 923 | - | 1,847 | 61 | - | - | - | (1) | - | 3,739 |
| Other | - | - | 1 | - | - | - | - | - | - | - | 22 | - | 23 |
| Balance as at 30 June 2004 | - | (37,236) | (95,241) | (67,986) | (3,821) | (11,801) | (6,024) | (4,590) | (1,233) | (71) | (7,757) | - | (235,560) |
| Net Book Value | | | | | | | | | | | | | |
| As at 30 June 2003 | 74,493 | 40,451 | 27,399 | 45,987 | 3,533 | 5,391 | 3,496 | 1,786 | 614 | 38 | 9,692 | 2,840 | 215,720 |
| As at 30 June 2004 | 74,883 | 34,188 | 24,212 | 35,271 | 3,624 | 2,782 | 2,375 | 1,810 | 469 | 10 | 8,217 | 5,769 | 193,610 |
| With respect to the Disposals movement in the Application Software class the net balance appears as a positive due to the reinstatement of the TATS software application which was incorrectly accounted for as a disposal in the previous financial period. | | | | | | | | | | | | | |

| 24 PAYABLES | 2004 | 2003 |
|---------------------------|---------------|---------------|
| Current: | \$'000 | \$'000 |
| Creditors | 7,372 | 5,310 |
| Accruals | 1,855 | 3,864 |
| Employee Benefit On-Costs | (i) 810 | 717 |
| Lease Incentive | 226 | 301 |
| | <u>10,263</u> | <u>10,192</u> |
| Non-Current: | | |
| Creditors | - | 300 |
| Employee Benefit On-Costs | (i) 1,546 | 1,470 |
| Lease Incentive | - | 226 |
| | <u>1,546</u> | <u>1,996</u> |

(i) Employee Benefit On-Costs

Costs that are a consequence of employing employees, but which are not employee benefits, such as payroll tax and superannuation on-costs, are recognised as liabilities and expenses when the employee benefits to which they relate are recognised. The employee benefit on-costs associated with each type of employee benefit are as follows:

| | | |
|--|---------------|---------------|
| Current: | 2004 | 2003 |
| | \$'000 | \$'000 |
| Accrued Payroll Tax | 225 | 188 |
| Annual Leave | 28 | 65 |
| Long Service Leave | 35 | 11 |
| Accrued Salaries and Wages | 288 | 264 |
| Superannuation | | |
| Annual Leave | 415 | 336 |
| Long Service Leave | 34 | 87 |
| Accrued Salaries and Wages | 73 | 30 |
| | <u>522</u> | <u>453</u> |
| Total Current Employee Benefit On-Costs | <u>810</u> | <u>717</u> |
| Non-Current: | | |
| Accrued Payroll Tax | | |
| Long Service Leave | 700 | 632 |
| | <u>700</u> | <u>632</u> |
| Superannuation | | |
| Long Service Leave | 846 | 838 |
| | <u>846</u> | <u>838</u> |
| Total Non-Current Employee Benefit On-Costs | <u>1,546</u> | <u>1,470</u> |
| 25 PROVISIONS FOR EMPLOYEE BENEFITS | 2004 | 2003 |
| | \$'000 | \$'000 |
| Current: | | |
| Annual Leave | 3,666 | 2,983 |
| Long Service Leave | 482 | 1,070 |
| Workers Compensation | 148 | 129 |
| Accrued Salaries and Wages | 551 | 173 |
| | <u>4,847</u> | <u>4,355</u> |
| Non-Current: | | |
| Long Service Leave | 11,889 | 10,403 |
| Workers Compensation | 346 | 360 |
| | <u>12,235</u> | <u>10,763</u> |

Costs that are a consequence of employing employees, but which are not employee benefits, such as payroll tax and superannuation on-costs, are recognised as liabilities and expenses when the employee benefits to which they relate are recognised. These employee benefit on-costs are recognised as Payables in Note 24 as they do not accrue to employees.

The aggregate current liability from employee benefits and related on-costs is \$5.66 million (2003: \$5.08 million).

The aggregate non-current liability from employee benefits and related on-costs is \$13.78 million (2003: \$12.23 million).

| 26 BORROWINGS | 2004 | 2003 |
|--|---------------|---------------|
| Non Current: | \$'000 | \$'000 |
| Department of Treasury and Finance - Loans | 38,054 | 38,054 |
| | <u>38,054</u> | <u>38,054</u> |
| Repayable: | | |
| Later than Five Years | 38,054 | 38,054 |
| | <u>38,054</u> | <u>38,054</u> |

27 FINANCE LEASES

At reporting date, the Department had the following obligations under finance leases the sum of which is recognised as a liability after deduction of future finance lease charges included in the obligation. The finance leases are for office equipment such as computers, copiers and printers. In general, the leases are non-cancellable, payable either six-monthly or monthly in advance or arrears, are renewable at the Department's discretion and contain no contingent rental provisions.

| | 2004 | 2003 |
|---|---------------|------------|
| | \$'000 | \$'000 |
| Payable not Later than One Year | 17 | 27 |
| Payable Later than One Year but not Later than Five Years | 1 | 19 |
| Minimum Lease Payments | 18 | 46 |
| Less: Future Finance Charges | <u>2</u> | <u>10</u> |
| Total Lease Liability | <u>16</u> | <u>36</u> |
| Classified as: | | |
| Current | 15 | 19 |
| Non-Current | 1 | 17 |
| Total Lease Liability | <u>16</u> | <u>36</u> |
| 28 OTHER LIABILITIES | 2004 | 2003 |
| Current: | \$'000 | \$'000 |
| Unclaimed Monies | 27 | 27 |
| Retention Monies | 24 | 7 |
| Bonds Held | 7 | 21 |
| Unearned Revenue | 146 | 96 |
| Other | 45 | 67 |
| | <u>249</u> | <u>218</u> |
| Non-Current: | | |
| Unearned Revenue | 89 | - |
| | <u>89</u> | <u>-</u> |

29 EQUITY

Equity represents the residual interest in the net assets of the Department. The State Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

| | Accumu- lated Funds | Asset Revaluation Reserve | Total |
|--|---------------------------|---------------------------------|---------|
| | \$'000 | \$'000 | \$'000 |
| 2004 | | | |
| Balance at 1 July | 195,858 | 29,590 | 225,448 |
| Surplus/(Deficit) for the Year | 3,019 | - | 3,019 |
| Net Increment/(Decrement) related to the Revaluation of: | | | |
| Buildings and Improvements | - | (4,498) | (4,498) |
| Park Infrastructure | - | (627) | (627) |
| Roads, Tracks and Trails | - | (1,059) | (1,059) |
| Other | - | 52 | 52 |
| Balance at 30 June | 198,877 | 23,458 | 222,335 |

| | Accumu- lated Funds | Asset Revaluation Reserve | Total |
|--|---------------------------|---------------------------------|---------|
| | \$'000 | \$'000 | \$'000 |
| 2003 | | | |
| Balance at 1 July | 202,162 | 14,538 | 216,700 |
| Surplus/(Deficit) for the Year | (6,013) | - | (6,013) |
| Net Increment/(Decrement) related to the Revaluation of: | | | |
| Land | - | 6,845 | 6,845 |
| Buildings and Improvements | - | 3,225 | 3,225 |
| Park Infrastructure | - | 1,157 | 1,157 |
| Roads, Tracks and Trails | - | 3,783 | 3,783 |
| Plant and Equipment | - | 5 | 5 |
| Other | - | 37 | 37 |
| Initial Adoption of an Accounting Standard | (291) | - | (291) |
| Balance at 30 June | 195,858 | 29,590 | 225,448 |

30 RECONCILIATION OF NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES TO NET COST OF SERVICES

| | 2004 \$'000 | 2003 \$'000 |
|--|----------------|----------------|
| NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES | 35,379 | 22,768 |
| Adjustments | | |
| Cash Flows from Government | (100,331) | (83,315) |
| Depreciation and Amortisation | (22,183) | (26,239) |
| Assets Received Free of Charge | 1,214 | 5,724 |
| Assets Written Off | (5,195) | (4,689) |
| Initial Adoption of an Accounting Standard | - | 291 |
| Net Gain/(Loss) on Sale of Assets | (566) | (881) |
| Changes in Assets and Liabilities | | |
| Increase/(Decrease) in Receivables | (124) | (946) |
| Increase/(Decrease) in Inventories | (1,127) | (1,017) |
| Increase/(Decrease) in Other Assets | (22) | (167) |
| Decrease/(Increase) in Payables | (426) | (268) |
| Decrease/(Increase) in Employee Benefits | (2,059) | (2,070) |
| Decrease/(Increase) in Other Liabilities | (120) | 393 |
| NET COST OF SERVICES FROM ORDINARY ACTIVITIES | (95,560) | (90,416) |

31 RESTRICTIONS ON CONTRIBUTIONS RECEIVED

The Department is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the Department on the premise that these funds are expended in a manner consistent with the terms of the agreement. At reporting date the Department had the following outstanding funding commitments:

| | 2004 \$'000 | 2003 \$'000 |
|--------------------------------------|----------------|----------------|
| Resource Conservation and Management | 3,026 | 2,371 |
| | <u>3,026</u> | <u>2,371</u> |

32 EXPENDITURE COMMITMENTS

Operating Lease Commitments:

The total value of future non-cancellable operating lease commitments not provided for and payable as at the end of the reporting period are detailed below. These amounts have not been brought to account in the financial statements.

| | 2004 \$'000 | 2003 \$'000 |
|---|-------------------|----------------|
| Not Later than One Year | 4,618 | 3,551 |
| Later than One Year but not Later than Five Years | 8,185 | 3,724 |
| Later than Five Years | 4,320 | 73 |
| Total (Including GST) | (i) <u>17,123</u> | <u>7,348</u> |

- (i) In the previous reporting period, the Department omitted, in error, an Operating Lease Commitment held over premises at Keswick of approximately \$10 million. This Operating Lease Commitment has been included in the current reporting period.

Included in the operating lease commitments above is \$1.50 million (2003: \$0.70 million) which is the GST component of the operating lease

The operating leases held by the Department are mainly property leases with penalty clauses equal to the amount of the residual payments remaining for the lease terms. The leases are payable one month in advance and the Department has the right of renewal. There are no existing or contingent rental provisions.

33 CONTINGENT ASSETS AND LIABILITIES

Wilpena Tourist Centre

The Minister (on behalf of the Department) extended a guarantee to a maximum value of \$1.25 million to ANZ Bank on behalf of Flinders Ranges Tourist Services Pty Ltd, in respect of the Wilpena Tourist Centre redevelopment/lease arrangement. This contingent liability is expected to reduce by an amount of \$0.13 million per year effective from 1 July 2000 in line with loan repayments. As a result, the maximum exposure in relation to the guarantee as at 30 June 2004 is \$0.63 million. As at the reporting date, no event was known to have occurred which would crystallise liability under the guarantee.

The Department is not aware of the existence of any contingent assets as at 30 June 2004.

34 FINANCIAL INSTRUMENTS DISCLOSURE

(a) Accounting Policies and Terms and Conditions affecting Future Cash Flows:

Financial Assets

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. The Department invests surplus funds with the Treasurer at call. Interest is earned on the average monthly balance at rates based on the DTF 90 day bank bill rate and interest is paid at the end of each quarter. The average effective interest rate for the reporting period was 6.70% (2003: 6.45%).

Debtors (trade accounts receivable) are generally settled within 30 days, are carried at amounts due and credit terms are net 30 days. A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date and bad debts are written off in the period in which they are identified.

Loans are recognised at the nominal amounts lent and collectability of amounts outstanding is reviewed at balance date with provision being made for bad and doubtful loans. That is, where collection of the loan or part thereof is judged to be less likely rather than more likely. Loan repayments may be waived at the discretion of the Minister. Interest is credited to revenue as it accrues in accordance with the fixed interest rate loan repayment schedule. Similarly, principal repayments also occur in accordance with the loan repayment schedules and the principal is repaid in full at maturity.

Financial Liabilities

Creditors (trade accounts payable), including accruals not yet billed, are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or goods and services at their nominal amounts and are generally settled within 30 days.

Borrowings are recognised when issued at the amount of the net proceeds due and carried at cost until settled. Interest is recognised as an expense on an effective yield basis.

All financial assets and liabilities are unsecured.

(b) Interest Rate Risk Exposure:

The Department's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

| | Weighted Average Effective Rate | Floating Interest Rate | 1 Year or less | 1 to 5 Years | More Than 5 Years | Non Interest Bearing | Total |
|------------------------------|--|------------------------------|-------------------|-----------------|-------------------------|----------------------------|--------|
| | % | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2004 | | | | | | | |
| Financial Assets | | | | | | | |
| Cash | 6.70 | 85,354 | - | - | - | 102 | 85,456 |
| Loans | 4.86 | 18 | 6 | 4 | 18 | 35 | 81 |
| Debtors | N/A | - | - | - | - | 6,837 | 6,837 |
| Financial Assets | N/A | - | - | - | - | 8 | 8 |
| | | 85,372 | 6 | 4 | 18 | 6,982 | 92,382 |
| Financial Liabilities | | | | | | | |
| Creditors | N/A | - | - | - | - | 11,809 | 11,809 |
| Borrowings | 6.75 | - | - | - | 38,054 | - | 38,054 |
| | | - | - | - | 38,054 | 11,809 | 49,863 |
| 2003 | | | | | | | |
| Financial Assets | | | | | | | |
| Cash | 6.45 | 63,559 | - | - | - | (57) | 63,502 |
| Loans | 4.62 | 23 | 6 | 11 | 18 | 35 | 93 |
| Debtors | N/A | - | - | - | - | 6,948 | 6,948 |
| Financial Assets | N/A | - | - | - | - | 8 | 8 |
| | | 63,582 | 6 | 11 | 18 | 6,934 | 70,551 |
| Financial Liabilities | | | | | | | |
| Creditors | N/A | - | - | - | - | 12,188 | 12,188 |
| Borrowings | 6.50 | - | - | - | 38,054 | - | 38,054 |
| | | - | - | - | 38,054 | 12,188 | 50,242 |

(c) Net Fair Value of Financial Assets and Liabilities:

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

| | Carrying Amount 2004 | Net Fair Value 2004 | Carrying Amount 2003 | Net Fair Value 2003 |
|------------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial Assets | | | | |
| Cash | 85,456 | 85,456 | 63,502 | 63,502 |
| Loans | 81 | 81 | 93 | 92 |
| Debtors | 6,837 | 6,837 | 6,948 | 6,948 |
| Financial Assets | 8 | 8 | 8 | 8 |
| | 92,382 | 92,382 | 70,551 | 70,550 |
| Financial Liabilities | | | | |
| Creditors | 11,809 | 11,809 | 12,188 | 12,188 |
| Borrowings | 38,054 | 38,054 | 38,054 | 38,054 |
| | 49,863 | 49,863 | 50,242 | 50,242 |

35 AUDITORS' REMUNERATION

Services provided by the Auditor-General's Department with respect to the audit of the Department totalled \$0.216 million (2003: \$0.196 million) for the reporting period.

DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF ADMINISTERED REVENUES AND EXPENSES
For the Year Ended 30 June 2004

| | 2004 | 2003 |
|---|-----------------|-----------------|
| | \$'000 | \$'000 |
| EXPENSES FROM ORDINARY ACTIVITIES | | |
| Employee Benefits | 502 | 433 |
| Supplies and Services | 3,621 | 1,705 |
| Grants and Contributions | 20,863 | 9,746 |
| Depreciation and Amortisation | 1,888 | 1,271 |
| Net Loss from Disposal of Non-Current Assets | 334 | 44 |
| Net Expense from Correction of an Error | - | 45,940 |
| Other | 1 | 7 |
| Total Expenses from Ordinary Activities | <u>27,209</u> | <u>59,146</u> |
| REVENUES FROM ORDINARY ACTIVITIES | | |
| Fees and Charges | 16,185 | 6,749 |
| Grants and Contributions | 774 | 235 |
| Interest and Dividends | 112 | 119 |
| Assets Received Free of Charge | 254 | 240 |
| Net Gain from Disposal of Non-Current Assets | 11,598 | 8,632 |
| Net Revenue from Correction of an Error | 5,119 | - |
| Other | 55 | 103 |
| Total Revenues from Ordinary Activities | <u>34,097</u> | <u>16,078</u> |
| NET COST OF SERVICES FROM ORDINARY ACTIVITIES | <u>(6,888)</u> | <u>43,068</u> |
| SOUTH AUSTRALIAN GOVERNMENT REVENUES AND EXPENSES | | |
| Revenues | 4,551 | 3,803 |
| Expenses | 17,800 | - |
| Total South Australian Government Revenues and Expenses | <u>(13,249)</u> | <u>3,803</u> |
| NET RESULT BEFORE RESTRUCTURING | <u>(6,361)</u> | <u>(39,265)</u> |
| Net Gain/(Loss) from Administrative Restructure | (306) | (4,681) |
| NET RESULT AFTER RESTRUCTURING | <u>(6,667)</u> | <u>(43,946)</u> |
| CHANGES IN EQUITY THROUGH NON-OWNER TRANSACTIONS | | |
| Net Increase/(Decrease) in Asset Revaluation Reserve | 3,266 | 12,078 |
| Total Revenues, Expenses and Valuation Adjustments Recognised in Equity | <u>3,266</u> | <u>12,078</u> |
| TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNERS | <u>(3,401)</u> | <u>(31,868)</u> |

DEPARTMENT FOR ENVIRONMENT AND HERITAGE
STATEMENT OF ADMINISTERED ASSETS AND LIABILITIES

As at 30 June 2004

| | 2004 | 2003 |
|--------------------------------------|---------------|----------------|
| | \$'000 | \$'000 |
| CURRENT ASSETS | | |
| Cash | 6,968 | 29,330 |
| Receivables | 499 | 449 |
| Inventories | 69 | 134 |
| Total Current Assets | <u>7,536</u> | <u>29,913</u> |
| NON-CURRENT ASSETS | | |
| Receivables | 426 | 569 |
| Property, Plant and Equipment | 81,708 | 76,351 |
| Total Non-Current Assets | <u>82,134</u> | <u>76,920</u> |
| TOTAL ASSETS | <u>89,670</u> | <u>106,833</u> |
| CURRENT LIABILITIES | | |
| Payables | 912 | 9,039 |
| Other | 3,626 | 9,208 |
| Total Current Liabilities | <u>4,538</u> | <u>18,247</u> |
| NON-CURRENT LIABILITIES | | |
| Payables | 210 | 263 |
| Total Non-Current Liabilities | <u>210</u> | <u>263</u> |
| TOTAL LIABILITIES | <u>4,748</u> | <u>18,510</u> |
| NET ASSETS | <u>84,922</u> | <u>88,323</u> |
| EQUITY | | |
| Asset Revaluation Reserve | 17,777 | 14,511 |
| Accumulated Funds | 67,145 | 73,812 |
| TOTAL EQUITY | <u>84,922</u> | <u>88,323</u> |

DEPARTMENT FOR ENVIRONMENT AND HERITAGE

STATEMENT OF ADMINISTERED CASH FLOWS

For the Year Ended 30 June 2004

| | 2004 | 2003 |
|--|------------------------|-----------------------|
| | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| PAYMENTS | | |
| Employee Benefits | (484) | (220) |
| Supplies and Services | (17,329) | (2,017) |
| Grants and Contributions | (20,863) | (9,677) |
| Other | - | (5) |
| | <u>(38,676)</u> | <u>(11,919)</u> |
| RECEIPTS | | |
| Fees and Charges | 16,193 | 12,073 |
| Grants and Contributions | 774 | 226 |
| Interest and Dividends | 110 | 119 |
| Loan Repayments | 81 | 121 |
| Other | 55 | 104 |
| | <u>17,213</u> | <u>12,643</u> |
| SA GOVERNMENT CASH FLOWS | | |
| RECEIPTS | | |
| Recurrent Appropriations | <u>4,551</u> | <u>3,803</u> |
| | <u>4,551</u> | <u>3,803</u> |
| PAYMENTS | | |
| Return of Surplus Cash | <u>(17,800)</u> | <u>-</u> |
| | <u>(17,800)</u> | <u>-</u> |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | <u>(34,712)</u> | <u>4,527</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (1) | (711) |
| Proceeds from Sale of Property, Plant and Equipment | <u>12,658</u> | <u>19,370</u> |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | <u>12,657</u> | <u>18,659</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net Receipts/(Payments) from Administrative Restructures | <u>(307)</u> | <u>(4,470)</u> |
| NET CASH FROM/(USED IN) FINANCING ACTIVITIES | <u>(307)</u> | <u>(4,470)</u> |
| NET INCREASE/(DECREASE) IN CASH HELD | <u>(22,362)</u> | <u>18,716</u> |
| Cash at the Beginning of the Reporting Period | 29,330 | 10,614 |
| CASH AT THE END OF THE REPORTING PERIOD | <u>6,968</u> | <u>29,330</u> |

DEPARTMENT FOR ENVIRONMENT AND HERITAGE
NOTES TO AND FORMING PART OF THE ADMINISTERED ITEMS FINANCIAL STATEMENTS
For the Year Ended 30 June 2004

1(A) ADMINISTERED ITEMS OF THE DEPARTMENT

(a) Reporting Entities and Strategic Context

The activities of the Administered Items are:

Board of the Botanic Gardens and State Herbarium

The Board was established under Section 6 of the *Botanic Gardens and State Herbarium Act, 1978* (the Act) to ensure the maintenance and development of South Australia's Botanic Gardens and State Herbarium and to provide advice on relevant policies consistent with the provisions of the Act and with the objectives of the Minister for Environment and Conservation.

In the current reporting period, asset surveys were completed for the gardens. This process involved a complete data capture of all Park Infrastructure assets within the gardens including condition assessments that resulted in useful life amendments. Amendments to existing asset details and descriptions resulted in a net increase to the value of assets held of \$0.49 million. New assets recognised for the first time amounted to a net increase in asset holdings of \$4.63 million. Revaluations to existing asset holdings in accordance with the Data Dictionary Revaluation undertaken in 2002-03 amounted to a net increment of \$0.06 million.

In the previous reporting period, the Board determined that the value of the State Herbarium collection could not be reliably determined and measured. As such the previously recognised value \$45.94 million was written-off.

Crown Land Sales Freeholding Account

The Account was established by the Treasurer in 1990 to record receipts and payments associated with the sale of Crown land and other Government land and property. The net revenue from these sales are returned to the DTF Consolidated Account.

Coast Protection Board

The Board was established under the *Coast Protection Act, 1972* to manage, maintain, develop and improve coast facilities that are vested in, or are under the care, control and management of the Board.

Land Services Group

The land administration functions including Section 7 enquiries, LOTS and Property Assist were transferred from the Department to DAIS effective from 1 September 2003. The Department continued to administer these activities on behalf of DAIS until 31 May 2004.

Ministerial Other Payments

Payments made on behalf of DTF under Special Acts such as grant payments to the Royal Zoological Society of SA Inc.

Special Acts Allocation

Payments made on behalf of DTF under Special Acts for the salary and allowances for the Minister for Environment and Conservation.

Other comprises:

Beachport Breakwater Project

The Breakwater construction commenced in the current reporting period and is being undertaken by the Coast Protection Board, Transport SA, Wattle Range Council, DAIS and the Department. Once completed, the asset will become the responsibility of the Wattle Range Council.

Murray Mallee Partnership

The Partnership is established under a Memorandum of Understanding to pursue cooperative management of land with a major focus on conservation within the Murray Mallee areas of New South Wales, Victoria and South Australia.

Surplus Land and Property Sales

The Account was established by the Treasurer to act as a clearing account for the sale of surplus Government land and property.

War Service Land Settlement Scheme

The Scheme was established under the *War Service Land Settlement Agreement Act, 1945* (the Act) to lease suitable farming land to returned servicemen. The Act authorised the execution of an agreement between the Commonwealth of Australia and the State of South Australia.

Martindale Hall Conservation Trust Restructure

The Trust was established under Section 45B of the *National Parks and Wildlife Act, 1972* to facilitate appropriate visitor services and tourism through presentation and management of the Martindale Hall Conservation Park as a key Clare Valley tourism site. On 1 July 2003, the Trust was dissolved under section 45L of the *National Parks and Wildlife Act, 1972* resulting in the transfer of the net assets to the Department.

Mount Lofty Summit Development Trust (Dissolved 18 December 2003)

The Trust was established under Section 45B of the *National Parks and Wildlife Act, 1972* to facilitate appropriate visitor services and tourism through presentation and management of the Mount Lofty Summit as a key tourism site and through provision of appropriate tourism information at local, regional and state levels.

In addition to those included in Other in 2003-04, the Bookmark Biosphere Trust, General Reserves Trust, State Heritage Fund and Wildlife Conservation Fund were included in Other in 2002-03. The Bookmark Biosphere Trust was dissolved on 1 April 2003 with its functions, assets and liabilities transferring to the General Reserves Trust. Whereas the General Reserves Trust, State Heritage Fund and Wildlife Conservation Fund were reassessed as controlled entities of the Department as of 1 July 2002. Transactions included in the administered schedule comparatives for these entities in 2002-03 represents the transfer to controlled. Additional information regarding the transfer is contained in Note 17 of the Department's financial statements.

(b) Administered Items' Financial Arrangements

The financial activities of the Administered Items are conducted through a number of Deposit Accounts with DTF pursuant to the *Public Finance and Audit Act, 1987*. For those Administered Items that do not have their own Deposit Account with DTF their financial activities are conducted through the Department's Deposit Account.

The Department conducts a large number of activities directed towards meeting the Administered Items' objectives and responsibilities as specified in the legislation and/or other authoritative documentation that establishes the Administered Items. Many of the Administered Items, in accordance with the Acts, have delegated certain functions to officers within the Department who provide technical and administrative support including the use of plant and equipment, office accommodation and various administrative services. The cost of the services provided that can be identified with the activities of the Administered Items and can be measured reliably are met by the Administered Items. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in the Administered Items' schedules.

(c) Administered Items' Summary of Significant Accounting Policies

The Administered Items schedules of activities detail the sum of the individual Administered Items' revenues, expenses, assets, liabilities and cash flows and as such the principles of consolidation have not been applied in preparing the schedules as the definition of an economic entity has not been satisfied. Accordingly, transactions and balances between the individual Administered Items have not been eliminated.

In general, the Administered Items adopt the accounting policies of the Department, as detailed in Note 2 of the Department's financial statements, deviations from these policies are as follows:

Property, Plant and Equipment

The Board of the Botanic Gardens and State Herbarium has chosen to lower the independent revaluation threshold criteria from \$1.00 million to \$0.50 million as it is of the view that this threshold is more appropriate.

Provisions for Employee Benefits

In general, Administered Items' utilise the services of contractors or the Department's employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by the Department's employees are provided free of charge. If, however, the services provided by the Department's employees are directly attributable to the activities of an Administered Item and can be reliably measured the services are charged to the Administered Item on a fee for service (cost recovery) basis. These charges are included in the Statement of Administered Revenues and Expenses as Employee Benefits. Further, the provision for the liability for employee benefits arising from services rendered by employees is not recognised in the Administered Items' financial statements as the Department is obligated to pay employees for services provided. Accordingly, the Provisions for Employee Benefits are recognised in the Department's financial statements.

Details of the Administered Items' revenues, expenses, assets, liabilities and cash flows are provided in the following schedules.

Schedule 1(A): Administered Revenues and Expenses for the Year Ended 30 June 2004

Schedule 1(B): Administered Revenues and Expenses for the Year Ended 30 June 2003

Schedule 2(A): Administered Assets and Liabilities as at 30 June 2004

Schedule 2(B): Administered Assets and Liabilities as at 30 June 2003

Schedule 3(A): Administered Cash Flows for the Year Ended 30 June 2004

Schedule 3(B): Administered Cash Flows for the Year Ended 30 June 2003

Schedule 1(A): Administered Revenues and Expenses for the Year Ended 30 June 2004

| | Botanic Gardens and State Herbarium | Crown Land Sales Freeholding Account | Coast Protection Board | Land Services Group | Minister's Other Payments | Special Acts Allocation | Other | TOTAL |
|---|---|--|------------------------------|---------------------------|---------------------------------|-------------------------------|--------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES FROM ORDINARY ACTIVITIES | | | | | | | | |
| Employee Benefits | 121 | 150 | 10 | - | - | 221 | - | 502 |
| Supplies and Services | 229 | 2,664 | 143 | - | 4 | - | 581 | 3,621 |
| Grants and Contributions | 607 | - | 876 | 15,016 | 3,876 | - | 488 | 20,863 |
| Depreciation and Amortisation | 1,872 | 16 | - | - | - | - | - | 1,888 |
| Net Loss from Disposal of Non-Current Assets | 334 | - | - | - | - | - | - | 334 |
| Other | - | - | - | - | - | - | 1 | 1 |
| Total Expenses from Ordinary Activities | 3,163 | 2,830 | 1,029 | 15,016 | 3,880 | 221 | 1,070 | 27,209 |
| REVENUES FROM ORDINARY ACTIVITIES | | | | | | | | |
| Fees and Charges | 693 | - | 10 | 15,016 | - | - | 466 | 16,185 |
| Grants and Contributions | 95 | - | 44 | - | - | - | 635 | 774 |
| Interest and Dividends | 112 | - | - | - | - | - | - | 112 |
| Assets Received Free of Charge | 180 | 74 | - | - | - | - | - | 254 |
| Net Gain from Disposal of Non-Current Assets | - | 11,598 | - | - | - | - | - | 11,598 |
| Net Revenue from Correction of an Error | 5,119 | - | - | - | - | - | - | 5,119 |
| Other | 54 | 1 | - | - | - | - | - | 55 |
| Total Revenues from Ordinary Activities | 6,253 | 11,673 | 54 | 15,016 | - | - | 1,101 | 34,097 |
| NET COST OF SERVICES FROM ORDINARY ACTIVITIES | (3,090) | (8,843) | 975 | - | 3,880 | 221 | (31) | (6,888) |
| SA GOVERNMENT REVENUES AND EXPENSES | | | | | | | | |
| Revenues | - | - | 459 | - | 3,879 | 213 | - | 4,551 |
| Expenses | - | 17,800 | - | - | - | - | - | 17,800 |
| Total SA Government Revenues and Expenses | - | (17,800) | 459 | - | 3,879 | 213 | - | (13,249) |
| NET RESULT BEFORE RESTRUCTURING | 3,090 | (8,957) | (516) | - | (1) | (8) | 31 | (6,361) |
| Net Gain/(Loss) from Administrative Restructure | - | - | - | - | - | - | (306) | (306) |
| NET RESULT AFTER RESTRUCTURING | 3,090 | (8,957) | (516) | - | (1) | (8) | (275) | (6,667) |
| CHANGES IN EQUITY THROUGH NON-OWNER TRANSACTIONS | | | | | | | | |
| Net Increase/(Decrease) in Asset Revaluation Reserve | 63 | 3,203 | - | - | - | - | - | 3,266 |
| Total Revenues, Expenses and Valuation Adjustments Recognised in Equity | 63 | 3,203 | - | - | - | - | - | 3,266 |
| TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS | 3,153 | (5,754) | (516) | - | (1) | (8) | (275) | (3,401) |

Schedule 1(B): Administered Revenues and Expenses for the Year Ended 30 June 2003

| | Botanic Gardens and State Herbarium | Crown Land Sales Freeholding Account | Coast Protection Board | Land Services Group | Minister's Other Payments | Special Acts Allocation | Other | TOTAL |
|--|---|--|------------------------------|---------------------------|---------------------------------|-------------------------------|--------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| EXPENSES FROM ORDINARY ACTIVITIES | | | | | | | | |
| Employee Benefits | 108 | 104 | 7 | - | - | 213 | 1 | 433 |
| Supplies and Services | 120 | 1,324 | 227 | - | 4 | - | 30 | 1,705 |
| Grants and Contributions | 570 | - | 591 | 5,505 | 3,050 | - | 30 | 9,746 |
| Depreciation and Amortisation | 1,267 | 4 | - | - | - | - | - | 1,271 |
| Net Loss from Disposal of Non-Current Assets | 44 | - | - | - | - | - | - | 44 |
| Net Expense from Correction of an Error | 45,940 | - | - | - | - | - | - | 45,940 |
| Other | - | - | - | 4 | - | - | 3 | 7 |
| Total Expenses from Ordinary Activities | 48,049 | 1,432 | 825 | 5,509 | 3,054 | 213 | 64 | 59,146 |
| REVENUES FROM ORDINARY ACTIVITIES | | | | | | | | |
| Fees and Charges | 696 | - | 10 | 5,509 | - | - | 534 | 6,749 |
| Grants and Contributions | 83 | - | 152 | - | - | - | - | 235 |
| Interest and Dividends | 106 | - | - | - | - | - | 13 | 119 |
| Assets Received Free of Charge | 119 | 121 | - | - | - | - | - | 240 |
| Net Gain from Disposal of Non-Current Assets | - | 8,632 | - | - | - | - | - | 8,632 |
| Other | 103 | - | - | - | - | - | - | 103 |
| Total Revenues from Ordinary Activities | 1,107 | 8,753 | 162 | 5,509 | - | - | 547 | 16,078 |
| NET COST OF SERVICES FROM ORDINARY ACTIVITIES | 46,942 | (7,321) | 663 | - | 3,054 | 213 | (483) | 43,068 |

SA GOVERNMENT REVENUES AND EXPENSES

| | | | | | | | | |
|--|----------|----------|------------|----------|--------------|----------|----------|--------------|
| Revenues | - | - | 750 | - | 3,053 | - | - | 3,803 |
| Total SA Government Revenues and Expenses | - | - | 750 | - | 3,053 | - | - | 3,803 |

NET RESULT BEFORE RESTRUCTURING

| | | | | | | | | |
|--|-----------------|--------------|-----------|----------|------------|--------------|------------|-----------------|
| | (46,942) | 7,321 | 87 | - | (1) | (213) | 483 | (39,265) |
|--|-----------------|--------------|-----------|----------|------------|--------------|------------|-----------------|

Net Gain/(Loss) from Administrative Restructure

| | | | | | | | | |
|--|---|---|---|---|---|---|---------|---------|
| | - | - | - | - | - | - | (4,681) | (4,681) |
|--|---|---|---|---|---|---|---------|---------|

NET RESULT AFTER RESTRUCTURING

| | | | | | | | | |
|--|-----------------|--------------|-----------|----------|------------|--------------|----------------|-----------------|
| | (46,942) | 7,321 | 87 | - | (1) | (213) | (4,198) | (43,946) |
|--|-----------------|--------------|-----------|----------|------------|--------------|----------------|-----------------|

CHANGES IN EQUITY THROUGH NON-OWNER TRANSACTIONS

Net Increase/(Decrease) in Asset Revaluation Reserve

| | | | | | | | | |
|--|--------|-------|---|---|---|---|---|--------|
| | 10,025 | 2,053 | - | - | - | - | - | 12,078 |
|--|--------|-------|---|---|---|---|---|--------|

Total Revenues, Expenses and Valuation Adjustments Recognised in Equity

| | | | | | | | | |
|--|--------|-------|---|---|---|---|---|--------|
| | 10,025 | 2,053 | - | - | - | - | - | 12,078 |
|--|--------|-------|---|---|---|---|---|--------|

TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS

| | | | | | | | | |
|--|-----------------|--------------|-----------|----------|------------|--------------|----------------|-----------------|
| | (36,917) | 9,374 | 87 | - | (1) | (213) | (4,198) | (31,868) |
|--|-----------------|--------------|-----------|----------|------------|--------------|----------------|-----------------|

Schedule 2(A): Administered Assets and Liabilities as at 30 June 2004

| | Botanic Gardens and State Herbarium | Crown Land Sales Freeholding Account | Coast Protection Board | Land Services Group | Minister's Other Payments | Special Acts Allocation | Other | TOTAL |
|--------------------------------------|-------------------------------------|--------------------------------------|------------------------|---------------------|---------------------------|-------------------------|--------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CURRENT ASSETS | | | | | | | | |
| Cash | 2,227 | 3,498 | 14 | - | - | - | 1,229 | 6,968 |
| Receivables | 38 | 243 | 2 | - | - | - | 216 | 499 |
| Inventories | 69 | - | - | - | - | - | - | 69 |
| Total Current Assets | 2,334 | 3,741 | 16 | - | - | - | 1,445 | 7,536 |
| NON-CURRENT ASSETS | | | | | | | | |
| Receivables | - | 426 | - | - | - | - | - | 426 |
| Property, Plant and Equipment | 44,355 | 35,900 | 1,453 | - | - | - | - | 81,708 |
| Total Non-Current Assets | 44,355 | 36,326 | 1,453 | - | - | - | - | 82,134 |
| TOTAL ASSETS | 46,689 | 40,067 | 1,469 | - | - | - | 1,445 | 89,670 |
| CURRENT LIABILITIES | | | | | | | | |
| Payables | 50 | 445 | 15 | - | 2 | 221 | 179 | 912 |
| Other | 5 | 3,621 | - | - | - | - | - | 3,626 |
| Total Current Liabilities | 55 | 4,066 | 15 | - | 2 | 221 | 179 | 4,538 |
| NON-CURRENT LIABILITIES | | | | | | | | |
| Payables | - | 210 | - | - | - | - | - | 210 |
| Total Non-Current Liabilities | - | 210 | - | - | - | - | - | 210 |
| TOTAL LIABILITIES | 55 | 4,276 | 15 | - | 2 | 221 | 179 | 4,748 |
| NET ASSETS | 46,634 | 35,791 | 1,454 | - | (2) | (221) | 1,266 | 84,922 |
| EQUITY | | | | | | | | |
| Asset Revaluation Reserve | 11,708 | 6,069 | - | - | - | - | - | 17,777 |
| Accumulated Funds | 34,926 | 29,722 | 1,454 | - | (2) | (221) | 1,266 | 67,145 |
| TOTAL EQUITY | 46,634 | 35,791 | 1,454 | - | (2) | (221) | 1,266 | 84,922 |

Schedule 2(B): Administered Assets and Liabilities as at 30 June 2003

| | Botanic Gardens and State Herbarium | Crown Land Sales Freeholding Account | Coast Protection Board | Land Services Group | Minister's Other Payments | Special Acts Allocation | Other | TOTAL |
|---------------------------------|-------------------------------------|--------------------------------------|------------------------|---------------------|---------------------------|-------------------------|--------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CURRENT ASSETS | | | | | | | | |
| Cash | 2,162 | 25,172 | 543 | - | - | - | 1,453 | 29,330 |
| Receivables | 33 | 181 | 10 | - | - | - | 225 | 449 |
| Inventories | 134 | - | - | - | - | - | - | 134 |
| Total Current Assets | 2,329 | 25,353 | 553 | - | - | - | 1,678 | 29,913 |
| NON-CURRENT ASSETS | | | | | | | | |
| Receivables | - | 569 | - | - | - | - | - | 569 |
| Property, Plant and Equipment | 41,200 | 33,699 | 1,452 | - | - | - | - | 76,351 |
| Total Non-Current Assets | 41,200 | 34,268 | 1,452 | - | - | - | - | 76,920 |

| | | | | | | | | |
|--------------------------------------|---------------|---------------|--------------|----------|------------|--------------|--------------|---------------|
| TOTAL ASSETS | 43,529 | 59,621 | 2,005 | - | - | - | 1,678 | 106,833 |
| CURRENT LIABILITIES | | | | | | | | |
| Payables | 48 | 8,605 | 35 | - | 1 | 213 | 137 | 9,039 |
| Other | - | 9,208 | - | - | - | - | - | 9,208 |
| Total Current Liabilities | 48 | 17,813 | 35 | - | 1 | 213 | 137 | 18,247 |
| NON-CURRENT LIABILITIES | | | | | | | | |
| Payables | - | 263 | - | - | - | - | - | 263 |
| Total Non-Current Liabilities | - | 263 | - | - | - | - | - | 263 |
| TOTAL LIABILITIES | 48 | 18,076 | 35 | - | 1 | 213 | 137 | 18,510 |
| NET ASSETS | 43,481 | 41,545 | 1,970 | - | (1) | (213) | 1,541 | 88,323 |
| EQUITY | | | | | | | | |
| Asset Revaluation Reserve | 11,645 | 2,866 | - | - | - | - | - | 14,511 |
| Accumulated Funds | 31,836 | 38,679 | 1,970 | - | (1) | (213) | 1,541 | 73,812 |
| TOTAL EQUITY | 43,481 | 41,545 | 1,970 | - | (1) | (213) | 1,541 | 88,323 |

Schedule 3(A): Administered Cash Flows for the Year Ended 30 June 2004

| | Botanic Gardens and State Herbarium | Crown Land Sales Freeholding Account | Coast Protection Board | Land Services Group | Minister's Other Payments | Special Acts Allocation | Other | TOTAL |
|--|---|--|------------------------------|---------------------------|---------------------------------|-------------------------------|--------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| PAYMENTS | | | | | | | | |
| Employee Benefits | (111) | (150) | (10) | - | - | (213) | - | (484) |
| Supplies and Services | (162) | (16,464) | (163) | - | (3) | - | (537) | (17,329) |
| Grants and Contributions | (607) | - | (876) | (15,016) | (3,876) | - | (488) | (20,863) |
| | (880) | (16,614) | (1,049) | (15,016) | (3,879) | (213) | (1,025) | (38,676) |
| RECEIPTS | | | | | | | | |
| Fees and Charges | 686 | - | 18 | 15,016 | - | - | 473 | 16,193 |
| Grants and Contributions | 95 | - | 44 | - | - | - | 635 | 774 |
| Interest and Dividends | 110 | - | - | - | - | - | - | 110 |
| Loan Repayments | - | 81 | - | - | - | - | - | 81 |
| Other | 54 | 1 | - | - | - | - | - | 55 |
| | 945 | 82 | 62 | 15,016 | - | - | 1,108 | 17,213 |
| SA GOVERNMENT CASH FLOWS | | | | | | | | |
| RECEIPTS | | | | | | | | |
| Recurrent Appropriations | - | - | 459 | - | 3,879 | 213 | - | 4,551 |
| | - | - | 459 | - | 3,879 | 213 | - | 4,551 |
| PAYMENTS | | | | | | | | |
| Return of Surplus Cash | - | (17,800) | - | - | - | - | - | (17,800) |
| | - | (17,800) | - | - | - | - | - | (17,800) |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | 65 | (34,332) | (528) | - | - | - | 83 | (34,712) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Purchase of Property, Plant and Equipment | - | - | (1) | - | - | - | - | (1) |
| Proceeds from Sale of Property, Plant and Equipment | - | 12,658 | - | - | - | - | - | 12,658 |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | - | 12,658 | (1) | - | - | - | - | 12,657 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Net Receipts/(Payments) from Administrative Restructures | - | - | - | - | - | - | (307) | (307) |
| NET CASH FROM/(USED IN) FINANCING ACTIVITIES | - | - | - | - | - | - | (307) | (307) |
| NET INCREASE/(DECREASE) IN CASH HELD | 65 | (21,674) | (529) | - | - | - | (224) | (22,362) |
| Cash at the Beginning of the Reporting Period | 2,162 | 25,172 | 543 | - | - | - | 1,453 | 29,330 |
| CASH AT THE END OF THE REPORTING PERIOD | 2,227 | 3,498 | 14 | - | - | - | 1,229 | 6,968 |

**Schedule 3(B): Administered Cash Flows for the
Year Ended 30 June 2003**

| | Botanic Gardens and State Herbarium | Crown Land Sales Freeholding Account | Coast Protection Board | Land Services Group | Minister's Other Payments | Special Acts Allocation | Other | TOTAL |
|--|---|--|------------------------------|---------------------------|---------------------------------|-------------------------------|----------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| PAYMENTS | | | | | | | | |
| Employee Benefits | (108) | (104) | (7) | - | - | - | (1) | (220) |
| Supplies and Services | (400) | (1,348) | (200) | - | - | - | (69) | (2,017) |
| Grants and Contributions | (570) | - | (520) | (5,505) | (3,053) | - | (29) | (9,677) |
| Other | - | - | - | (4) | - | - | (1) | (5) |
| | <u>(1,078)</u> | <u>(1,452)</u> | <u>(727)</u> | <u>(5,509)</u> | <u>(3,053)</u> | <u>-</u> | <u>(100)</u> | <u>(11,919)</u> |
| RECEIPTS | | | | | | | | |
| Fees and Charges | 705 | 4,531 | - | 5,509 | - | - | 1,328 | 12,073 |
| Grants and Contributions | 74 | - | 152 | - | - | - | - | 226 |
| Interest and Dividends | 106 | - | - | - | - | - | 13 | 119 |
| Loan Repayments | - | 121 | - | - | - | - | - | 121 |
| Other | 104 | - | - | - | - | - | - | 104 |
| | <u>989</u> | <u>4,652</u> | <u>152</u> | <u>5,509</u> | <u>-</u> | <u>-</u> | <u>1,341</u> | <u>12,643</u> |
| SA GOVERNMENT CASH FLOWS | | | | | | | | |
| RECEIPTS | | | | | | | | |
| Recurrent Appropriations | - | - | 750 | - | 3,053 | - | - | 3,803 |
| | <u>-</u> | <u>-</u> | <u>750</u> | <u>-</u> | <u>3,053</u> | <u>-</u> | <u>-</u> | <u>3,803</u> |
| NET CASH FROM/(USED IN) OPERATING ACTIVITIES | (89) | 3,200 | 175 | - | - | - | 1,241 | 4,527 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Purchase of Property, Plant and Equipment | (22) | (689) | - | - | - | - | - | (711) |
| Proceeds from Sale of Property, Plant and Equipment | 4 | 19,366 | - | - | - | - | - | 19,370 |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | (18) | 18,677 | - | - | - | - | - | 18,659 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Net Receipts/(Payments) from Administrative Restructures | - | - | - | - | - | - | (4,470) | (4,470) |
| NET CASH FROM/(USED IN) FINANCING ACTIVITIES | - | - | - | - | - | - | (4,470) | (4,470) |
| NET INCREASE/(DECREASE) IN CASH HELD | (107) | 21,877 | 175 | - | - | - | (3,229) | 18,716 |
| Cash at the Beginning of the Reporting Period | 2,269 | 3,295 | 368 | - | - | - | 4,682 | 10,614 |
| CASH AT THE END OF THE REPORTING PERIOD | 2,162 | 25,172 | 543 | - | - | - | 1,453 | 29,330 |

CERTIFIED STATEMENT BY CHIEF EXECUTIVE AND PRINCIPAL FINANCE OFFICER

We certify that:

- The attached General Purpose Financial Report for the Department for Environment and Heritage presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department for Environment and Heritage 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.



Allan Holmes
CHIEF EXECUTIVE

Date 15-Sept-04



Robert Denton-Brown
CHIEF FINANCE OFFICER

Date 15-Sept-04

CONSULTANCIES AND CONTRACTUAL ARRANGEMENTS

CONSULTANCIES

The following table details the extent to which external consultants have been engaged by DEH, the nature of work undertaken by the consultants and the total cost to the department of the consultancies.

| CONSULTANT | DETAILS OF CONSULTANCY | AMOUNT \$ |
|---|---|-------------------|
| Less than \$10 000 | 17 minor consultancies | 40 079 |
| \$10 000 - \$50 000 | | |
| Johnson Geological Services Pty Ltd | Beach Replenishment Sands - Appraisal of existing geological data for North Haven and Section Banks | 11 220 |
| Paul Laris & Associates | Evaluation of Water Conservation Partnership Project | 21 240 |
| Bruce Harry & Associates | Dilapidation surveys & reports | 20 850 |
| ICG Recruiting Pty Ltd | IT Services Review | 26 640 |
| Above \$50 000 | | Nil |
| Total as per Financial Statement | | 120 029.48 |

CONTRACTUAL ARRANGEMENTS

The department has not entered into any contractual arrangements where the total value of the contract exceeds \$4 million and the contract extends beyond a single year.

OVERSEAS TRAVEL

During the year 2003-04, there were ten instances of overseas travel undertaken by DEH officers – at a total cost of \$ 84216.08 to the department.

| Number of Employees | Destination/s | Reasons for Travel | Total Cost to Agency \$ |
|---------------------|-----------------------------------|--|-------------------------|
| 3 | Durban, South Africa | 2003 World Parks Congress on Protected Areas | 44,178.25 |
| 1 | Canada, USA & UK | Churchill Fellowship Award | 9968.70 |
| 2 | Guyana, South America | Preparation for the Botanic Gardens of Adelaide 150 th anniversary | 7406.06 |
| 1 | Japan | Japanese Australia Mission | 4500.00 |
| 1 | Vietnam, Laos & Northern Thailand | Linking Latitudes 2004 Conference and Department of Education and Children's Services Study Tour | 3800.80 |
| 1 | Barcelona, Spain | 2 nd World Botanic Gardens Congress | 11293.62 |
| 1 | Florida, USA | 2004 International Orchid Conservation Congress | 3068.65 |
| | | | 84216.08 |

FRAUD

INSTANCES AND NATURE OF FRAUD

The Department recorded two incidents, which resulted in financial loss during 2003-04. Both matters were reported to the SA Police and investigated internally. The nature of the incidents included theft of cash from site and false recording of sales for personal gain.

Preventative strategies implemented include the development and implementation of a cash handling procedure as well as the commencement of a project to commission a new point of sales and inventory recording system.

LEGISLATION

The Minister for Environment and Conservation has responsibility for implementing the State Government's policies on environmental and heritage issues.

All legislation under the Minister's responsibility is being reviewed to ensure that it maximises the economic and environmental sustainability of the State's resources, and complies with competitive neutrality principles.

In pursuing its objectives, DEH derives its functions, responsibilities and powers from the following legislation that is committed to the Minister for Environment and Conservation.

Botanic Gardens and State Herbarium Act 1978

Coast Protection Act 1972

Crown Lands Act 1929

Crown Rates and Taxes Recovery Act 1945

Discharged Soldiers Settlement Act 1934

Dog and Cat Management Act 1995

Heritage Act 1993

Historic Shipwrecks Act 1981

Irrigation (Land Tenure) Act 1930

Lands for Public Purposes Acquisition Act 1914

Marginal Lands Act 1940

Monarto Legislation Repeal Act 1980

National Parks and Wildlife Act 1972

National Trust of South Australia Act 1955

Nuclear Waste Storage Facility (Prohibition) Act 2000

Prevention of Cruelty to Animals Act 1985

War Service Land Settlement Agreement Act 1945

Wilderness Protection Act 1992

Wilpena Station Tourist Facility Act 1990

ABBREVIATIONS

| | |
|-------|--|
| ABS | Australian Bureau of Statistics |
| BAS | Business Activity Statement |
| CFS | Country Fire Service |
| CPB | Coast Protection Board |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation |
| DAIS | Department for Administrative and Information Services |
| DEH | Department for Environment and Heritage |
| DPC | Department of the Premier and Cabinet |
| DTF | Department of Treasury and Finance |
| DTUP | Department of Transport and Urban Planning |
| DWLBC | Department of Water, Land and Biodiversity Conservation |
| EDB | Economic Development Board |
| EPA | Environment Protection Authority |
| ESD | Ecologically Sustainable Development |
| FTE | Full-Time Equivalents |
| GARU | Geographic Analysis Research Unit |
| GIS | Geographical Information Systems |
| GST | Goods and Services Tax |
| HRD | Human Resource Development |
| HRM | Human Resources Management |
| IDP | Individual Development Plan |
| ILUA | Indigenous Land Use Agreement |
| INRM | Integrated Natural Resource Management |
| IT | Information Technology |
| KPI | Key Performance Indicator |
| LMD | Leadership and Management Development |
| LTIFR | Lost Time Injury Frequency Rate |
| MPA | Marine Protected Area |
| MPF | Marine Planning Framework |
| NAP | National Action Plan |
| NCH | Natural and Cultural Heritage |
| OCE | Office of the Chief Executive |
| OHS&W | Occupational Health, Safety & Welfare |
| OoS | Office of Sustainability |
| PCEG | Portfolio Chief Executives' Group |
| RSPCA | Royal Society for the Prevention of Cruelty to Animals |
| RSS | Recruitment and Selection Service |
| SA | South Australia |
| SOE | State of the Environment |
| SSI | Strategic Success Indicator |
| WSSD | World Summit on Sustainable Development |
| YEC | Youth Environment Council of South Australia |
| ZWSA | Zero Waste South Australia |

GLOSSARY

| | |
|---------------------|---|
| Biodiversity | The variety of life forms: the different plants, animals and micro-organisms, the genes they contain, and the ecosystems they form; usually considered at three levels: genetic diversity; species diversity and ecosystem diversity. |
| Conservation | The protection, maintenance, management, sustainable use, restoration and enhancement of the natural environment. |
| Crown Lands | Unallotted, untenured land (see definition in Section 4, <i>Crown Lands Act 1929</i>). |
| Governance | The rules by which decisions are made; the corporate governance framework reflects the legal, regulatory, institutional and ethical environment of the community. |
| Heritage | Our inheritance, including the built and natural environments, artefacts, customs, languages and beliefs; what we value from the past – it enriches people’s lives, connecting them to the past and the present, and providing them with a sense of identity. Heritage places inform the community about the attitudes and values that have shapes our lives (built environment includes buildings and places such as wells, monuments, mine sites, shipwrecks and cemeteries). |
| Protected Area | A geographically defined area, which is designated or regulated and managed to achieve specific conservation objectives (Article 2 of the <i>International Convention on Biological Diversity</i>). |
| Spatial Information | Graphical and textual information for property relating to a position on the earth’s surface by an address or postcode or geographic coordinate (eg. land and property ownership, demographic details from census results, areas of native vegetation, watercourses and the location of gas, electricity and water supply networks). |
| Sustainability | Using, conserving and enhancing the community’s resources so that the process on which life depends is maintained, and the total quality of life, now and in the future, can be increased. |
| WorkCover | A corporation established under State legislation to deliver an occupational health, safety, rehabilitation and compensation system to South Australian employees. |