



**Government  
of South Australia**

Department of Environment,  
Water and Natural Resources

# Department of Environment, Water and Natural Resources

## **2016-17 Annual Report**

Department of Environment,  
Water and Natural Resources

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**ISSN** 2202-6673

**Date presented to Minister:** 29 September 2017

2016-17 ANNUAL REPORT for the Department of Environment,  
Water and Natural Resources

To:

The Hon Ian Hunter MLC

Minister for Sustainability, Environment and Conservation

Minister for Water and the River Murray

Minister for Climate Change

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Sector Regulations 2010*, the *Public Finance and Audit Act 1987* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Department of Environment, Water and Natural Resources by:

**Sandy Carruthers**

**Acting Chief Executive**

Sandy Carruthers  
Signature

29/9/2017  
Date

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## **Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987***

### **Agency purpose or role**

The Department of Environment, Water and Natural Resources (DEWNR) is the lead agency responsible for managing South Australia's natural resources. DEWNR's purpose is 'To help South Australians conserve, sustain and prosper'.

The department's functions encompass a diverse range of areas including climate change, water security, River Murray health, nature conservation, sustainable land management, built and cultural heritage, and management of the state's parks, botanic gardens and public land.

These functions are delivered in partnership with the state's eight natural resources management (NRM) boards providing advice, information and support to both community and government.

DEWNR's work is essential to South Australia's future social, environmental and economic prosperity. DEWNR works with business, individuals and government to deliver growth while securing a natural resource base, underpinning the viability of industries including agriculture, forestry, fishing, mining and energy, manufacturing, tourism, health, the arts and recreation. Delivery of the *Nature-based Tourism Strategy* supports new business opportunities and is a key contributor to South Australia's economic development.

DEWNR helps to conserve ecosystems, protect native vegetation, manage fire and flood, look after animals and provide environmental water for a healthy environment. The department also manages iconic sites, parks and places so that people can enjoy and connect with nature.

### **Objectives**

DEWNR's Corporate Plan 2016-19 outlines four high-level goals focussing on climate change, the state's natural resources, connecting people to nature, parks and places, and water management:

#### **Goal 1 – *Taking action to address and adapt to our changing climate***

What success looks like: South Australia is resilient and adapting to the impacts of climate change. We are steadily moving towards our net zero emissions target. Adelaide is carbon neutral and we have taken full advantage of economic opportunities presented by taking action on climate change.

#### **Goal 2 – *Sustaining the natural resources of our state***

What success looks like: Our strong and healthy natural resource base supports diverse and resilient systems, a thriving economy and vibrant communities.

#### **Goal 3 – *Connecting people to nature, parks and places***

What success looks like: People value South Australia's natural environment and cultural assets and enjoy the health and social benefits of parks. Sustainable, nature-based tourism is flourishing, creating jobs and improving the economy.

#### **Goal 4 – *Managing water for the future***

What success looks like: A sustainable and fit for purpose supply of water is available from a range of sources to support the health of the environment, industry, communities and the economy.

Further information is available from: [www.environment.sa.gov.au/about-us/our-plans](http://www.environment.sa.gov.au/about-us/our-plans)

## Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<ul style="list-style-type: none"> <li>• Develop and implement a plan to deliver <i>Carbon Neutral Adelaide</i> in partnership with Adelaide City Council.</li> <li>• Develop climate change adaptation plans across all state government regions.</li> <li>• Lead and coordinate state government efforts to implement <i>South Australia's Climate Change Strategy 2015-2050 - Towards a low carbon economy</i>.</li> <li>• Contribute to the Climate Action Roundtable, the Meeting of Environment Ministers, and the National Environmental Protection Council.</li> <li>• Engage with key international climate change organisations, including The Climate Group and RegionsAdapt.</li> </ul>	<p>South Australia's Economic Priorities:</p> <ul style="list-style-type: none"> <li>• Growth through innovation.</li> <li>• International connections.</li> <li>• Opening doors for small business.</li> <li>• Unlocking our resources.</li> </ul> <p>South Australia's Strategic Plan (SASP):</p> <ul style="list-style-type: none"> <li>• Target 59: Greenhouse gas emissions reduction.</li> <li>• Target 62: Climate change adaptation.</li> </ul>
<ul style="list-style-type: none"> <li>• Manage native species and natural systems to sustain biodiversity for future generations.</li> <li>• Work with our partners to manage the impact of natural hazards, specifically bushfire and flood, on our land, biodiversity, economy and communities.</li> <li>• Support economic growth and regional development by unlocking opportunities for investment and innovation through enabling the sustainable use of our natural resources.</li> </ul>	<p>South Australia's Economic Priority:</p> <ul style="list-style-type: none"> <li>• Unlocking our resources.</li> </ul> <p>South Australia's Strategic Plan (SASP):</p> <ul style="list-style-type: none"> <li>• Target 69: Lose no species.</li> <li>• Target 70: Sustainable land management.</li> <li>• Target 71: Marine biodiversity.</li> <li>• Target 72: Nature conservation.</li> </ul>
<ul style="list-style-type: none"> <li>• Manage our parks, gardens and places to be world class and offer nature-based and cultural experiences that:             <ul style="list-style-type: none"> <li>- attract local, national and international visitors;</li> <li>- improve the state's economy and create new jobs;</li> <li>- conserve the environment; and</li> <li>- provide educational and health benefits.</li> </ul> </li> </ul>	<p>South Australia's Economic Priorities:</p> <ul style="list-style-type: none"> <li>• Destination of choice.</li> <li>• International connections.</li> <li>• Opening doors for small business.</li> </ul> <p>South Australia's Strategic Priorities:</p> <ul style="list-style-type: none"> <li>• Creating a vibrant city.</li> <li>• Every chance for every child.</li> <li>• Safe communities, healthy neighbourhoods.</li> </ul>

Key strategy	SA Government objective
<ul style="list-style-type: none"> <li>• Support a healthy, working River Murray by implementing the Basin Plan and associated programmes, and keep other jurisdictions accountable to implement the plan, on time and in full.</li> <li>• Manage the state's water resources through the development and implementation of water management plans and legislation.</li> <li>• Deliver major programmes in partnership with others to better manage water.</li> </ul>	<p>South Australia's Economic Priorities:</p> <ul style="list-style-type: none"> <li>• International connections.</li> <li>• Premium food and wine.</li> <li>• Unlocking our resources.</li> </ul> <p>South Australia's Strategic Plan (SASP):</p> <ul style="list-style-type: none"> <li>• Target 73: Recycled stormwater.</li> <li>• Target 74: Recycled wastewater.</li> <li>• Target 75: Sustainable water use.</li> <li>• Target 76: River Murray - flows.</li> <li>• Target 77: River Murray - salinity.</li> </ul>

### Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Carbon Neutral Adelaide Action Plan 2016-2021	Established a globally unique partnership between the Government of South Australia and the Adelaide City Council to pursue the goal of making Adelaide the world's first carbon neutral city.	The Carbon Neutral Action Plan is a five year action plan that was launched on 8 November 2016. The plan outlines a way forward for mobilising efforts to achieve carbon neutrality for the City of Adelaide.
Carbon Neutral Adelaide Partner Programme	There are now a total of 58 partners signed onto the Carbon Neutral Adelaide Partner Programme.	Carbon Neutral Adelaide Partner Programme launched. The Partner Programme recognises the ambition to make Adelaide the world's first carbon neutral city, and provides a framework for partnership with businesses, community groups and individuals, many of whom are already transitioning to a low carbon economy and highlights the economic and business benefits of taking action.

Program name	Indicators of performance/effectiveness/efficiency	Comments
<p>Sustainability Incentives Scheme – incentive payments to building owners and tenants to install sustainable energy solutions. The state government supports the City of Adelaide to deliver this initiative.</p>	<p>72 grants were awarded in 2016-17. DEWNR matched \$150,000 with the City of Adelaide’s \$150,000 to leverage a total investment of \$1.23 million.</p>	<p>This funding provides incentive payments to building owners and tenants including business, residents, schools, and community and sport organisations to install water and energy devices that reduce carbon emissions from the city community and conserve energy, water and natural resources.</p>
<p>Building Upgrade Finance</p>	<p>Legislation to implement Building Upgrade Finance in South Australia passed both Houses of Parliament, allowing building owners to access private finance to improve buildings’ energy efficiency.</p> <p>In partnership with the South Australian Division of the Property Council of Australia, DEWNR is responsible for the delivery of a series of events to increase awareness and understanding of the mechanism.</p> <p>30 project leads have registered their interest through the programme and 9 project leads have proceeded to the development of a business case.</p>	<p>Uptake of the mechanism has the potential to stimulate jobs and investment in the property sector, provide opportunities for local manufacturers and suppliers of clean technologies, improve the quality and amenity of buildings, and reduce the impact of energy and water costs on businesses.</p>
<p>Climate-KIC</p>	<p>DEWNR hosted a Climathon event in Adelaide on 28 October 2016; focused on finding innovative solutions for climate challenges.</p> <p>Consultants were engaged to design and develop preliminary reports for Climate-KIC’s flagship programme, including South Australia’s climate ecosystem mapping report and carbon neutral precinct scoping report.</p>	<p>Climate-KIC Australia is a business, research and industry partnership focused initiative aimed at better positioning entrepreneurs, developers and low carbon technology start-ups to bring their climate solutions to market.</p> <p>DEWNR Chief Executive, Sandy Pitcher, is a director of Climate-KIC for South Australia.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Regional Climate Change Adaptation Plans	<p>All 12 South Australian regions have completed their climate change adaptation plans. The plans are available on the <a href="http://www.environment.sa.gov.au">www.environment.sa.gov.au</a> website.</p> <p>The completion of climate change adaptation plans in all 12 regions demonstrates the state government's commitment to thinking globally, acting locally and being international leaders in addressing climate change.</p>	<p>The plans include locally relevant adaptation responses that take into account the knowledge of local communities and the differing circumstance and impacts of climate change within each region. The plans encourage action at an individual, regional and local level and empower all South Australians to be prepared for the impacts of climate change.</p>
<p>Sustainable Natural Resource Management:</p> <ul style="list-style-type: none"> <li>• Native Vegetation Management and Compliance Projects</li> </ul>	<p>DEWNR has undertaken reforms of its native vegetation policies and procedures, including a Regulation Review Strategy to develop effective regulations. The <i>Native Vegetation Regulations 2017</i> came into operation on 1 July 2017.</p> <p>The effectiveness of the regulations will be assessed for the next reporting period.</p>	<p>Native vegetation plays a vital role in the health and prosperity of South Australia's ecosystems, communities, and supporting natural resource-based industries.</p> <p>The aim of the Regulation Review Strategy was to reduce regulatory burden for landholders and establish a stronger focus on the value of native vegetation in achieving biodiversity conservation priorities. The new regulations will be supported by a new online clearance application system, which will allow for a better public interface.</p> <p>The Significant Environmental Benefit is intended to compensate for the loss of vegetation from approved clearance activities. This is</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
		achieved by managing and enhancing native vegetation elsewhere, with the intent of providing a net environmental gain over and above the impact of the clearance.
Sustainable Natural Resource Management <ul style="list-style-type: none"> <li>• Threatened Species</li> </ul>	DEWNR has developed a set of indicators to measure progress against the SASP Target 69: Lose no species. The indicators represent 20 threatened species from a variety of South Australian habitats. Trends since the 2004 baseline indicate positive movement for four species, negative movement for six species and steady or no movement for the remaining 10 species.	DEWNR's approach includes managing threats to native species, protecting and repairing habitat for threatened species, reintroducing species into safe habitats, and introducing some species into areas outside of their historical range to help them persist in a changing climate.  Research is undertaken into the ecology distribution and impacts of certain species, and work with impacted communities to guide effective and humane wildlife management activities.
Sustainable Natural Resource Management <ul style="list-style-type: none"> <li>• Increased Network of Parks and Reserves</li> </ul>	At the 2014 election, the state government committed funding to increase South Australia's system of parks and reserves.  In 2016/17 a total of 24,508 hectares of land were added to the protected area system as four new parks and eight additions to existing parks.	DEWNR is increasing South Australia's network of parks and reserves through new proclamations and additions to existing parks and reserves to protect more of the state's unique environment, habitat and species.
Sustainable Natural Resource Management <ul style="list-style-type: none"> <li>• South Australian Koala Conservation and</li> </ul>	The <i>South Australian Koala Conservation and Management Strategy</i> was launched on July 2016. The Strategy guides a coordinated response	The Strategy aims to: <ul style="list-style-type: none"> <li>• safeguard the welfare of koalas.</li> <li>• increase the social, educational and economic benefits</li> </ul>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Management Strategy	<p>to koala management and conservation issues. 2016/17 achievements include:</p> <ul style="list-style-type: none"> <li>• A Citizen Science Great Koala Count</li> <li>• Innovation in applied science – a trial of drones on KI, and implementation of the KI Koala management project to reduce over browsing impacts by maintaining koalas at sustainable densities.</li> <li>• Sharing of knowledge with other jurisdictions – habitat management and monitoring, and koala sterilisation</li> <li>• Established the International Koala Centre of Excellence Advisory Board. The Board has drafted a strategic plan and are developing koala research proposals together with all South Australian universities.</li> </ul>	<p>from having koalas in South Australia, by promoting opportunities to develop unique visitor experiences, strengthen private sector partnerships and optimise research initiatives.</p> <ul style="list-style-type: none"> <li>• reduce the negative impacts that over-abundant koala populations may have on broader ecological communities.</li> </ul>
Sustainable Natural Resource Management <ul style="list-style-type: none"> <li>• Adelaide Living Beaches Programme</li> </ul>	<p>Beach replenishment under <i>Adelaide’s Living Beaches Strategy</i> provided protection of the coast from three severe storms in the winter of 2016, ensuring that there was far less damage to the beaches compared to storm damage in the years before the implementation of the Strategy.</p>	<p><i>The Adelaide’s Living Beaches Strategy (2005-2025)</i> is the South Australian government’s long-term strategy for managing Adelaide’s beaches. The Strategy will keep sand on Adelaide’s beaches for recreation, amenity and protection purposes while reducing the amount of sand carting required.</p> <p>In the long term, the Strategy is expected to reduce the cost of managing Adelaide’s coastline by about 20%.</p>
Sustainable Natural Resource Management <ul style="list-style-type: none"> <li>• Preservation of the State Herbarium of South Australia and South</li> </ul>	<p>Over 50 new seed collections in the South Australian Seed Conservation Centre Seed Bank have been safeguarded and conserved, increasing the long-term storage of threatened South Australian native plant species.</p> <p>Approximately half the species in the state (about 2,000) and 74% of the</p>	<p>The South Australian Seed Conservation Centre helps to protect the state’s threatened plant species from extinction, while supporting the restoration of habitats</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Australia's Botanical Collections	state's threatened species are currently stored in the seed bank and form part of the living collections at Adelaide Botanic Garden.	around South Australia. The native plants of South Australia form an integral part of our unique landscapes and ecosystems, however one in four native South Australian plant species (more than 1,000) are threatened due to loss of habitat and competition with introduced species.
Sustainable Natural Resource Management <ul style="list-style-type: none"> <li>• Trend and Condition Reporting</li> </ul>	DEWNR reports the current status and changes in condition of the state's natural resources to the community through <a href="#">Trend and Condition Report Cards</a> .  In 2016-17, there were 43 statewide report cards against state natural resources management plan targets.	The report cards are a communication tool that provide this information to the community in a simple, easy to understand format.  All the report cards, which are publicly available on the Enviro Data SA website, demonstrate the achievements and benefits of investment in environmental management and community stewardship capacities.
Sustainable Natural Resource Management <ul style="list-style-type: none"> <li>• Marine Parks</li> </ul>	In August 2016, a series of baseline reports for each of South Australia's 19 marine parks and the statewide network were released to inform the state's marine parks monitoring, evaluation and reporting programme.	The baseline reports provide an invaluable snapshot in time so that future changes can be measured. The marine parks have been designed to protect and conserve a diverse range of plants and animals, as well as the marine environment where they live. Many of these plants and animals are unique to southern Australia and found nowhere

Program name	Indicators of performance/effectiveness/efficiency	Comments
		else in the world. The marine parks network is also expected to provide opportunities for new economic endeavours and other community benefits.
Mitigate Impacts of Bushfires and Flood Management	<p>DEWNR continued to deliver a rolling programme of prescribed burns on public and private lands across South Australia.</p> <p>A total of 45 burns were completed, treating a total of 15,430 hectares across the state.</p> <p>Over the past year, DEWNR has also expanded its capacity to mitigate the impacts of bushfires, which includes undertaking prescribed burning on private lands, in collaboration with the Country Fire Service (CFS) and Bushfire Management Area Committees.</p>	<p>DEWNR fire management staff work with local communities to carry out the prescribed burning programme ahead of the fire danger season to reduce fire hazards, manage native vegetation and protect biodiversity in our parks and reserves.</p> <p>All prescribed burns undertake an environmental assessment prior to being undertaken. We meet requirements under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> and seek clearance from the Native Vegetation Council prior to undertaking burns.</p> <p>DEWNR support the South Australian State Emergency Service (SES) in warning the public about potential or impending floods, or the need for emergency evacuation.</p> <p>DEWNR and the SES jointly developed the Flood Information System which has enhanced the SES's capability to warn and</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
		respond to flash flooding.
Animal Welfare	<p>Introduced the South Australian Standards and Guidelines for Breeding and Trading Dogs and Cats and worked with the sector on its implementation to make sure family pets come from healthy and humane conditions.</p> <p>As these standards and guidelines are new, its effectiveness has not been assessed in this reporting period.</p>	<p>Companion animals are a central part of the lives of the majority of South Australians and it is expected that the people who breed and trade in them provide humane conditions for their animals. The community expects the animals that are bred and sold as pets to be kept and sold in humane conditions.</p> <p>The introduction of the South Australian Standards and Guidelines for Breeding and Trading Dogs and Cats ensure dogs and cats within the community are better managed.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Nature-based Tourism Strategy	<p><i>'Nature Like Nowhere Else' Nature-based Tourism Strategy</i> The implementation of the 'Nature Like Nowhere Else' Nature-based Tourism Strategy and Action Plan delivered on a number of milestones since its release in February 2016.</p> <p><i>Nature-based Tourism Summit</i> The inaugural Nature-based Tourism Summit was held at the Adelaide Zoo on 8 June 2017 with more than 100 tourism industry and other stakeholders attending.</p> <p>The Summit provided an opportunity to report on the progress of the Nature-based Tourism activation agenda and align the government, industry and stakeholders' efforts.</p> <p>A new Nature-based Tourism Taskforce was also announced at the Summit to support implementation of the 'Nature Like Nowhere Else' Strategy and Action Plan.</p> <p><i>Nature-based Tourism new business opportunities</i></p> <p>One of the key priorities in the 'Nature Like Nowhere Else' Nature-based Tourism Action Plan is to activate private sector investment in parks through the release of a nature-based tourism investment package. The inaugural nature-based tourism new business opportunities package will be released to the market in late 2017 and will be a new learning experience for the department.</p>	<p>South Australia's Nature-based Tourism Strategy – <i>Nature Like Nowhere Else</i> aims to create jobs and stimulate economic activity by kick-starting private sector investment in parks. It is intended to promote DEWNR's role as a facilitator of business development and employment opportunities.</p>
Nature-based Tourism <ul style="list-style-type: none"> <li>• Kangaroo Island Wilderness Trail</li> </ul>	<p>The Kangaroo Island Wilderness Trail opened to walkers in October 2016. 2,000 walkers have booked to walk the Kangaroo Island Wilderness Trail and of these, 1,081 have completed the Trail.</p> <p>95% of walkers say the Kangaroo Island Wilderness Trail was the main purpose for their visit to the Island and more than half the walkers stayed at least six nights. This demonstrates that the Kangaroo Island Wilderness Trail is attracting new visitors to the Island and</p>	<p>The Kangaroo Island Wilderness Trail provides an internationally competitive multi-day walking experience along the south-west coast of Kangaroo Island. The trail will bring economic benefit to the state along with opportunities for the</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
	contributing an extra two nights into the regional economy.	private sector to invest in accommodation or new tourism products on Kangaroo Island.
Nature-based Tourism <ul style="list-style-type: none"> <li>• Mountain Biking</li> </ul>	New trails were developed or existing trails were enhanced at Anstey Hill Recreation Park, Cleland Conservation Park and Cobbler Creek Recreation Park. To complement the new and enhanced trails, interactive and mobile web-based maps and cyclist information was also developed in 2016-17.	The mountain biking initiative aims to attract mountain bike enthusiasts from around Australia and the world to the Mount Lofty Ranges region.
Nature-based Tourism <ul style="list-style-type: none"> <li>• Adelaide International Bird Sanctuary</li> </ul>	<p>The Adelaide International Bird Sanctuary was announced in October 2016 as South Australia's first new national park in more than 10 years. Over 2,500 hectares of land has been proclaimed in the first stage.</p> <p>The Adelaide International Bird Sanctuary has become a globally recognised important migratory shorebird site to the East Asian-Australian Flyway (EAAF) network.</p>	By attracting visitors to the area, the sanctuary has the potential to create and build on existing business opportunities in the north of Adelaide.
Nature-based Tourism <ul style="list-style-type: none"> <li>• Granite Island</li> </ul>	<p>DEWNR (as the lead agency) in 2016-17 completed the assessment of an Unsolicited Proposal from Oceanic Victor Pty Ltd (Oceanic Victor). The completion of this process has secured regional tourism investment for Granite Island. This includes an offshore interactive aquarium and marine visitor experience located a short distance from Granite Island, and the use of the existing commercial infrastructure on the Island to support that operation.</p> <p>The Oceanic Victor development provides a strong example of economic and sustainable development which is sensitive to the biodiversity values of the Island and its surround and provides both a secure ongoing rental income and staged capital investment opportunities.</p>	<p>Granite Island plays an important role in the state's tourism industry and economy as a key attraction for Victor Harbor and Fleurieu area.</p> <p>DEWNR leases the northern land parcel on Granite Island whilst Primary Industries and Regions South Australia (PIRSA) issue an aquaculture lease and licence for the in-sea aquarium.</p>
Iconic Tourism Sites	Park revenue from DEWNR's iconic tourism sites achieved \$0.724 million above its revenue target of \$8.569 million with a total of \$8.768 million collected. 372,818 guests visited key	South Australia's key iconic tourism sites provide cultural, historical and natural experiences attracting

Program name	Indicators of performance/effectiveness/efficiency	Comments
	<p>iconic tourism sites in 2016-17, 3.1% higher than the previous year.</p>	<p>local, national and international guests. These sites showcase South Australia and contribute to the state's economy.</p>
<p>Iconic Tourism Sites</p> <ul style="list-style-type: none"> <li>• Adelaide Gaol</li> </ul>	<p>Annual guest visitation to the Adelaide Gaol in 2016-17 achieved an 8% increase above target.</p> <p>Total revenue for the Adelaide Gaol as at 30 June 2017 achieved a 14.3% increase above budget, with a total revenue of \$0.354 million.</p>	<p>The Adelaide Gaol is recognised as one of the state's iconic sites situated within the riverbank precinct development. This outstanding heritage site is fast becoming a focal point for a broad range of community and public events.</p>
<p>Iconic Tourism Sites</p> <ul style="list-style-type: none"> <li>• Naracoorte Caves</li> </ul>	<p>In 2016-17, Naracoorte Caves achieved \$0.012 million above its revenue target of \$1.293 million, with a total of \$1.305 million.</p> <p>Naracoorte Caves recorded 53,370 guests, 2% above the visitation target.</p>	<p>The Naracoorte Caves are part of the 800,000 year old Naracoorte East Range. They are World Heritage listed, and one of the world's most important fossil sites. Of the 28 known caves in the park, four are open to the public. Other caves are set aside for scientific research or to protect the caves and their contents. Many of the caves contain spectacular stalactites and stalagmites.</p>
<p>Iconic Tourism Sites</p> <ul style="list-style-type: none"> <li>• Kelly Hill Caves</li> </ul>	<p>In 2016-17, Kelly Hill Caves achieved \$0.022 million above its revenue target of \$0.26 million, with a total of \$0.281 million.</p> <p>Kelly Hill Caves recorded 18,400 guests, 3% above the visitation target.</p>	<p>Showcasing dramatic coastal landscapes and unique old-growth woodlands, Kelly Hill Conservation Park and the adjacent Cape Bouguer Wilderness Protection Area, stand as a vital link in a high biodiversity vegetation corridor traversing the south coast of Kangaroo Island.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
		<p>The magical underground world of Kelly Hill Caves offer opportunities to admire the ornate cave decorations, undertake adventure caving tours that take you crawling through the underground maze, or you may like to go bushwalking to appreciate the diverse landscapes above ground and take advantage of the picnic facilities.</p>
<p>Iconic Tourism Sites</p> <ul style="list-style-type: none"> <li>• Cleland Master Plan</li> <li>• International Koala Centre of Excellence</li> </ul>	<p>In 2016-17, Cleland attracted 125,000 visitors - with visitation increasing by approximately 5% annually over the past five years.</p> <p>Strategies to position Cleland Wildlife Park as a destination of choice for international tourists have progressed. Launched in July 2016, the Cleland Master Plan includes the establishment of the International Koala Centre for Excellence.</p>	<p>The Cleland Master Plan aims to develop Cleland into an iconic, globally recognised tourism experience that increases the number of international tourists to our state. This will establish pathways for private investment into the wildlife park enabling a global destination for research, education and tourism.</p>
<p>Visitor Experience</p> <ul style="list-style-type: none"> <li>• Online Bookings</li> </ul>	<p>Online bookings have been implemented across the state. All eight regions are now online, accounting for 100% of the parks services. South Australia's park visitors can now book and pay for camping, heritage accommodation, park facilities, tours, permits and park entry fees online. The booking service has been implemented at icon sites to book Naracoorte Caves and Tantanoola Caves tours, and Cleland Wildlife Park entry.</p> <p>A total of 59,510 bookings were taken for park entry, camping, accommodation and facilities in 2016-17.</p>	<p>The innovation of the online booking system enables local, national and international access to park entry, camping and heritage accommodation bookings and information on national parks, which can be accessed from a home computer, smart phone or other device. Bookings can be made for up to a year in advance.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
		DEWNR has observed positive changes in park visitation as a result of online booking, such as a higher campsite occupancy rate and an increase in young families camping in parks. This continues to change the dynamic of campgrounds and is encouraging the next generation of park visitors.
Visitor Experience <ul style="list-style-type: none"> <li>• Recreational Fishing</li> </ul>	In 2016-17, a total of \$729,829 was committed to local councils and organisations to support recreational fishing in and around our marine parks.  23 recreational projects worth \$358,469 were approved, and a further 14 projects worth \$371,360 have in-principle support while awaiting required approvals.	The Recreational Fishing Grants Programme directly benefits the recreational fishing experience in and around South Australia's 19 marine parks, increases the number of people fishing in South Australia (particularly young people) and improves sustainable recreational fishing practices. The programme helps to create economic opportunities for local communities and support regional growth.
Visitor Experience <ul style="list-style-type: none"> <li>• Shellfish Reef</li> </ul>	The state government allocated \$600,000 for an artificial reef as part of its election commitment to recreational fishers. This was delivered as a trial four hectare shellfish reef (Windara Reef) off Rogues Point near Ardrossan. The shellfish reef was completed in June this year and will be seeded with juvenile native oysters late in 2017. The construction of the reef was led by PIRSA, in partnership with DEWNR, the Yorke Peninsula Council, and The Nature Conservancy, a non-government	The artificial reef project enhances recreational fisheries habitat and increases regional recreational fishing and tourism opportunities.

Program name	Indicators of performance/effectiveness/efficiency	Comments
	organisation that is a world leader in shellfish reef restoration.	
Visitor Experience <ul style="list-style-type: none"> <li>• Events in National Parks</li> </ul>	In 2016-17, DEWNR's National Parks hosted over 56 events including 14,000 guests at the 2017 Adelaide Festival's 'Secret River' within the stunning natural outdoor amphitheatre setting of Anstey Hill Recreation Park, in the Mount Lofty Ranges region.	The value and impact of events in national parks, although not currently measured, are known to facilitate a range of economic, social and environmental benefits. The department has observed a significant increase in the number of formal events in national parks over the last year. Examples of activities that are considered a formal event include fishing and surfing competitions, fundraising walks, product demonstration days and bike races, amongst others.
Visitor Experience <ul style="list-style-type: none"> <li>• Commercial Tour Operators</li> </ul>	DEWNR works in partnership with Commercial Tour Operators across our national parks to deliver national park experiences and grow the visitor economy. In 2016-17, DEWNR licensed 111 commercial tour operators.	Commercial activities may include guided tours, instructional or educational courses and leisure activities that are conducted for a fee or reward.  Commercial activities that take place in our national parks include bushwalking, camping, four-wheel driving, observing wildlife, fishing, rock climbing and abseiling, coach and bus tours, boating activities and birdwatching.
Visitor Experience <ul style="list-style-type: none"> <li>• Filming and Photography</li> </ul>	In 2016-17, over 92 commercial filming agreements and photography permits were issued within our national parks, which generated an income of \$33,065.	Commercial filming and photography in South Australia's national parks and reserves requires a

Program name	Indicators of performance/effectiveness/efficiency	Comments
	<p>Of particular note, <i>Storm boy</i> was filmed in the Coorong National Park. Filming within our national parks such as the Coorong National Park provides an important opportunity to showcase South Australia's diverse and iconic cultural, historical and natural landscape.</p>	<p>permit. South Australia's national parks provide a unique combination of unspoiled and magnificent scenery, a broad variety at the state scale and for most of them, easy access and existence of a wealth of information. For these reasons, they are popular photographic destinations.</p>
<p>Visitor Experience</p> <ul style="list-style-type: none"> <li>• Mapland - Accelerated Emergency Services Map Book</li> </ul>	<p>'Mapland' is currently promoting the soon-to-be-released Yorke Peninsula and Mid North Emergency Services Map Book to its customers. This map book is the second of six books that form the 'Accelerated Emergency Services Map Book' project - part of a successful joint DEWNR and CFS venture. The Eyre Peninsula and West Coast map book was the first of the project books to be published in December 2016 and four more books are scheduled for release by March 2018. Those books will cover South East, Kangaroo Island, Riverland and Murray Mallee and the Flinders Ranges.</p>	<p>Mapland sells a range of products from DEWNR mapping and aerial photography library.</p> <p>Mapland has a wealth of expertise in the management of property boundaries, topographic data, aerial and satellite imagery. Their product range includes printed maps, customised mapping service, Geographic Information System (GIS) data (vector and raster digital map data), digital elevation data, aerial and satellite image data, and publications.</p> <p>The Emergency Services Map Book series is produced to support emergency services operations, as well as providing useful information for travellers and commercial users. The series provides detailed information about each of the regions including</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
		<p>topography, roads and tracks, buildings and many other features in the landscape. It also includes standard consistent topographic map base.</p> <p>The Emergency Services Map Book series was formerly known as the CFS Map Book series.</p>
<p>Community Health and Wellbeing</p> <ul style="list-style-type: none"> <li>• Healthy Parks, Healthy People</li> </ul>	<p><i>Healthy Parks Healthy People South Australia 2016-2021: Making contact with nature second nature</i> was launched on 17 June 2016. It provides a framework for stakeholders to partner in the development of action plans that provide opportunities for people to interact with nature through activities such as play, exercise, recreation and socialising.</p> <p>In 2016-17 the <i>Realising the mental health benefits of contact with nature</i> was released. Arising from this, the <i>SA Suicide Prevention Plan 2017-2021</i> includes promotion priorities that refer to the importance of nature as a setting for promoting mental health. A <i>Quality Green Public Space</i> action plan was also released to ensure the provision of <i>quality</i> green public spaces that provide health and biodiversity benefits. A <i>D3Challenge</i> Project was also successfully completed in partnership with Office for the Ageing. This will result in a website that encourages people aged 50+ to spend time in nature and support active ageing.</p>	<p>DEWNR and the Department for Health and Ageing (DHA) are working in partnership to build the public value of parks in South Australia and improve the health and wellbeing of the community through the <i>Healthy Parks, Healthy People</i> initiative.</p>
<p>Community Health and Wellbeing</p> <ul style="list-style-type: none"> <li>• Kitchen Garden Initiative</li> </ul>	<p>Since its launch in 2015, the Little Sprouts Kitchen Garden Early Years Learning Programme has engaged 10,000 children, 2,150 adults and 11,000 teachers.</p>	<p>The Little Sprouts Kitchen Garden Programme showcases the benefits of growing fresh, healthy produce to the whole community. In particular, the programme helps</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
		young children to understand where food comes from, learn how to grow food and appreciate the importance of healthy eating.
<p>Community Health and Wellbeing</p> <ul style="list-style-type: none"> <li>Connecting Residents of the North and South with Nature</li> </ul>	<p>The management plans for seven metropolitan parks were amended, allowing for further development of visitor experiences; including mountain bike riding, bush camping, horse riding and dog walking.</p> <p>In 2016-17, the new Cobbler Creek Recreation Park play space and trail network was completed. Also work commenced on a new play space in Morialta Conservation Park.</p> <p>Visitor numbers to Cobbler Creek Recreation Park have increased to over 80,000 since its opening in October 2016. Prior to the completion of the play space and trail network, there was an estimate of 15,000 to 20,000 visitors per annum.</p> <p>New visitor facilities such as toilets, shelters, picnic spaces, signs, trails and carparks were built at Anstey Hill Recreation Park.</p> <p>Work on upgrading and installing new visitor facilities commenced at Onkaparinga River National Park, Hallett Cove Conservation Park and Para Wirra Conservation Park.</p>	<p>The upgrade projects have been successful in attracting more people to parks. There has been an increase in facilities being used for community recreational activities, strengthening the link between the health and wellbeing of the community, and its environment.</p>
<p>A Healthy, Working River Murray</p> <ul style="list-style-type: none"> <li>Murray-Darling Basin Plan</li> </ul>	<p>Delivered and influenced the implementation of the Murray-Darling Basin Plan and Murray-Darling Basin Agreement.</p> <p>South Australia is on track to meet its requirements pursuant to the National Partnership Agreement (NPA) on Implementing Water Reform in the Murray-Darling Basin Plan.</p> <p>More than three-quarters of South Australia's water recovery target has either already been recovered or is under contract. Across the Basin,</p>	<p>A healthy river system is essential to the economic, social, cultural and environmental future of our state. The Murray-Darling Basin Plan aims to restore health to the river by balancing competing demands.</p> <p>Achieving the annual milestones for Basin Plan implementation</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
	<p>approximately 2,109 GL of water was recovered or contracted for recovery in 2016-17. The package of environmental projects agreed by Basin Ministers in June 2017 is likely to offset water recovery to the extent that no further water recovery beyond that already contracted will be required to achieve the 2,750 GL target by 2019.</p> <p>South Australia put forward six projects to offset the state's water recovery target and was co-proponent for another five environmental works projects across the Southern Connected Basin.</p>	<p>under the NPA secures Commonwealth funding to partially offset implementation costs and progresses implementation of the Basin Plan.</p> <p>South Australia's remaining contribution to the 2,750 GL water recovery across the Basin is likely to be achieved through the package of water recovery offset projects.</p>
<p>A Healthy, Working River Murray</p> <ul style="list-style-type: none"> <li>• River Murray Flows</li> </ul>	<p>Successfully managed the risks and opportunities arising from the highest River Murray flows in 32 years. 51 River Murray Flow Reports were provided during this reporting period.</p>	<p>Included coordinated efforts of relevant state agencies, the State Emergency Services, local government, the tourism industry and broad community communications due to the high flow events.</p>
<p>A Healthy, Working River Murray</p> <ul style="list-style-type: none"> <li>• Environmental Water</li> </ul>	<p>Over 996 GL of environmental water was delivered to South Australia in 2016-17, which supported improved ecological outcomes for the River Murray consistent with Basin Plan objectives</p> <p>Environmental water delivery in spring 2016 supported the operation of the Chowilla Regulator, resulting in the inundation of over 7,500 hectares of floodplain and wetland.</p> <p>Annual watering proposals and priorities were developed and submitted to the Murray Darling Basin Authority and the Commonwealth Environmental Water Holder.</p> <p>Water planning, operations, communications and monitoring were effectively completed for the South Australian Icon Sites (Chowilla and the Lower Lakes, Murray Mouth and</p>	<p>Environmental water supports a healthier, productive and more resilient River Murray System and the needs of native flora and fauna.</p> <p>Annual environmental watering priorities guide the effective delivery of water to South Australia.</p> <p>The Living Murray is a joint Basin/ State programme managing six icon sites and 480 GL of environmental water. Significant ecological benefits were achieved at the icon sites in 2016-17.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
	Coorong) as part of The Living Murray Programme.	
<p>A Healthy, Working River Murray</p> <ul style="list-style-type: none"> <li>• South Australian Riverland Floodplains Integrated Infrastructure Programme (SARFIIP)</li> </ul>	<p>Completed construction of two new regulators and fishways at major inlets to the Pike and Katarapko Floodplains.</p> <p>The Pike and Katarapko Ecological Restoration Projects are on target to be implemented in full (ahead of time and within budget) by 2020. This includes the management of salt entering the floodplains and the river.</p> <p>Completed detailed design for remaining structures proposed for the Pike Floodplain to enable inundation and groundwater management.</p> <p>Construction to commence on the Highland Groundwater Management Scheme in September 2017.</p>	<p>Investment in environmental surface water management infrastructure will make it possible to reinstate a regular pattern of floodplain inundation, even under low flows.</p> <p>The Pike and Katarapko Ecological Restoration Projects seek to improve the current environmental water management decision-making process and take into account the new infrastructure, knowledge and systems.</p>
<p>A Healthy, Working River Murray</p> <ul style="list-style-type: none"> <li>• Riverine Recovery Project (RRP)</li> </ul>	<p>Formal approval of Phase 2 Wetlands occurred on 21 June 2016. Construction is scheduled to begin in October 2017 on infrastructure at an additional 11 sites.</p> <p>One site to be constructed over the next 12 months is at Sugar Shack, near Swan Reach. This site is owned and managed by the local Aboriginal community who will operate the structures in accordance with the Management Plan which they contributed to.</p> <p>A Fund My Project programme commenced aimed at providing grants for community partnerships projects.</p> <p>Projects will be selected by the community through a Participatory Budgeting approach and successful projects are anticipated to be notified in early 2017-18.</p>	<p>The RRP is focused on recovering environmental water, maintaining ecosystem health, increasing community knowledge, and improving scientific understanding for better management.</p> <p>The RRP seeks to improve management of wetlands through the construction of regulators which enable wetting and drying regimes in previously pool connected wetlands.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
<p>A Healthy, Working River Murray</p> <ul style="list-style-type: none"> <li>• Coorong, Lower Lakes and Murray Mouth Recovery Project</li> </ul>	<p>Construction of the \$60 million South East Flows Restoration Project commenced in March 2017, with construction scheduled for completion in June 2018.</p> <p>Work has continued on the update of the Coorong, and Lakes Alexandrina and Albert Ramsar Wetland Ecological Character Description. The Ecological Character Description provides a benchmark to inform site management to ensure that the values that give the site its international significance are protected.</p> <p>The renewal of the site's Ramsar Management Plan is also currently underway and will provide a management framework, including operating strategies and actions, to maintain the ecological character of the Ramsar site.</p> <p>Under the Variable Lakes Project, tools have been developed for water levels in Lake Alexandrina and Lake Albert and the barrages to maintain the ecological character of the site.</p> <p>Formal approval was received from Commonwealth funding partners on the scope of the Milang Foreshore Habitat Restoration Project. Restoration will involve infrastructure installation and planting activities in collaboration with the Alexandrina Council and the local community.</p> <p>The CLLMM Vegetation Programme was completed in February 2017, which sought to stabilise the ecological decline of the region and deliver a healthy and resilient wetland community. The programme included over five million plantings, covering more than 125 sites and 2,300 hectares.</p>	<p>Since the CLLMM Recovery Project commenced in 2011-12, 18 management actions have been completed (as of 30 June 2017) contributing to the overall aim of a healthy, productive and resilient wetland system that maintains its international importance.</p>
<p>A Healthy, Working River Murray</p> <ul style="list-style-type: none"> <li>• Water Resource Planning</li> </ul>	<p>Completed a draft of the South Australian Murray Region Water Resource Plan for review by the Murray-Darling Basin Authority.</p>	<p>Water Resource Plans provide consistent management rules for water resources across the Murray-Darling Basin. These plans are a key</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
	<p>Completed the long-term environmental watering plan for the Eastern Mount Lofty Ranges.</p> <p>Progressed the development of the two remaining water resource plans (South Australian Murray Region and South Australian River Murray), including engagement with Aboriginal Nations and other stakeholders.</p>	<p>element of implementing the Basin Plan.</p>
<p>Managing Water for the Future</p> <ul style="list-style-type: none"> <li>• Water Management Solutions (WMS)</li> </ul>	<p>The WMS Project business case was completed. A process was initiated to secure Commonwealth investment in a system that supports a seamless integrated approach to all aspects of water licensing, trading and associated activities.</p>	<p>The WMS Project involves the development of a new Water Register for the state which will offer vastly improved services to better meet community and stakeholder expectations.</p>
<p>Managing Water for the Future</p> <ul style="list-style-type: none"> <li>• Water for the Economy</li> </ul>	<p>A Water Allocation Plan (WAP) for the Southern Basins and Musgrave Prescribed Wells Areas was adopted and water licences reissued.</p> <p>The existing user licence process for the Eastern Mount Lofty Ranges Prescribed Water Resources Area was completed.</p> <p>Natural Resources Management Boards were supported in developing and/or implementing WAPs as well as developing water management policies for inclusion in regional natural resources management plans.</p>	<p>Water licences allow equitable and controlled access to water for industries including irrigated agriculture, manufacturing, mining and petroleum as well as stock and domestic use.</p>
<p>Managing Water for the Future</p> <ul style="list-style-type: none"> <li>• Water for our Communities</li> </ul>	<p>Received endorsement for the Brown Hill and Keswick Creek Stormwater Management Plan and the commitment of funding up to 50% of the total capital cost.</p> <p>Progress was made in developing a Demand and Supply Statement for the South East region and reviewing the Eyre Peninsula Demand and Supply Statement.</p> <p>SA Water supported the department with technical advice and services to</p>	<p>The Stormwater Management Authority and Fund address existing flooding risks across urban areas.</p> <p>A key element of <i>Water for Good</i> is the development of regional water demand and supply statements for South Australia's natural resources</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
	investigate and develop town water supplies in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, South East, and Eyre Peninsula.	management regions. These statements increase community and industry knowledge of future water supply issues.
Managing Water for the Future <ul style="list-style-type: none"> <li>• Water for the Environment</li> </ul>	Pastoralists were supported to cap six wells, with a total cost of \$7.9 million, in the Great Artesian Basin. This works will save 1,887 megalitres of water each year.  Water pressure levels are monitored and managed to help maintain water supply for ecosystems, including over 80 endemic species of plant and animals.	The Great Artesian Basin provides the most reliable water resource in the Far North of the state for stock and domestic needs, mining, town water supply, tourism and unique ecological spring system communities.

## Legislation administered by the agency

*Adelaide Dolphin Sanctuary Act 2005*

*Animal Welfare Act 1985*

*Arkaroola Protection Act 2012*

*Botanic Gardens and State Herbarium Act 1978*

*Climate Change and Greenhouse Emissions Reduction Act 2007*

*Coast Protection Act 1972*

*Crown Land Management Act 2009*

*Crown Rates and Taxes Recovery Act 1945*

*Dog and Cat Management Act 1995*

*Ground Water (Qualco-Sunlands) Control Act 2000*

*Groundwater (Border Agreement) Act 1985*

*Heritage Places Act 1993*

*Historic Shipwrecks Act 1981*

*Irrigation Act 2009*

*Lake Eyre Basin (Intergovernmental Agreement) Act 2001*

*Lands for Public Purposes Acquisition Act 1914*

*Marine Parks Act 2007*

*Metropolitan Drainage Act 1935*

*Murray-Darling Basin Act 2008*

*National Parks and Wildlife Act 1972*

*National Trust of South Australia Act 1955*

*Native Vegetation Act 1991*

*Natural Resources Management Act 2004*

*Pastoral Land Management and Conservation Act 1989*

*Renmark Irrigation Trust Act 2009*

*River Murray Act 2003*

*River Murray Waters Agreement Supplemental Agreement Act 1963*

*River Murray Waters (Dartmouth Reservoir) Act 1971*

*South Eastern Water Conservation and Drainage Act 1992*

*Water (Commonwealth Powers) Act 2008*

*Water Efficiency Labelling and Standards (South Australia) Act 2013*

*Water Industry Act 2012*

*Water Resources Act 1997*

*Wilderness Protection Act 1992*

*Wilpena Station Tourist Facility Act 1990*

## **Organisation of the agency**

DEWNR's organisational structure has been reviewed and realigned to better support delivering government priorities. This change was made effective on 6 February 2017. The realignment brochure can be downloaded from: [www.environment.sa.gov.au](http://www.environment.sa.gov.au)

The functional structure of DEWNR now comprises six groups, each led by a Group Executive Director, underpinned by regions and branches, all working in partnership with the eight natural resources management boards:

- The Climate Change Group is responsible for providing a key strategic role on the direction of the state's climate change, native vegetation, and coastal protection policy and management. The Group has specific responsibility for implementing *South Australia's Climate Change Strategy 2015-2050*, the *Native Vegetation Act 1991*, and the *Coastal Protection Act 1972*.
- The Water Group is responsible for leading the planning and management of the state's water resources to support communities, industry and ecosystems for the future. The Group has specific responsibility for driving the delivery of the Murray-Darling Basin Plan, in full and on-time.
- The Parks and Regions Group is responsible for leading the sustainable management of the state's natural resources and public lands, through policy development and programme delivery in partnership with the community. The Group is comprised of DEWNR's eight regions, who partner with Natural Resources Management (NRM) Boards, the community and stakeholders to plan and deliver on-ground natural resource and public land management; Regional Programs who coordinate statewide delivery of services; and Conservation, NRM and Protected Area Policy who provide strategic advice to support the regional delivery of the government's conservation, natural resource management, protected areas and Aboriginal engagement and reconciliation priorities.
- The Economic and Sustainable Development Group is responsible for delivering DEWNR's contribution to South Australia's economic development, across

government and in partnership with business and the wider community. We are responsible for implementing the *Nature Like Nowhere Else* tourism strategy; managing great South Australian destinations from Cleland Wildlife Park and Seal Bay to our Botanic Gardens and the State Herbarium; and, providing leadership on heritage and the broader impacts of land use planning, infrastructure and project development to realise new business opportunities.

- The Science and Information Group provides evidence-based science, information and expert advice to inform community discussion and policy making. The Group enables, facilitates and delivers fit for purpose science, information and business systems.
- The People and Performance Group delivers on the government's modern public sector reform agenda and provides services and support that ensure DEWNR is a high-performing and customer-focused organisation. It comprises the following branches: Organisational Performance; Technology; Financial and Business Services; and Community Engagement.

The DEWNR organisation chart can be downloaded from: [www.environment.sa.gov.au](http://www.environment.sa.gov.au)

### Other agencies related to this agency (within the Minister's area/s of responsibility)

Environmental Protection Authority

Green Industries SA

South Australian Water Corporation

### Employment opportunity programs

Program name	Result of the program
Jobs4Youth	Six trainees (aged between 17-24 years) and five graduates were engaged by the department during 2016-17. DEWNR is committed to employing at least 50% of these employees on an ongoing basis.

### Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
DEWNR Performance Review and Development (PRD) Process	Managers are required to have at least two PRD discussions with their employees each year.  Completion rates are recorded and reported regularly to executive.  Employees whose last PRD occurred: <ul style="list-style-type: none"> <li>- Between 1 January to 30 June 2017 = 98.6%</li> <li>- On or before 31 December 2016 = 1.4%</li> </ul>
Performance Review and Development - Quality of PRD conversations	Quality of conversations were not assessed in this reporting period.

### Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
Injury Prevention	Safety programmes in 2016-17 have resulted in positive outcomes across a number of indicators as measured by the <i>Building Safety Excellence (BSE) Strategy</i> :  There were 34 workplace injury claims (target 41). The significant injury rate* was 3.0 (target 3.61).

Occupational health, safety and rehabilitation programs	Effectiveness
	<p>The significant injury rate for musculoskeletal injuries was 0.6 (target 5.42).</p> <p>The significant psychological injury rate was 1.2 and is above the BSE target rate (0.94). The number of claims in this category is small, and therefore performance against the very low target is volatile.</p> <p>Activity in the reported period has focussed on managing aggression and risks to personal security, through the introduction of methods to better identify and assess risks and to share relevant safety information.</p> <p>*(Number of Significant Injuries for in the last 12 months to end of the quarter / Full Time Employees) x 1,000).</p>
Injury Management	<p>All outcomes positively exceed Injury Management targets arising from the <i>Building Safety Excellence Strategy</i>. These are reflected through the timely assessment of injury reports for return to work services:</p> <ul style="list-style-type: none"> <li>• 94% of claims were assessed within two days of the injury being reported (target 72%).</li> <li>• 88% of claims were determined within 10 days of being received (target 82%).</li> </ul> <p>In addition, mental stress claims were determined in 45 days (target 66). This measure encourages prompt determination, to reduce the uncertainty around such claims and focus attention on the return to work of affected staff.</p> <p>DEWNR has developed a <i>Psychological Wellbeing Strategy</i> that sets out a vision for the positive psychological wellbeing for DEWNR's workforce. This has resulted in the review of arrangements to manage aggression and violence in DEWNR's work, implementation of a number of training opportunities, and the development of a number of workplace initiatives where the need for improvement has been identified.</p>

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Theft of monies from self-registration cash box at a South Australian national park.	1

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

### Strategies implemented to control and prevent fraud

Cash box was decommissioned as at the end of May 2017 as online booking system commenced on 1 June 2017. Alternatively, park visitors are able to pay/book for entry and camping fees on arrival at the park's visitor centre.

DEWNR has strong internal controls in place, including monthly reconciliations around the following functions to identify possible occurrences of fraud:

- The DEWNR operating account (in conjunction with Shared Services South Australia (SSSA));
- Petty cash;
- Accounts payable (in conjunction with SSSA);
- Accounts receivable; and
- Government purchase cards (again in conjunction with SSSA).

Business units are expected to consider the risk of fraud in their activities as part of their annual risk assessment process. Controls to minimise the risk of fraud are required to be established for all activities which have a higher likelihood of or consequences from fraud.

DEWNR management has established internal controls to mitigate the risks of fraud through updates from management and the DEWNR Risk Management and Audit Committee of Executive (RMAC).

The *DEWNR Fraud and Corruption Prevention, Detection and Response Policy* and supporting *Procedure for the Reporting and Review of Suspected Incidents of Fraud or Corruption* establish the respective roles and responsibilities across DEWNR relating to the identification of and response to fraud. These documents are currently being reviewed to comply with the whole of government *South Australian Public Sector Fraud and Corruption Control Policy*.

In addition, all internal audits are conducted with an appreciation for, and an awareness of fraud.

When the DEWNR policy on prevention of fraud and its related procedure are reviewed and updated, management and all staff are advised of the department's process for managing fraud annually.

DEWNR Executive regularly communicate the department's expectations around acceptable business practices and ethical behaviour to DEWNR staff through Chief Executive bulletins, The Weekly electronic newsletter, business support forums and targeted training sessions (e.g. procurement).

The *Code of Ethics for the South Australian Public Sector* has been directly communicated to all staff, and all staff must familiarise themselves and act in accordance with the Code. Staff must also complete the online Code of Ethics Awareness Programme.

### Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the <i>Whistle-blowers' Protection Act 1993</i>	1
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Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

## Executive employment in the agency

Executive classification	Number of executives
Executive Level E	1
SAES Level 2	3
SAES Level 1	24

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	Various	\$41,000
<b>Consultancies above \$10,000 each</b>		
Kerri Muller NRM Pty Ltd	Case study and evaluation projects for the Riverine Recovery Programme, Green Infrastructure, Murray Floodplain and River Manipulations	\$114,000
KPMG	Identify and assess commercially viable investment options Cleland wildlife precinct review	\$55,000
KPMG	Review of major projects branch	\$14,000
Ernst and Young	SA Emergency Management Assurance Framework	\$38,000
AMCL Pty Ltd	Strategic asset management framework	\$20,000
<b>Total all consultancies</b>		<b>\$282,000</b>

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

## Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

### Financial Overview

The table below summarises the statement of comprehensive income of the department for the year ended 30 June 2017. The results are compared with the 2016-17 budget and the results for the previous year.

#### Statement of Comprehensive Income

	<b>2016-17 Budget* \$'000</b>	<b>2016-17 Actual \$'000</b>	<b>2015-16 Actual \$'000</b>
Expenses	324 043	319 264	306 556
Income	162 692	159 092	171 099
<b>Net cost of providing services</b>	<b>161 351</b>	<b>160 172</b>	<b>135 457</b>
Revenues from SA Government	154 353	148 986	156 140
Payments to SA Government	(12 939)	(8 273)	(13 652)
<b>Net result surplus/(deficit)</b>	<b>(19 937)</b>	<b>(19 459)</b>	<b>7 031</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>49 179</b>	<b>48 949</b>
<b>Total comprehensive result</b>	<b>(19 937)</b>	<b>29 720</b>	<b>55 980</b>

\* Revised budget.

The table above shows that for the financial year ending 30 June 2017, DEWNR's net result was an operating deficit of \$19.5 million, which was \$0.5 million favourable compared to budget.

Major variations included:

Total expenses in 2016-17 were \$4.8 million lower than budget primarily as a result of reduced Commonwealth funded grant expenditure and lower long service leave expenses. This was partially offset by increased depreciation expenses relating to a significant upward revaluation (and first time recognition) of non-current assets, increased expenditure relating to donated assets and asset write downs.

Total income was \$3.6 million lower than budget mainly as a result of reduced Commonwealth funded grant revenue.

Total expenses in 2016-17 were \$12.7 million higher than in 2015-16 primarily as a result of the remedial work undertaken to address the damage caused by severe storm events and also an increase in bore drilling services associated with the Great Artesian Basin Sustainability Initiative.

Total income in 2016-17 decreased by \$12.0 million from 2015-16 largely due to a reduction in Commonwealth grant funding for the SA Riverland Floodplains Integrated Infrastructure Programme (SARFIIP) and the Murray Futures Riverine Recovery project. In addition, there was a reduction in the sale of water entitlements.

Statement of Financial Position

	<b>2016-17 Budget \$'000</b>	<b>2016-17 Actual \$'000</b>	<b>2015-16 Actual \$'000</b>
Total assets	731 611	803 009	750 063
Total liabilities	101 898	110 189	100 326
<b>Net assets</b>	<b>629 713</b>	<b>692 820</b>	<b>649 737</b>

**Other financial information**

Nil to report.

**Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

Nil to report.

## Section B: Reporting required under any other act or regulation

### ***Adelaide Dolphin Sanctuary Act 2005***

#### Section 26 - Annual report

- (1) The Minister must on or before 30 September in each year prepare a report on the operation of this Act for the financial year ending on the preceding 30 June.
- (2) The annual report must include -
  - (a) information on the extent to which the objects and objectives of this Act are being achieved; and
  - (b) reports on the following matters for the preceding financial year:
    - (i) the referral of matters to the Minister under any related operational Act; and
    - (ii) the enforcement of the general duty of care; and
    - (iii) action taken by the Minister or authorised officers under Part 6; and
  - (c) a programme setting out the Minister's proposals for the implementation of the ADS Management Plan during the current financial year.

#### Objective 1 - Protection of the Dolphins

Throughout this reporting period, staff completed 11 monitoring surveys of the Adelaide Dolphin Sanctuary (ADS) dolphin population, collecting demographic, locational and photo identification data. This data can later be analysed to determine ADS dolphin abundance, residency, habitat and behaviour. Staff were also assisted by ADS Action Group volunteers who undertook regular observations of dolphins and monitored individual dolphins to increase knowledge about the ADS dolphin population.

To ensure compliance with the legislation to protect dolphins, habitat and water quality, staff completed over 20 land and water patrols. Staff investigated, recorded and reported few incidents of speeding vessels, harassment and feeding of dolphins. All reported offences under Section 68 of the *National Parks and Wildlife Act 1972* and *National Parks and Wildlife (Protected Animals–Marine Mammals) Regulations 2010* were investigated.

#### Objective 2 - Protection of key habitat features

Habitat protection and restoration works within the ADS.

<b>Location</b>	<b>Investment</b>	<b>Works</b>
Port Gawler	\$3,336 (Samphire Coast Biodiversity Fund)  \$290 (Adelaide and Mount Lofty Natural Resources Management Board (AMLR NRM Board))	Weed Control – (Bridal creeper, Calomba Daisy control, African boxthorn)  Planted 1,150 seedlings  Fencing
Buckland Park	\$1,674 (AMLR NRM Board)	Weed control ( <i>Casuarina glauca</i> , African artichoke, <i>Juncus acutus</i> )

	\$7,560 (Samphire Coast Biodiversity Fund)	Boxthorn, Euphorbia, Bridal creeper, Horehound Sharp Rush
St Kilda	\$800 (Samphire Coast Biodiversity Fund)	Weed control Medic species, common stock, <i>matthiola incana</i> , coastal Galenia
Bird Island	\$9,674 (AMLR NRM Board) \$4,175 (Samphire Coast Biodiversity Fund)	Rat Control/revegetation Boxthorn control, coastal Galenia, <i>Euphorbia paralias</i> , African boxthorn control
Little Para Estuary	\$1,192 (Samphire Coast Biodiversity Fund)	Weed control Sharp Rush, <i>Juncus acutus</i> , curled Dock, <i>Rumex crispus</i>
Playford Road side sites	\$2,340 (AMLR NRM Board)	Weed control and watering
<b>TOTAL</b>	<b>\$31,041</b>	

Two planting days on Bird Island in the ADS were undertaken on 8 July 2016 and 8 June 2017 with volunteers from the ADS Action Group, Friends of the Adelaide International Bird Sanctuary, Pelican Monitoring Group and Friends of Torrens Island.

#### Objective 3 – Improvement of water quality

Staff continued to work with the EPA regarding water quality issues in the ADS waters. The EPA investigated and provided information to the ADS and the community on the compliance of water-based industrial activities and instances of fuel spills throughout the Port River.

- Four Aquatic Activity Licences referred to the ADS under the *Harbours and Navigation Act 1993* were assessed for their potential to cause turbidity.
- Developments, activities and planning documents were referred to ADS and were assessed for their potential impact on sediment disturbance and appropriate actions were recommended to minimise any disturbance.
- Staff continued to remove and document floating marine debris while on patrol.

#### Objective 4 – Recognition of local interests and participation in management processes

- The ADS Action Group has 64 registered volunteers who contributed 455 volunteer hours during the 2016-17 year, supporting the achievement of the ADS management plan objectives through patrols, administration tasks, community engagement and outreach projects.
- Staff delivered several training programmes for ADS Action Group volunteers.
- Staff provided advice and conducted assessments for existing ADS Commercial Tour Operators permit applications issued under the Tour Operator Licensing and Permitting Policy in support of the *National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010*.

Objective 5 – Promotion of public awareness of ecological importance of the area

The ADS Management Plan aims and objectives were promoted to the community through presenting information to community groups, organisations and public forums including:

- North Haven Primary School Junior Dolphin Ranger Day, March 2017
- Adelaide Speed Boat Club Marine Mammal Observer Training, March 2017
- Experiencing Marine Sanctuaries Community Snorkel Day, March 2017
- West Port Primary School Dolphin Fundraising Day, April 2017
- North Haven Primary Mangroves presentation, April 2017
- Whale Time Playtime Festival, May 2017
- World Environment Fair, June 2017
- Bird Island Planting Day, July 2016 and June 2017
- Regular community engagement days at boat ramps within the ADS
- Increased online presence now that the ADS is listed on the National Parks SA webpage with key information for visitors.  
[https://www.environment.sa.gov.au/parks/find-a-park/Browse\\_by\\_region/Adelaide/adelaide-dolphin-sanctuary](https://www.environment.sa.gov.au/parks/find-a-park/Browse_by_region/Adelaide/adelaide-dolphin-sanctuary)
- Presentation about the ADS on board the Dolphin Explorer to the Wildlife Tourism conference.
- ABC News feature article about ADS about the increase in ADS dolphin numbers in the Inner Port during winter months.
- ADS Action Group volunteers helped in a series of community engagement and conservation events during September including the Tennyson Dunes Open Day, the Moon Lantern Parade as part of the Oz Asia Festival and a planting day at Mutton Cove.

Late April, the Adelaide Dolphin Sanctuary Display Room was officially opened to the public. This dedicated room in the Port Adelaide Visitor Centre provides information and photographs about the sanctuary's dolphin population, other wildlife found in the area, and their habitats. Funding for the project was provided by Natural Resources Adelaide and Mount Lofty Ranges and the Port Adelaide Enfield Council.

Objective 6 – Promotion of the principles of ecological sustainable development

Staff provided advice on four referrals under the *Harbours and Navigation Act 1993*, five under the *Fisheries Management Act 2007* and eight comments on development related projects or plans.

Objective 7 – Enforcement of general duty of care

There were no reported instances when the general duty of care was breached.

Objective 8 – Issuance of protection or other orders

No protection or reparation orders/authorisations were issued.

Objective 9 – Annual implementation programme for management plan

Section 26(2)(c) of the Act requires the preparation of a programme setting out the Minister's proposals for the implementation of the ADS Management Plan for the current financial year. The Management Plan is a seven-year document and includes a broad description of activities to be considered over this time period.

The Annual Implementation Programme provides a means for addressing specific actions that will be undertaken and can be updated annually. It allows for incorporation of unexpected events and is an annual accountability mechanism.

The Annual Implementation Programme for 2017-18 is included as Appendix 1 and has been prepared in line with the strategies and actions outlined in the ADS Management Plan.

#### Appendix 1 – ADS annual implementation programme 2017-18

Additional management resources and support has been made available to the ADS through integrating the Sanctuary's management with the state's Marine Parks Programme. This brings both operational efficiencies and additional resources in key management areas including stewardship, education, compliance, monitoring and policy/planning.

The following actions will be undertaken by staff in Natural Resources, Adelaide and Mount Lofty Ranges region, supported by the DEWNR Marine Parks Programme along with supporting agencies during 2017-18 to achieve the objectives of the *Adelaide Dolphin Sanctuary Act 2005* and strategies outlined in the ADS Management Plan 2008.

***Objective 1 - 'The protection of the dolphin population of the Port Adelaide River estuary and Barker Inlet from direct and physical harm is to be maintained and improved' Adelaide Dolphin Sanctuary Act Section 8(1)(a)***

#### **Issue 1.1 Lack of scientific knowledge about ADS dolphins**

##### **ACTIONS:**

- Continue dolphin monitoring surveys throughout ADS.
- Develop citizen science opportunities to enable the community to improve our understanding of the dolphin population.
- Support on-going research into ADS dolphins and other South Australian dolphins where relevant and appropriate, and seek partnerships with local and interstate universities, the SA Museum and other researchers to explore possibilities for collaborative and low impact, non-invasive research in the ADS.
- Continue the collection of dead dolphins for examination by the SA Museum to inform the ADS dolphin research and monitoring programme.

#### **Issue 1.2 Vessel strike (commercial shipping, fishing and recreational vessels)**

##### **ACTIONS:**

- DEWNR and the Department of Planning, Transport and Infrastructure (DPTI) to implement preventative measures as required.
- DEWNR and DPTI continue dialogue with regards to assessing speed limits throughout the ADS to ensure dolphin safety and increased recreational use.

#### **Issue 1.3 Entanglement in vessel and fishing gear**

##### **ACTIONS**

- Work with existing community education programmes and undertake specific education programmes to increase awareness of the impacts of litter on dolphins and their habitat.
- Support Natural Resources AMLR and Port Adelaide Enfield & Salisbury Councils to implement Hook, Line and Thinner programme, installing Tangler Bins within the ADS for disposal of fishing line and hooks.

<p><b>Issue 1.4 Intentional harm</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Continue regular land and sea patrols of the ADS to ensure compliance with the <i>National Parks and Wildlife (Protected Animals—Marine Mammals) Regulations 2010</i>.</li> <li>• Marine Parks AMLR will develop an ADS compliance strategy.</li> <li>• ADS education programmes will increase awareness of dolphins and support members of the public who report observations of any actual or potential incidents.</li> </ul>
<p><b>Issue 1.5 Impacts from human interaction</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Maintain regular observation of resident animals to observe any major behavioural changes.</li> <li>• DEWNR will maintain an overview of Australian and international studies of impacts of human interactions on dolphins to review findings that may be applicable to the ADS.</li> </ul>
<p><b>Objective 2 - ‘The key habitat features in the Port Adelaide River estuary and Barker Inlet that are necessary to sustain the dolphin population are to be maintained, protected and restored’ Adelaide Dolphin Sanctuary Act Section 8(1)(b)</b></p>
<p><b>Issue 2.1 Food Supply</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Support research to determine specific prey species of ADS dolphins.</li> </ul>
<p><b>Issue 2.2 Loss of vegetation: seagrass, mangroves and supporting species</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Building on existing work, undertake surveys of seagrasses, mangroves and supporting vegetation (including saltmarsh) in the ADS to determine overall health and possible areas for rehabilitation action; and to monitor possible impacts of climate change.</li> <li>• Support government agency, local council and community group efforts to rehabilitate and re-establish vegetation.</li> <li>• Support ongoing seagrass research and rehabilitation programmes undertaken by the South Australian Research and Development Institute (SARDI), Adelaide Coastal Waters Study and the Coast Protection Board.</li> </ul>
<p><b>Issue 2.3 New developments</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Continue to work with proponents of new and existing developments to ensure that ADS objectives are appropriately considered.</li> <li>• DEWNR will work with DPTI and local councils to develop performance guidelines to support achievement of ADS objectives.</li> </ul>
<p><b>Issue 2.4 Marine pests: <i>Caulerpa taxifolia</i>, <i>Caulerpa racemosa</i> and others</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Support PIRSA initiatives and research in identifying and controlling introduced species.</li> </ul>

<p><b>Objective 3 - 'Water quality within the Port Adelaide River estuary and Barker Inlet should be improved to a level that sustains the ecological processes, environmental values and productive capacity of the Port Adelaide River estuary and Barker Inlet' Adelaide Dolphin Sanctuary Act Section 8(1)(c)</b></p>
<p><b>Issue 3.1 Discharges - nutrients</b> <b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Work with the Environment Protection Authority (EPA) to implement the Port Waterways Water Quality Improvement Plan and address recommendations outlined in the Adelaide Coastal Waters Study which are relevant to the ADS.</li> <li>• Work with the EPA to monitor pollutants of concern including PFOC and POPs.</li> <li>• Support research efforts into the effect of excess nutrients, particularly as they relate to prey species, vegetation health and pest species.</li> <li>• Work with the EPA to monitor water quality at points throughout the Port River and Barker Inlet.</li> </ul>
<p><b>Issue 3.2 Discharges - pollutants</b> <b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Provide information to support the use of the world's best practice methods for any new dredging and other sediment disturbance activities to minimise distribution of possibly contaminated sediments and introduced species such as <i>Caulerpa taxifolia</i>.</li> <li>• ADS will continue to work with the EPA in relation to the investigation of PFCs in the water, dolphins and other marine life in the Port River and Barker Inlet.</li> <li>• Support research efforts into the effects of thermal pollution, particularly as it relates to prey species, vegetation health and pest species.</li> <li>• Marine Parks AMLR will maintain litter management activities in the ADS.</li> </ul>
<p><b>Issue 3.3 Turbidity and release of toxins from sediment</b> <b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Undertake work on vegetation protection to support stabilisation of sediments.</li> <li>• Ensure aquatic licence assessments address activities with the potential to cause turbidity.</li> </ul>
<p><b>Objective 4 - 'The interests of the community are to be taken into account by recognising indigenous and other cultural, and historical, relationships with the Port Adelaide River estuary and Barker Inlet and surrounding areas, and by ensuring appropriate participation in processes associated with the management of the Port Adelaide River estuary and Barker Inlet' Adelaide Dolphin Sanctuary Act Section 8(1)(d)</b></p>
<p><b>Issue 4.1 Inclusion of all stakeholders</b> <b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Undertake planning with key government agencies and external stakeholders prior to the review of the management plan.</li> <li>• Public consultation on any ADS Management Plan amendments will follow statutory process.</li> <li>• Marine Parks AMLR will continue to work with key stakeholders and community volunteers to protect the dolphins and improve their environment, and will continue to seek new opportunities for partnerships.</li> <li>• The Minister for Sustainability, Environment and Conservation's Annual Report and Annual Implementation Programme will be made available to all stakeholders.</li> </ul>

<ul style="list-style-type: none"> <li>• The Parks and Wilderness Council of community representatives will continue to provide the Minister for Sustainability, Environment and Conservation with advice as required by the ADS Act.</li> <li>• Continue to review and improve online presence of ADS.</li> </ul>
<p><b>Issue 4.2 Support of recreational users</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• DEWNR will continue ongoing assessment of referrals for aquatic licences (under section 26 of <i>Harbours and Navigation Act 1993</i>).</li> </ul>
<p><b>Issue 4.3 Support of industry interests</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• DEWNR will investigate establishment of an industry stewardship programme for the ADS area to provide opportunities to best achieve ecologically sustainable development in collaboration with each other and with government.</li> </ul>
<p><b>Issue 4.4 Protection of indigenous values in the area</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Work with Kaurna people to ensure ADS information reflects Kaurna culture accurately and appropriately.</li> <li>• Work with Kaurna people to ensure activities of the ADS respect and nurture Kaurna cultural values.</li> <li>• Ensure Kaurna people are consulted and views reflected in the review of the ADS Management Plan.</li> </ul>
<p><b>Issue 4.5 Support for tourism activities</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Liaise with existing operators to assess the current cumulative impact of activities and work with operators to develop appropriate ADS interpretative material.</li> <li>• Work with operators and the public to ensure understanding of the <i>National Parks and Wildlife (Protected Animals - Marine Mammals) Regulations 2010</i> and support compliance with these Regulations.</li> <li>• Support the <i>Nature Like Nowhere Else: Activating Nature-based Tourism in South Australia</i> strategy.</li> </ul>
<p><b>Objective 5 – ‘Public awareness of the importance of a healthy Port Adelaide River estuary and Barker Inlet to the economic, social and cultural prosperities of the local communities, and the community more generally, is to be promoted’</b> <i>Adelaide Dolphin Sanctuary Act Section 8(1)(e)</i></p>
<p><b>Issue 5.1 Supply of informative, timely and accessible information about the ADS</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• Review Marine Parks AMLR communications strategy, including an assessment of existing information, and ensure the strategy includes appropriate actions to support implementation of the updated ADS management plan.</li> <li>• DEWNR will work with relevant government agencies, including PIRSA Fisheries, DPTI and EPA, to ensure a consistent delivery of messages.</li> <li>• DEWNR will continue to support the Junior Dolphin Ranger Programme and distribute ADS interpretative materials.</li> <li>• DEWNR will work with stakeholders to maximise communication opportunities with relevant government agencies.</li> </ul>

<p><b>Issue 5.2 ADS Sign Strategy</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• In collaboration with DPTI, PIRSA Fisheries, Port Adelaide Enfield Council and City of Salisbury, Marine Parks AMLR will investigate funding opportunities to implement in stages the (ADS directional) sign strategy.</li> </ul>
<p><b>Objective 6 - ‘The principles of ecological sustainable development in relation to the use and management of the Port Adelaide River estuary and Barker Inlet are to be promoted’ Adelaide Dolphin Sanctuary Act Section 8(1)(f)</b></p>
<p><b>Issue 6.1 Promote the implementation of economically sustainable development (ESD) principles with local industries and new developments</b></p> <p><b>ACTIONS</b></p> <ul style="list-style-type: none"> <li>• In conjunction with other agencies, DEWNR will work with new and existing industries to support the achievement of ESD principles.</li> <li>• Prepare industry specific ADS information as required.</li> </ul>

<p><b>Climate Change and Greenhouse Emissions Reduction Act 2007</b></p>
<p>Section 20 - Administrative unit report</p> <ol style="list-style-type: none"> <li>(1) The annual report of the Minister's department must include a report on work undertaken within the department in relation to the development of climate change policy and related initiatives.</li> <li>(2) The Chief Executive of the Minister's department must consult with the Premier's Climate Change Council in connection with the preparation of the report required under subsection (1).</li> </ol>
<p><b>Climate Change Strategy</b></p> <p>The state government released its <i>Climate Change Strategy 2015-2050: Towards a low carbon economy</i> in November 2015. The Strategy is a high-level document outlining the Government's aspirations for the future while also providing a framework for achieving a low carbon, resilient future.</p> <p>It includes an ambitious target for the state to achieve net zero emissions by 2050, as well as the commitments to make the City of Adelaide the world's first carbon neutral city, and to achieve \$10 billion in low carbon energy investment by 2025 through the Low Carbon Investment Plan for South Australia.</p> <p><b>National context</b></p> <p>DEWNR is the lead agency for climate change in South Australia, and provides coordination and advice across government on national climate change policy issues. DEWNR supports the South Australian Government in joining with other jurisdictions in such forums as the Meeting of Environment Ministers (MEM), the National Environmental Protection Council (NEPC), and the Climate Action Roundtable (CAR).</p> <p>The CAR brings together Climate Change Ministers from South Australia, Queensland, Australian Capital Territory, and Victoria, as well as the respective Capital City Lord Mayors to work collaboratively on climate change policy and implementation.</p> <p>DEWNR supported the development of submissions for the national review of climate change policy from the state government and Premier's Climate Change Council. The</p>

state government's submission to the review reiterated South Australia's long-standing support for an Emissions Intensity Scheme and for stronger leadership on behalf of all Australians in tackling climate change.

This review is expected to be finalised by the end of 2017.

### **Building Upgrade Finance**

The state government has established the Building Upgrade Finance mechanism in South Australia to help unlock investment in building retrofits and realise the associated economic and environmental benefits. Building Upgrade Finance is a voluntary mechanism designed to overcome barriers to investment in improving the energy, water or environmental performance of existing commercial buildings. The enabling legislation and supporting regulations came into operation on 1 August 2017. DEWNR continues to lead the delivery of this important policy initiative.

### **Carbon Neutral Adelaide**

In 2015 the state government and City of Adelaide committed to a joint aspiration for Adelaide to be the world's first carbon neutral city. In November 2016, the Premier and the Lord Mayor of Adelaide released the *Carbon Neutral Adelaide Action Plan 2016-2021*. This outlines how to make Adelaide the world's first carbon neutral city, by building community partnerships and focusing on five pathways to carbon neutrality. These pathways are Energy efficient built form, Zero emissions transport, Towards 100% renewable energy, Reduce emissions from waste and water, and Offset carbon emissions.

In May 2017, led by DEWNR, the *Carbon Neutral Adelaide Partners Program* was launched, inviting organisations that are committed to taking significant actions to reduce their own, their clients' or the community's carbon emissions to become partners in this ambition. This Program seeks to empower the Adelaide community to build upon the already internationally-significant achievements between 2007 and 2015.

Throughout 2016-17, DEWNR led several other initiatives that support Carbon Neutral Adelaide. These included the Climate KIC Climathon, ongoing support for the City of Adelaide's Sustainability Incentives Scheme grant programme, support for the Adelaide to Zero Carbon Challenge, a spot on South Aussie with Cosi, and The General Story - a digital engagement display using smart technologies to build awareness and interest to the issue of food waste.

DEWNR continues to coordinate the SA Government's efforts towards Adelaide becoming the world's first carbon neutral city.

### **Adaptation**

South Australia has an international reputation in the climate change adaptation space, particularly for our regionally-led approach to the preparation of climate change adaptation plans for state government regions. All of the state's regions delivered Regional Adaptation Plans by December 2016 (delivering on SASP action 62). A State Adaptation Action plan will be delivered in late 2017 that was developed by DEWNR and other key state government agencies.

### **Premier's Climate Change Council (PCCC)**

The Premier's Climate Change Council (PCCC) is established under the *Climate Change and Greenhouse Emissions Reduction Act 2007* with the primary role of providing independent advice to the Minister for Climate Change on reducing greenhouse gas

emissions and adapting to climate change. It also takes a lead role in consulting with businesses, the environment and conservation sector, and the wider community about climate change issues.

DEWNR provides administrative and policy support for the PCCC and its functions.

In 2016-17, the PCCC had a particular focus on engagement and communication-focused activities. Key achievements and activities over this period included engagement with stakeholders during the development of the legislative framework for the Building Upgrade Finance mechanism, developing submissions to the draft update to the 30 Year Plan for Greater Adelaide and the National Climate Change Policy review, and delivery of the inaugural SA Climate Leaders Awards, launched in July 2016. PCCC representatives also attended the following international event as part of the state government delegation: New York Climate Week 2016, and the 22<sup>nd</sup> session of the Conference of the Parties (COP22) under the United Nations Framework Convention on Climate Change (UNFCCC) in Marrakech in November 2016.

### **Reduce Greenhouse gas emissions (SASP Target 59)**

The *Climate Change and Greenhouse Emissions Reduction Act 2007* contains specific targets, in particular, to reduce South Australia's greenhouse gas emissions by 31 December 2050 by at least 60% to an amount that is equal to or less than 40% of 1990 levels as part of a national and international response to climate change (SASP Target 59).

In November 2015, the state government announced a new commitment to reach zero net emissions by 2050, along with a commitment to incorporate the new target into the Act.

In May 2016 the federal government released the updated inventory for greenhouse gases covering the period from 1989-90 through to 2013-14. This new data shows South Australia's 2013-14 greenhouse gas emissions were approximately 8% lower than the 1990 baseline. Over the same period, South Australia's Gross State Product rose over 70%, showing that emissions can be reduced while growing the economy.

### **Climate change targets**

Statutory review of progress towards the targets and operation of the *Climate Change and Greenhouse Emissions Reduction Act 2007* are conducted every two years, and will be delivered in 2017.

### **International leadership and engagement**

DEWNR play a lead role in maintaining the South Australian Government's international profile on climate change. South Australia is the longest standing co-chair and a founding member of The Climate Group's States and Regions Alliance. South Australian Premier Jay Weatherill has been a co-chair of the Alliance since 2012. The Alliance brings together sub-national government leaders from around the world in a network to influence international dialogue on climate change, to share expertise, and to show the impact of sub-national government actions to address climate change.

During 2016-17, DEWNR and the state government took part in Climate Week NYC 2016 in September 2016, the Under2 Clean Energy Forum in Beijing in June 2017, and the Conference of the Parties 22 in Marrakech in November 2016. These key international events provided an important forum to showcase South Australia's leadership in climate

change action and progress and strengthen networks across sub-national governments and with key business and thought leaders in climate change and clean energy.

The States and Regions Alliance, of which South Australia is a co-chair, launched the States and Regions Future Fund to support initiatives to grow its activities, with a special focus on developing and emerging economic regions. DEWNR represents the South Australian Government, and has a representative on the Future Fund Advisory Board.

As a signatory to the Subnational Global Climate Leadership Memorandum of Understanding (Under2MOU) and the RegionsAdapt initiative, South Australia continues in its commitment to limit Greenhouse Gas emissions to at least 80-95% below 1990 levels, or below two metric tonnes per capita, by 2050. This is a commitment to aid in limiting global temperature rise to within 2° Celsius.

Membership of the RegionsAdapt initiative commits the South Australian Government to report on the progress of its adaptation actions annually through the Compact of States and Regions (the Compact). The Compact is supported by the United Nations and is a partnership between The Climate Group, R20, the Network of Regional Governments for Sustainable Development and CDP (formerly known as Carbon Disclosure Project). South Australia (via DEWNR) is committed to reporting under the Compact through the existing Adaptation Framework and the state's Climate Change Strategy.

### ***Crown Land Management Act 2009***

Section 25 - Disposal by transfer or grant of fee simple

- (3) If, during a financial year, the Minister –
- (a) disposes of Crown land other than by public auction, public tender or other open competitive process on the basis that he or she is satisfied that special circumstances exist in accordance with subsection (1)(f); or
  - (b) disposes of Crown land for less than the market value of the Crown's interest in the land or for no consideration on the basis that he or she, and the Treasurer, are satisfied that special circumstances exist in accordance with subsection (2)(d), the Minister must ensure that details of the disposal (including a description of the land, the market value of the Crown's interest in the land and the consideration, if any, for the disposal) are set out in the annual report presented by the department to the Minister under the *Public Sector Act 2009* in relation to that financial year.

### ***Special circumstances sales under the Crown Land Management Act 2009***

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

#### PERPETUAL LEASES

A number of perpetual leases still exist within the state. The Report of the Select Committee on the *Crown Lands (Miscellaneous) Bill 2002* recommended that these leases in certain areas be required to convert their leases to a freehold title if the lessee sold their lease.

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

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<b>Single perpetual lease</b>	\$6,000 or twenty times the annual rent, whichever is the greater, except where a lower purchase price is fixed PLUS documentary fees.
<b>Multiple perpetual leases</b>	\$6,000 for up to four leases; \$1,200 for each additional lease in the application up to 10; \$900 for each between 10-20; and \$600 for any lease above 20; or Twenty times the rent, whichever is the greater PLUS documentary fees.
<b>War service</b>	The purchase price nominated in the lease (or portion commensurate with the area for a partial surrender) PLUS documentary fees.
<b>Waterfront land</b>	Purchase is conditional on the lessee handing back waterfront land held under the lease and arranging survey of an adequate waterfront reserve. Due to the loss of land and survey costs, the purchase price is reduced to \$1.

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

<b>LAND DESCRIPTION</b>	<b>MARKET VALUE*</b>	<b>CONSIDERATION</b>
Section 94 Hundred of Newland	\$840,000	\$29,960
Allotment 11 DP 50779 Hundred of Short	\$1,050,000	\$26,243
Section 30 Hundred of Bakara	\$9,900	\$6,000
Section 132 Hundred of Paringa	\$6,000	\$6,000
Section 30 Hundred of Verran	\$660,000	\$6,000
Section 337 Hundred of Monbulla	\$1,275,000	\$17,310
Section 439 Hundred of Gordon	\$168,000	\$3,650
Allotment 103 DP 88799 Hundred of Newland	\$630,000	\$21,625
Section 390 Hundred of Mingbool	\$900,000	\$16,504
Section 79 Hundred of Wanilla	\$930,000	\$6,000
Section 152 Hundred of Short	\$127,000	\$2,738
Section 143 Hundred of Gordon	\$104,000	\$6,000
Section 1564 Berri Irrigation Area	\$70,000	\$6,000
Section 43 Hundred of Gambier and Section 385 Hundred of Mingbool	\$1,150,000	\$16,666
Sections 17, 18 and 21 Hundred of Condada	\$148,000	\$6,000
Section 52 Hundred of Ward	\$47,500	\$6,000
Allotment 2 DP 35364 Berri Irrigation Area	\$73,000	\$6,000
Section 117 Hundred of Bookpurnong	\$159,000	\$6,000
Section 22 Hundred of Gordon	\$53,000	\$6,000
Sections 248 and 785 Hundred of Loveday	\$69,000	\$6,000
Section 494 Hundred of Gordon	\$127,000	\$4,075

Section 373 Hundred of Comaum and Section 433 Hundred of Joanna	\$1,180,000	\$17,788
Section 6 Hundred of Duncan	\$1,100,000	\$31,276
Allotment 2 DP 26616 Berri Irrigation Area	\$54,000	\$6,000
Section 393 Berri Irrigation Area	\$69,000	\$6,000
Section 319 Hundred of Goolwa	\$740,000	\$26,808
Section 442 Hundred of Gordon	\$154,000	\$3,700
Section 366 Hundred of Rivoli Bay and Section 185 Hundred of Symon	\$1,491,000	\$22,752
Allotment 1 DP 113540 Hundred of Markaranka	\$154,000	\$1

\* Note: the nominated Market Value was taken from the Valuer-General's site value as at June 2017.

The following parcels were sold, without a market process at market value, to lessees within the Kadina Industrial estate as the Minister determined that special circumstances existed.

LAND DESCRIPTION	MARKET VALUE*	CONSIDERATION
Allotment 501 DP 114225	\$220,000	\$220,000
Allotment 502 DP 114225	\$220,000	\$220,000

\* Note: the Market Value was confirmed by the State Valuation Office during final negotiations with the lessees.

The following parcels were sold, without a market process at market value, to facilitate the Wallaroo Shores development as the Minister determined that special circumstances existed.

LAND DESCRIPTION	TOTAL MARKET VALUE*	TOTAL CONSIDERATION
Portion of Allotment 312 Town of Wallaroo Hundred of Wallaroo	\$65,000	\$65,000
Allotment 313 Town of Wallaroo Hundred of Wallaroo		
Portion of Allotment 314 Town of Wallaroo Hundred of Wallaroo		
Allotment 32 DP 90525 Hundred of Wallaroo		

\* Note: the Total Market Value was confirmed by the State Valuation Office during final negotiations with the proponent.

The fee simple of the following parcels was granted to the Yandruwandha Yawarrawarrka Traditional Land Owners Aboriginal Corporation as the Minister determined that special circumstances existed as the land formed part of the Yandruwandha Yawarrawarrka Settlement Indigenous Land Use Agreement (ILUA).

LAND DESCRIPTION	TOTAL MARKET VALUE*	CONSIDERATION**
Allotments 77, 78, 79, 80, 81, 82, 84, 85, 86 and 198 Town of	\$35,000	\$35,000

Innamincka Out of Hundreds (Innamincka)		
Allotments 179, 180, 181, 182, 184, 185 and 186 Town of Innamincka Out of Hundreds (Innamincka)	\$31,500	\$31,500
Allotment 199 Town of Innamincka Out of Hundreds (Innamincka)	\$6,500	\$6,500

The fee simple of the following parcels was granted to the Kokatha Aboriginal Corporation as the Minister determined that special circumstances existed as the land formed part of the Kokatha Settlement Indigenous Land Use Agreement (ILUA).

LAND DESCRIPTION	TOTAL MARKET VALUE*	CONSIDERATION**
Section 1154 Out of Hundreds (Torrens)	\$700	\$700
Allotments 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 DP 111410 Out of Hundreds (Andamooka)	\$20,909.10	\$20,909.10
Allotments 13, 14, 15 DP 111577 Out of Hundreds (Andamooka)	\$82,500	\$82,500

\* Note: the Total Market Value was sourced from the State Valuation Office.

\*\* Note: the compensation package for the ILUA contained an allocation to the claimant group for market value of the land to be paid.

The fee simple of the following parcel was disposed of to Robertson Chowilla Pty Ltd as the Minister and the Treasurer were satisfied that special circumstances existed justifying disposal of the land for no consideration.

LAND DESCRIPTION	TOTAL MARKET VALUE*	CONSIDERATION
Allotment 200 in D112998 Out of Hundreds (Chowilla and Renmark)	\$1,050,000	Nil

\* Note: the Total Market Value was determined by an independent valuation.

### **National Parks and Wildlife Act 1972**

Section 13 - Information to be included in annual report

- (1) The annual report of the department must include the following information:
- the aggregate amount of fees paid for entrance to reserves during the relevant year; and
  - the aggregate amount paid pursuant to leases, licences and other agreements referred to in section 35 during the relevant year; and
  - the aggregate amount of fees and other charges paid for camping and other accommodation on reserves during the relevant year; and
  - the aggregate amount paid for guided tours during the relevant year.

Aggregated totals of park revenue for 2016-17 are categorised below:

Admissions and guided tours	\$ 9,000,439
Property rental and related income	\$ 1,179,111
Sale of goods	\$ 2,541,180
Camping, accommodation, parking and hire fees	\$ 1,544,305
Levies, licences and other	\$ 109,435
Total park revenue	\$ 14,374,470

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

### ***River Murray Act 2003***

#### Section 10 - Annual report

- (1) The Minister must on or before 30 September in each year prepare a report on the operation of this Act for the financial year ending on the preceding 30 June.
- (2) The report must include –
  - (a) information on the implementation of this Act (taking into account the provisions of the Implementation Strategy); and
  - (b) information on the extent to which the objects of this Act and the ORMs are being achieved; and
  - (c) reports on the following matters for the relevant financial year:
    - (i) the referral of matters to the Minister under any related operational Act; and
    - (ii) the enforcement of the general duty of care; and
    - (iii) action taken by the Minister or an authorised officer under Part 8.

### **River Murray – Compliance operations 2016-17**

DEWNR has continued routine compliance operations throughout the year.

A number of minor reports of unlawful constructions and riverbank clearance were satisfactorily resolved by warning and education. Crown Lands Programme continues to work proactively with local government to educate staff members and residents on what constitutes illegal activity in an attempt to minimise incidents. Where required, reported misuse of Crown land has been managed through partnerships with the relevant Natural Resources Regions. As an example, numerous illegal dumping incidents in the Riverland which included Crown land, was followed up by Natural Resources South Australian Murray-Darling Basin and in some instances identified possible parties. Further enquiries were made with assistance of local government and SA Police.

The DEWNR River Murray Operations Branch incorporates an Infrastructure Operations Unit whose role is to operate structures and maintain banks, regulators, waste disposal stations and other assets. The group provides some passive and active monitoring of infrastructure sites operated under the *River Murray Act 2003*. While the team does not engage in direct compliance activities, its operations and maintenance functions contribute to the achievement of multiple environmental and water management goals under the Murray-Darling Basin Plan and other legislation.

River Murray Infrastructure Operations maintains a network of closed circuit television cameras that can monitor assets remotely. During the last year these have recorded evidence of unauthorised access, waste dumping and boating incidents.

DEWNR is responsible for compliance and enforcement of water resource legislation and undertakes proactive targeted compliance monitoring programmes to detect non-compliant water use activities. Since 2014, the department has implemented targeted compliance activities, which are advertised on DEWNR's [Risk-based water compliance](#) web page.

### **RIVER MURRAY – DEVELOPMENT CONTROL 2016-17**

Ensuring development in the River Murray Protection Areas complied with the objects of the *River Murray Act 2003* was undertaken by providing advice and direction on 370 development applications under delegation from the Minister for Water and the River Murray. Input to eight development plan amendments was also provided under delegation from the Minister.

#### **Referral of matters under the related operational Acts**

In 2016-17 there were 427 statutory referrals made to the Minister for Water and the River Murray with the majority of referrals made through the *Development Act 1993* (the Development Act) (refer to the table below).

Referrals were received for statutory authorisations including applications proposing the construction of buildings and structures, earthworks, land division, mining exploration and leases, aquatic activity licences and exemptions to provisions of the *Fisheries Management Act 2007*. A smaller number of statutory instruments were also referred, including Development Plan Amendments (DPAs) under the Development Act.

#### **Referral of matters under related operational Acts:**

<b>Act</b>	<b>Statutory Authorisations</b>	<b>Statutory Instruments</b>
<i>Development Act 1993</i>	370	8
<i>Mining Act 1971</i>	5	0
<i>Harbors and Navigation Act 1993</i>	30	0
<i>Fisheries Management Act 2007</i>	14	0
<b>Total</b>	<b>419</b>	<b>8</b>

Data for the past three years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

#### **Referrals under the *Development Act 1993***

##### Statutory authorisations

A range of applications for statutory authorisations were referred to the Minister for Water and the River Murray including buildings (e.g. dwellings or sheds), river structures (e.g. jetties, pontoons, mooring posts, and boat ramps), earthworks within the floodplain, activities requiring River Murray water (e.g. irrigation, feedlots, or aquaculture) and land divisions. All referrals were assessed against the *River Murray Act 2003* Objectives(s) for a healthy River Murray (ORMs) and Objects.

All development referrals in 2016-17 were mandatory referrals under schedule 8 of the *Development Regulations 2008*. All were addressed within the statutory timeframe of eight weeks.

In addition, a number of non-mandatory referrals were made to the Minister for Water and the River Murray. In these instances, recommendations were provided to the referring body for consideration in their decision-making process.

Applications received were initially reviewed to examine any key issues and decide whether specific advice would be required. Where required, advice on the referrals was sought from a range of specialist staff and groups within DEWNR and other agencies as part of the one-stop-shop service (refer to the table below). This advice resulted in referrals being examined in relation to their impact on a range of natural resource assets, for example water resources, environmental flows, vegetation and cultural heritage.

**Referrals under the *Development Act 1993*:**

<b>Group/Agency</b>	<b>Percentage of applications referred (approx.)</b>
Aboriginal Heritage (DSD)	76
Crown Lands (DEWNR)	27
Marine Transport Safety (DPTI)	13
Water Licensing (DEWNR)	6
Native Vegetation Management (DEWNR)	6
State & Maritime Heritage (DEWNR)	6
Natural Resources SAMDB (DEWNR)	4
Coast Protection (DEWNR)	1
No internal referrals required	15

Data for the past three years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

Applicants were also advised of their obligations under other legislation including the *Crown Land Management Act 2009*, the *Natural Resources Management Act 2004*, the *Native Vegetation Act 1991*, the *Coast Protection Act 1972*, the *Heritage Places Act 1993*, the *Historic Shipwrecks Act 1981*, the *Aboriginal Heritage Act 1988*, the *Environment Protection Act 1993*, the *Harbors and Navigation Act 1993* and the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

For the majority of mandatory referrals, conditions were attached to the approval. The conditions generally required, as a minimum, that during works, the site be appropriately maintained, that waste material be properly contained and disposed of, and that the potential for erosion and sedimentation of water resources be minimised through responsible stormwater management.

The majority (94 per cent) of mandatory referrals during 2016-17 related to activities occurring within the River Murray Floodplain Area. Five per cent of mandatory referrals related to activities within the River Murray Tributaries Area, while the remaining one percent related to activities outside of those areas but within the Murray-Darling Basin.

Statutory instruments

A number of statutory instruments relating to the *Development Act 1993* were referred in 2016-17 to the Minister for Water and the River Murray as required under section 24(3) of the *Development Act 1993*. This included eight DPAs relating to land within the Murray-Darling Basin region. Such instruments are important in determining future land use, with proposals scrutinised to ensure that any changes of land use were appropriate in the context of the *River Murray Act 2003* River Health Objectives. DEWNR provided

responses (including recommendations and comments) for the Minister for Planning's approval.

This assessment is subsequent to earlier assessment by DEWNR at the Statement of Intent stage and the Agency Consultation stage of the DPA process. Relevant matters are typically addressed in the earlier referrals. The assessment at the final stage acts as an important final check to ensure that the *River Murray Act 2003* Objectives for a Healthy River Murray and Objects are not compromised.

#### **Referrals under the *Mining Act 1971***

A total of five mining applications were referred in 2016-17 including exploration licences and mining leases in accordance with the *Mining Act 1971*. In all instances, advice was provided to applicants regarding their obligations on matters such as water use and native vegetation.

#### **Referrals under the *Harbors and Navigation Act 1993***

A total of 30 Aquatic Activity Licence applications were referred in 2016-17 in accordance with the regulations of the *Harbors and Navigation Act 1993*. Activity licences typically included closing off part of the river for special activities such as regattas and wakeboarding and water skiing competitions. The role of the referral process in this respect is to provide education regarding relevant responsibilities to the organisers and the public for protecting the river.

#### **Referrals under the *Fisheries Management Act 2007***

The Minister for Agriculture, Food and Fisheries must consult with the Minister for Water and the River Murray prior to issuing a licence, permit, or an exemption from the requirement for a licence under the *Fisheries Management Act 2007* for activities that relate to waters within the River Murray system. In 2016-17, 14 such matters were referred, almost all relating to exemptions from the requirement of needing a permit for projects conducted by research, scientific, or conservation agencies that were found to further the Objectives for a Healthy River Murray and Objects of the *River Murray Act 2003*.

### ***Wilderness Protection Act 1992***

#### Section 7 - Annual report

- (1) The Minister must cause a report to be prepared annually setting out the following information:
  - (a) the names and locations of the wilderness protection areas and wilderness protection zones constituted under this Act and the extent to which the wilderness criteria are met by each area and zone; and
  - (b) the name or some other identification of the former reserves or parts of reserves that have been constituted as wilderness protection areas or zones; and
  - (c) the extent of mining operations in wilderness protection zones; and
  - (d) information as to the management of wilderness protection areas and zones and particulars of any activities to restore land and its ecosystems to their condition before European colonisation; and
  - (e) a list of management plans adopted under this Act; and
  - (f) the portions (if any) of wilderness protection areas or zones that the Minister has declared to be prohibited areas and the reasons for making those declarations; and

- (g) an account of money received and expended in relation to the management of wilderness protection areas and wilderness protection zones; and
  - (h) in the case of wilderness protection zones, an account of the royalties (if any) received in respect of the mining tenements in force in those zones and the money expended in administering those mining tenements by an administrative unit of the Public Service.
- (2) The report must include a copy of the Wilderness Code of Management in force under Division 3.

**(a) The names and locations of the wilderness protection areas and wilderness protection zones constituted under this Act and the extent to which the wilderness criteria are met by each area and zone.**



#### Billiatt Wilderness Protection Area

##### *Location*

The Billiatt Wilderness Protection Area, proclaimed on 24 July 2008, covers an area of 59,125 hectares. The area was excised from the Billiatt Conservation Park and is located approximately 30 kilometres north of Lameroo.

##### *Wilderness Quality*

Billiatt is a key component of a biological corridor connecting mallee areas in southern and eastern Australia. The area consists of large sand dunes dominated by mallee vegetation and open shrub land, which is in relatively undisturbed condition and provides habitat for the fauna of the Murray Mallee Region, including a number of nationally threatened birds.

#### Cape Bouguer Wilderness Protection Area

##### *Location*

Cape Bouguer Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 5,300 hectares. The area is on the southern coast of Kangaroo Island approximately 85 kilometres south-west of Kingscote.

##### *Wilderness Quality*

The area is significant for its expanse of untracked native vegetation, and for its biological diversity. The coastal landscape, with its unspoilt bays and sweeping views is scenically outstanding. Wilderness quality values are recorded as 'high' over the entire area; except in the south-western corner where the only evidence of modern technology is a walking trail following the South West River to the coast.

#### Cape Gantheaume Wilderness Protection Area

##### *Location*

Cape Gantheaume Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 20,100 hectares. The area is located on the southern coast of Kangaroo Island approximately 40 kilometres south-west of Kingscote.

##### *Wilderness Quality*

The area is pristine coastal wilderness with high ecological and aesthetic integrity. It is undulating country with an excellent cover of mallee vegetation and diverse coastal landscapes with high scenic and habitat value. Wilderness quality is high across the wilderness protection area, except for a narrow strip on the east coast where it is diminished to a minor extent by a rough track along the eastern coastline.

#### Cape Torrens Wilderness Protection Area

##### *Location*

Cape Torrens Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 940 hectares. The area is located on the north-western coast of Kangaroo Island, eight kilometres west of Western River Wilderness Protection Area, and approximately 12 kilometres east of Cape Borda.

##### *Wilderness Quality*

The area is outstanding for the biological integrity of its native forest and woodland, and for its wild coastal scenery. It also provides important habitat for the endangered Glossy Black-Cockatoo. The wilderness quality of Cape Torrens Wilderness Protection Area is recorded as high, as it is undisturbed by structures and impacts of modern technology. There are no internal tracks and the vegetation is virtually pristine.

#### Danggali Wilderness Protection Area

##### *Location*

The Danggali Wilderness Protection Area, proclaimed on 28 May 2009, covers an area of 202,815 hectares. The area is located on the western edge of the Murray-Darling Basin approximately 70 kilometres north of Renmark.

##### *Wilderness Quality*

As part of one of the largest relatively intact natural areas in the southern pastoral zone of Australia, the wilderness quality within Danggali qualifies as significant. The large size and relatively undisturbed condition of the Wilderness Protection Area provides substantial habitat for the fauna of the Danggali area. In particular, Danggali has a rich diversity of bats, with at least 10 species having been recorded.

#### Hambidge Wilderness Protection Area

##### *Location*

Hambidge Wilderness Protection Area, proclaimed on 30 September 2004, covers an area of 37,900 hectares. The area is located on the Eyre Peninsula, approximately 140 kilometres from Port Lincoln and 15 kilometres from Lock.

##### *Wilderness Quality*

This area comprises an extensive system of parallel dunes with ridges (6 to 12 metres in height) running north west to south east. Clay pans are scattered throughout the interdunal area. The low mallee scrub is home to a wide variety of mallee birds, including the endangered malleefowl, vulnerable blue-winged parrot, and the rare chestnut quail-thrush, and shy heathwren.

#### Hincks Wilderness Protection Area

##### *Location*

Hincks Wilderness Protection Area, proclaimed on 30 September 2004, covers an area of 66,650 hectares. The area is located on the Eyre Peninsula, approximately 85 kilometres from Port Lincoln and 35 kilometres from Lock.

##### *Wilderness Quality*

Originally set aside as a flora and fauna reserve in 1941, it is one of the largest expanses of mallee on Eyre Peninsula. The area has recorded 420 species of vascular plants including 28 orchids. Of the 420 species, 91 (including four species of orchid) had not previously been recorded on any other reserve in South Australia. The wilderness protection area is dominated by mallee, with a small portion covered by forest, woodland, or scrubland.

#### Investigator Group Wilderness Protection Area

##### *Location*

Investigator Group Wilderness Protection Area, proclaimed on 25 August 2011, is located off the west coast of South Australia, approximately 25 to 70 kilometres south-west of Elliston Township. The 440 hectare reserve comprises Ward Islands, Top-Gallant Isles, Pearson Isles, Veteran Isles and Dorothee Island, all to the low water mark. Of this land, the Investigator Group Wilderness Protection Area excludes Allotment 1 of Deposited Plan 19499 out of Hundreds (Elliston) (Pearson Isles), which is land held by Australian Maritime Safety Authority for lighthouse purposes.

##### *Wilderness Quality*

Investigator Group Wilderness Protection Area has a high degree of intactness, free from the human impacts associated with land clearing and introduced plants and animals. It contains important haul-out areas for the Australian sea lion and Long-nosed fur seal. Notable birds found on the islands include white faced storm petrels, cape barren geese

and mutton birds which breed on the island. The Pearson Island Black-footed Rock-wallaby, also found on the islands, is of conservation significance.

#### Memory Cove Wilderness Protection Area

##### *Location*

Memory Cove Wilderness Protection Area, proclaimed on 30 September 2004, is located on the Eyre Peninsula, approximately 25 kilometres south of Port Lincoln. The 8,940 hectare reserve extends to low water mark and includes Little Island, Lewis Island, Hopkins Island, Smith Island and Williams Island.

##### *Wilderness Quality*

Over 210 species of native flora have been recorded within Memory Cove Wilderness Protection Area, including seven species of conservation significance. The reserve also has a significant cultural history. Prior to European settlement two groups of Aboriginal people, the Barngarla and the Nauo groups, occupied the area. In 1802, Matthew Flinders sailed the coast in the Investigator, and during this expedition seven of his crew and the ship's master drowned when their cutter capsized during their search for fresh water.

#### Nullarbor Wilderness Protection Area

##### *Location*

Nullarbor Wilderness Protection Area, proclaimed on 6 June 2013, covers 894,245 hectares and is located in the far west of South Australia, adjacent to the state's border with Western Australia.

##### *Wilderness Quality*

Nullarbor Wilderness Protection Area protects the iconic Nullarbor Plain, with its open flat plains and spectacular Bunda Cliffs. When connected to the Great Australian Bight Marine Park, it creates a land and sea conservation estate of global significance. The reserve also conserves one of the world's largest semi-arid karst environments and provides habitat for around 390 species of plant and 160 species of animal, including threatened species such as the slender-billed thornbill, Australian bustard and Nullarbor daisy.

#### Nuyts Archipelago Wilderness Protection Area

##### *Location*

Nuyts Archipelago Wilderness Protection Area, proclaimed on 25 August 2011, is located off the west coast of South Australia, around 10 to 75 kilometres south-west of Ceduna township. The 2,460 hectare reserve comprises Purdie Islands, Lound Island, Goat Island, Lacy Islands, Evans Island, Lilliput Island, Franklin Islands, Blefuscu Island, Egg Island, Freeling Island, Smooth Island, Dog Island, West Island, St Francis Island, Masillon Island, Fenelon Island and Hart Island, all to the low water mark. Of this land, the Nuyts Archipelago Wilderness Protection Area excludes Allotment I of Deposited Plan 19501, Out of Hundreds (Nuyts) (Evans Island) and Section 220, Out of Hundreds (Nuyts) (St Francis Island), which is land held by the Australian Maritime Safety Authority for lighthouse purposes.

##### *Wilderness Quality*

Nuyts Archipelago Wilderness Protection Area provides important island habitat for species such as the Stick-Nest Rat and Brush-Tailed Bettong (which are part of re-introduction programmes) and species such as the carpet python and the Nuyts Archipelago subspecies of the southern brown bandicoot. Other notable species breeding on the island include the Australian sea-lion and mutton birds. The islands' remoteness from the mainland provides an important and secure refuge for vulnerable wildlife and small mammals free from introduced predators.

Ravine des Casoars Wilderness Protection Area

*Location*

The Ravine des Casoars Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 41,360 hectares and is located at the north-western end of Kangaroo Island, approximately 40 kilometres west of Parndana, and approximately 90 kilometres west of Kingscote.

*Wilderness Quality*

The extensive woodlands and forests are virtually pristine. The area contains several complete natural drainage systems, from watershed to their discharge at sea. Wilderness quality is recorded as 'high' over the entire area except where it is reduced somewhat in a narrow north-south band by the presence of Shackle Road, an unsealed public access road. The vegetation is biologically intact and many endemic plants are present.

Western River Wilderness Protection Area

*Location*

Western River Wilderness Protection Area, proclaimed on 15 October 1993, covers an area of 2,470 hectares. The area is located on the north-western coast of Kangaroo Island, approximately 65 kilometres west of Kingscote and 30 kilometres north-west of Parndana.

*Wilderness Quality*

While there are some relatively minor impacts of modern technology, the area has distinctive wilderness attributes and warrants protection and restoration in accordance with the provisions of the Act. In addition to its rugged terrain and high coastal cliffs that are characteristic of the northern coast of Kangaroo Island, Western River Wilderness Protection Area is highly valued in providing ideal habitat for the endangered Glossy Black-cockatoo. Plant species diversity is high and the vegetation exhibits a wide cross-section of Kangaroo Island vegetation.

Yellabinna Wilderness Protection Area

*Location*

Yellabinna Wilderness Protection Area, proclaimed on 11 August 2005, covers approximately 500,700 hectares and is located approximately 100 kilometres north of Ceduna along Goog's Track.

*Wilderness Quality*

Yellabinna Wilderness Protection Area forms a link between vegetation communities in south-eastern Western Australia and Eyre Peninsula in South Australia. Yellabinna Wilderness Protection Area contains a variety of woodland and scrubland communities dominated by Eucalyptus species or Acacia species over dunes and swales and small patches of diverse communities over rocky outcrops. A variety of threatened species have been recorded within the reserve, with additional species considered likely to occur in the area.

**(b) The name or some other identification of the former reserves or parts of reserves that have been constituted as wilderness protection areas or zones**

<b>Wilderness Protection Area</b>	<b>Former Reserve</b>
Billiatt Wilderness Protection Area	Billiatt Conservation Park (part)
Cape Bouguer Wilderness Protection	Kelly Hill Conservation Park (part)
Cape Gantheaume Wilderness Protection	Cape Gantheaume Conservation Park (part)
Cape Torrens Wilderness Protection Area	Cape Torrens Conservation Park
Danggali Wilderness Protection Area	Danggali Conservation Park (part)

Hambidge Wilderness Protection Area	Hambidge Conservation Park	
Hincks Wilderness Protection Area	Hincks Conservation Park (part)	
Investigator Group Wilderness Protection	Investigator Group Conservation Park (pa11)	
Memory Cove Wilderness Protection Area	Lincoln National Park (part)	
Nullarbor Wilderness Protection Area	Nullarbor National Park (part) Nullarbor Regional Reserve (part)	
Nuyts Archipelago Wilderness Protection	Nuyts Archipelago Conservation Park (part)	
Ravine des Casoars Wilderness	Flinders Chase National Park (part)	
Western River Wilderness Protection Area	Western River Conservation Park	
Yellabinna Wilderness Protection Area	Yellabinna Regional Reserve (part)	

**(c) The extent of mining operations in wilderness protection zones**

There are currently no wilderness protection zones declared within South Australia.

**(d) Information as to the management of wilderness protection areas and zones and particulars of any activities to restore land and its ecosystems to their condition before European colonisation**

Management activity by region

*Kangaroo Island region*

- Eight days surveillance camera management to detect compliance issues in Ravine des Casoars Wilderness Protection Area (WPA).
- Prescribed burning, fire management, track and trail maintenance and mechanical hazard reduction.
- Closure of access track in Cape Gantheaume WPA to minimise impacts on threatened species.
- Trial of new dutch-ladder to minimise dune erosion at Hanson Bay, Cape Bouguer WPA.
- Ongoing gazetted seasonal closure of parts of Cape Gantheaume WPA and Cape Torrens WPA to protect coastal raptor breeding refuges & sign installation.
- Support & coordinate SARDI marine mammal research in Cape Gantheaume WPA.
- Coastal raptor boat based occupancy surveys for Kangaroo Island (including breeding territories at Cape Torrens WPA, Western River WPA and Cape Gantheaume WPA).
- Heliotrope, Scotch thistle and Nightshade control at Cape Bouguer WPA.
- Biannual Hooded Plover surveys conducted on most beaches on KI, including in Ravine des Casoars WPA, Cape Bouguer WPA and Cape Gantheaume WPA.
- Planning for PhD student to conduct research into the 'response of dunnarts to cat control in Ravine des Casoars WPA'.
- Development of 'leave no trace' messages (map, trail guide and signs) for Kangaroo Island Wilderness Trail which traverses Cape Bouguer WPA.
- Opening of Kangaroo Island Wilderness Trail and monitoring of impacts commenced.
- Completion of feral goat eradication programme. This was achieved by:
  - Regularly radio tracking Judas goats and sighting them to ensure they are alone.
  - Aerial search/shoot from a helicopter.
  - Monitoring with remote motion cameras to detect feral goats and track movements of Judas goats.
  - Conducting on-ground searches for feral goat sign (scats and prints).

#### *Eyre Peninsula and Alinytjara Wilurara regions*

- Visitor management works in Nullarbor WPA including rationalisation of vehicle tracks and improvements to visitor infrastructure at cliff top lookouts.
- Monitoring of Australian sealion populations in Nullarbor WPA including the development and use of drone technology to accurately map populations.
- Monitoring and compliance activities associated with Coompana scientific research activities in Nullarbor WPA.
- Control of buffel grass in Nullarbor WPA.
- Mapping of sandalwood in Yellabinna WPA.
- Compliance activities (joint Nuyts Archipelago WPA and Far West Coast Marine Park outcomes) including monitoring flights and utilisation of remote cameras.
- Prescribed burning, fire management and post fire recovery activities in Hinks WPA.
- Aerial and ground baiting for foxes in Memory Cove WPA.

During the reporting period, a small portion of built carpark was excised from the Nullarbor Wilderness Protection Area, pursuant to Section 24(1) of the Act. The Far West Coast Aboriginal Corporation were provided with formal notification and advised they had no objections.

#### *SA Murray Darling Basin region*

- Continuation of the landscape scale goat and rabbit programme. Achievements included an annual aerial goat and kangaroo survey in Danggali WPA and ongoing rangelands area community consultation work.
- Ongoing firebreak maintenance was undertaken at Danggali WPA, with approximately 100km of boundary firebreaks rolled.
- Department of Correctional Services, in conjunction with DEWNR, undertook a programme of boundary fence line maintenance at the Danggali WPA in 2016-17.
- Continuation of threat abatement programme targeting feral goats in Billiat WPA, undertaken through a combination of aerial and ground based shooting.
- Boundary track maintenance to maintain access for fire management activities along the western boundary of Billiat WPA.

#### Co-management of wilderness protection areas

The *Wilderness Protection Act 1992* provides for the co-management of wilderness areas in South Australia through co-management agreement between the Minister for Sustainability, Environment and Conservation and the relevant Aboriginal group.

Co-management agreements have been established over two wilderness protection areas. The Nullarbor Parks Advisory Committee was formed in 2015 and advises on the management of the Nullarbor Wilderness Protection Area and Nullarbor Regional Reserve (established pursuant to the *National Parks and Wildlife Act 1972*). The Yumbarra Conservation Park Co-management Board manages Yumbarra Conservation Park and has an advisory role over a number of additional parks, including Yellabinna Wilderness Protection Area.

#### Wilderness Assessment

During 2016-17, the Parks and Wilderness Council assessed a parcel of land adjacent to the Cape Torrens Wilderness Protection Area to determine if the land met the wilderness criteria to a sufficient extent to justify protection under this Act.

The Council subsequently forwarded a Wilderness Assessment Report to the Minister for Sustainability, Environment and Conservation with a recommendation that the land be

added to the Cape Torrens Wilderness Protection Area. The Minister will undertake public consultation on the Wilderness Assessment Report during 2017-18.

**(e) A list of management plans adopted under this Act**

<b>Wilderness Protection Area</b>	<b>Status of Management Plan</b>	<b>Adopted in</b>
Billiatt Wilderness Protection Area	Adopted	2011
Cape Bouguer Wilderness Protection Area	Adopted	2000, amended 2017
Cape Gantheaume Wilderness Protection Area	Not yet available	-
Cape Torrens Wilderness Protection Area	Adopted	2006
Danggali Wilderness Protection Area	Adopted	2011
Hambidge Wilderness Protection Area	Adopted	2007
Hincks Wilderness Protection Area	Adopted	2007
Investigator Group Wilderness Protection Area	Not yet available	-
Memory Cove Wilderness Protection Area	Adopted	2005
Nullarbor Wilderness Protection Area	In development	-
Nuyts Archipelago Wilderness Protection Area	Not yet available	-
Ravine des Casoars Wilderness Protection Area	Adopted	2000, amended 2017
Western River Wilderness Protection Area	Adopted	2006
Yellabinna Wilderness Protection Area	Adopted (new plan in development)	2013

**(f) The portions (if any) of wilderness protection areas or zones that the Minister has declared to be prohibited areas and the reasons for making those declarations**

The Franklin Islands section of the Nuyts Archipelago Wilderness Protection Area was declared a Prohibited Area in 2012 in order to protect the habitat of the Greater Stick-nest Rat and the Franklin Island subspecies of the Southern Brown Bandicoot from disturbance. This declaration carried over to the Act the previous long-standing Prohibited Area status of the islands under the *National Parks and Wildlife Act 1972*.

**(g) An account of money received and expended in relation to the management of wilderness protection areas and wilderness protection zones**

<b>Expense</b>	<b>Kangaroo Island (\$)</b>	<b>Eyre Peninsula/ Alinytjara Wilurara (\$)</b>	<b>SA Murray-Darling Basin (\$)</b>	<b>Total (\$)</b>
Administration (incl. vehicle costs etc)	10,000	17,200	5,800	33,000
Staff costs	40,000	34,400	35,000	109,400
Asset/infrastructure maintenance		110,500	11,000	121,500
Conservation programmes (incl. feral animal control, abundant species management, scientific monitoring)	30,000	35,000	8,000	73,000
Fire Management (incl. suppression and bushfire recovery)		100,000	25,000	125,000
Compliance		14,000		14,000
<b>Total expenditure</b>	<b>80,000</b>	<b>311,100</b>	<b>84,800</b>	<b>475,900</b>

**(h) In the case of wilderness protection zones, an account of the royalties (if any) received in respect of the mining tenements in force in those zones and the money expended in administering those mining tenements by an administrative unit of the Public Service.**

There are currently no wilderness protection zones declared within South Australia.

**(i) The report must include a copy of the Wilderness Code of Management in force under Division 3.**

**Introduction**

- 1.1 This Code is the Wilderness Code of Management prescribed in the *Wilderness Protection Act 1992*.
- 1.2 Any terms used in this Code have the same meaning as those used in the *Wilderness Protection Act 1992* and the *National Parks and Wildlife Act 1972*.
- 1.3 A wilderness area means land constituted under the *Wilderness Protection Act 1992* as a Wilderness Protection Area or Wilderness Protection Zone.

**Objectives of wilderness management**

- 2.1 To maximise the naturalness and remoteness, i.e. the wilderness quality, of wilderness areas, and in particular:
  - (i) protect and, where practicable, enhance wilderness quality;
  - (ii) protect wildlife and ecological processes;

- (iii) control and, where practicable, eradicate non-indigenous plants and animals;
- (iv) protect geographical features;
- (v) protect sites of scientific significance;
- (vi) protect sites of historical significance;
- (vii) protect sites of Aboriginal cultural significance;
- (viii) provide for public use and enjoyment where compatible with maximising wilderness quality; and
- (ix) promote public awareness of, and education in, the natural features of and proper use of wilderness protection areas and wilderness protection zones.

### **Management principles**

#### **3.1 General principles**

- (i) All management operations will be carried out in a manner consistent with maximisation of wilderness quality except where provided for in this Code (see 3.10).
- (ii) A plan of management will be prepared for a designated wilderness area as soon as practicable after the area's constitution. The plan will provide clear direction for the protection and management of the wilderness area, in particular:
  - (a) proposals to achieve the management objectives ((ii) above);
  - (b) priorities for actions, including:
    - the removal of existing incompatible uses and/or structures except those permitted under this Code;
    - appropriate rehabilitation to be undertaken following the removal of structures and incompatible uses;
  - (c) recognition of the need to review management if indicated by results of monitoring and research.
- (iii) No additional incompatible uses and/or structures will be permitted except those provided for in this Code.
- (iv) Nothing in this Code derogates from any rights exercised in mining tenements in wilderness protection zones. In relation to mining operations in wilderness protection zones, environmental protection policies in section 5 of this Code will apply.

#### **3.2 Access and transport**

- (i) The use of vessels, motorised or wheeled transport will be permitted only on prescribed access routes, and for emergency and essential management operations (see 3.10) when alternative measures which do not degrade the wilderness quality of an area are unavailable.
- (ii) Access routes may be prescribed in a plan of management for use by vessels, motorised or wheeled transport in circumstances where this type of transport is essential for effective management.
- (iii) Construction of vehicle or walking tracks will be permitted only where re-direction of existing access requires construction of alternative tracks or for management works to achieve objectives identified in a plan of management. The construction of vehicle tracks for specific operations as provided for under 3.6(iii), 3.10 and 5.0 may be permitted on the basis that they will be rehabilitated as soon as possible.

- (iv) Vehicle and walking tracks that are not essential for management purposes as specified in 3.10, or for mining operations in wilderness protection zones (see 5.0) will be closed and rehabilitated as prescribed in a plan of management.
- (v) Over-flying for recreational purposes under an altitude of 1500m above ground level will be prohibited.
- (vi) The landing of aircraft will be prohibited, except by permission of the Director and for emergency and essential management operations. Helipads and airstrips that are identified as essential for emergencies and management operations will be maintained. All other strips or helipads will be rehabilitated as soon as possible or allowed to regenerate naturally.

### 3.3 Tourism

- (i) Commercial tours may be accommodated where their size and planned activities are compatible with maintenance of wilderness quality. Those permitted will have obtained a licence and will be conducted in accordance with licence conditions, the Visitor Management Strategy for the wilderness area (see 3.4), and the Minimum Impact Code. Tour groups will be monitored and regulated where necessary to prevent significant adverse impacts on wilderness quality and opportunities for solitude.

### 3.4 Recreation

- (i) The level and type of visitor use and visitor conduct will be managed in accordance with the objectives stated in section 2.0 of this Code.
- (ii) A visitor management strategy that specifies an acceptable level and type of visitor use and visitor conduct will be included in the management plan for each wilderness area.
- (iii) Visitor management strategies will include the promotion of the Minimum Impact Code and the distribution of any information about the wilderness values of particular wilderness areas. The following information should be used as a basis for monitoring the effectiveness of each strategy:
  - (a) the long-term limits of acceptable change for environmental (wilderness quality) and social (opportunities for wilderness dependent experiences) conditions within the wilderness area; and
  - (b) change in environmental and social conditions within the wilderness area.
- (iii) Constructed walking tracks, signs, track markers and other management devices or structures will be used only for essential management operations (see 3.2 (ii) and 3.10).
- (iv) Recreation will be in accordance with the Wilderness Protection Regulations and the Minimum Impact Code.

### 3.5 Cultural heritage

- (i) Places, sites and objects of significance to Aboriginal people are protected under state and commonwealth Aboriginal heritage legislation.
- (ii) Access by Aboriginal people to their sites of significance and protection of these sites will, as far as possible, be by methods compatible with the maintenance of wilderness quality.
- (iii) Nothing in this Code prevents Aboriginal people from doing anything in relation to Aboriginal sites, objects or remains in accordance with Aboriginal tradition. Further this Code does not prevent the taking, by Aboriginal people, of native plants, protected animals or the eggs of protected animals

in accordance with the relevant provisions in the *National Parks and Wildlife Act 1972*.

- (iv) Sites of historic significance will be conserved, using access and methods compatible with maintenance of wilderness quality in the long-term.
- (v) Non-Aboriginal structures and artefacts that are of no historic significance, as determined by the relevant authority, will be removed or allowed to deteriorate naturally. Removal will not be undertaken if the only method of removal significantly reduces wilderness quality in the long-term.

### 3.6 Fire

- (i) Fire management will be based on continuing research into the fire history of the area, the relationships between fire and the natural communities occurring within the area, and on the maintenance of wilderness quality.
- (ii) Deliberately lit fires will be used only in emergency situations, and in essential management operations as listed in 3.10 and subject to (i) above.
- (iii) Other human caused fires should, where practicable, be extinguished consistent with maintenance of wilderness quality.
- (iv) Naturally caused fires will be extinguished when, in view of the direction, intensity and extent of the fire and the fire suppression techniques available, they pose a threat to human life and property, and to habitats requiring protection.
- (v) Where fire suppression action is required, the methods utilised will be, wherever possible, those which will have the least long-term impact on wilderness quality.
- (vi) The use of heavy machinery for fire suppression within a wilderness area will be prohibited except:
  - (a) where it is considered to be the only way of preventing greater long-term loss of wilderness quality;
  - (b) where specific machinery use techniques, that do not result in significant disturbance to the landscape or create a new access network, are considered the only feasible method of preventing long-term loss of wilderness quality; or
  - (c) to mitigate hazard to human life, where alternative measures which do not impact on the wilderness quality of the area are unavailable.
- (vii) Wherever possible, fire management practices designed to protect land adjacent to or within a wilderness area will be conducted outside the wilderness area.

### 3.7 Research

- (i) Research that will contribute to the implementation of the objectives of wilderness management will be encouraged.
- (ii) Research that will not affect wilderness quality and cannot be carried out elsewhere may be permitted.
- (iii) Research not covered under (i) and (ii) will not be permitted.

### 3.8 Biological conservation

- (i) Management of threatened species, communities and habitats will, as far as possible, be consistent with maintenance of wilderness quality.
- (ii) Action will be taken to maintain and, where possible, restore natural processes, communities and habitats.

3.9 Non-indigenous species

- (i) Non-indigenous species which significantly affect the wilderness quality of a wilderness area will be controlled or eradicated.
- (ii) Action will be taken to prevent the establishment of non-indigenous species.

3.10 Emergency and essential management operations

- (i) All emergency and essential management operations will be carried out with the least possible impact on wilderness quality.
- (ii) Actions that cause short-term degradation of wilderness quality but are necessary for emergency and/or essential management operations will be permitted. The only specific situations acknowledged in this Code as possibly requiring such actions are:
  - control or eradication of non-indigenous species;
  - conservation of threatened species, communities and habitats;
  - protection of fire-sensitive species and communities;
  - management of visitor use;
  - management action or use of devices to mitigate hazard to human life;
  - restoration of natural processes, communities and habitats; and
  - research.

Where degradation has occurred as a result of these activities, rehabilitation will be undertaken as soon as practicable.

3.11 Wilderness protection zones

Protection of wilderness quality in wilderness protection zones will be negotiated with tenement holders on the basis of the environmental protection policies in section 5. Management undertakings will be incorporated in a plan of management.

**External influences**

- 4.1 Close liaison with adjoining landholders and managers will be established to ensure that adverse impacts on the wilderness quality of an area resulting from activities outside that area are minimised or prevented.
- 4.2 Where a wilderness area does not comprise a whole catchment, close liaison with upstream landholders and relevant authorities will be established to encourage the maintenance of water quality and flow regimes as close as practicable to their natural state.
- 4.3 Wherever possible management activities essential to the maintenance of the wilderness quality of a wilderness area are to be on land outside the wilderness area.

**Exercise of mining rights in wilderness protection zones**

The holder of a mining tenement shall:

- 5.1 have regard to the provisions of the plan of management under section 31 of the *Wilderness Protection Act 1992*; and
- 5.2 in undertaking any operations:
  - (i) protect native flora and fauna;
  - (ii) avoid the pollution of land, water and air;

- (iii) avoid disturbance to known sites of natural, scientific, Aboriginal and non-Aboriginal cultural significance;
- (iv) minimise the potential for wind and water erosion;
- (v) avoid unnecessary track creation;
- (vi) avoid introduction of non-indigenous species;
- (vii) establish environmental monitoring and rehabilitation programmes; and
- (viii) upon completion of the operation remove or obliterate all structures and materials used in the carrying out of mining operations.

## Section C: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

Public complaints received by the Department of Environment, Water and Natural Resources	
Category of complaints by subject	Number of instances
Accessibility to services	1
Bias	2
Compliance processes	2
Crown land dedication/reserves	3
Culturally inappropriate	1
Freeholding	2
Unprofessional conduct	1

Data for the past three years is available at: <https://data.sa.gov.au/data/dataset/dewnr-annual-report-data>

### Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Bias	Administrative processes reviewed and improvements implemented.
Compliance processes	Improvements in explanation of compliance processes.
Accessibility to services, Crown land dedication/reserves, culturally inappropriate, freeholding and unprofessional conduct	Improvements in explanation of processes and/or additional training to staff regarding dealing with customer complaints and dealing with unreasonable complainant conduct.

## **Appendix: Audited financial statements 2016-17**



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## To the Chief Executive Department of Environment, Water and Natural Resources

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Environment, Water and Natural Resources for the financial year ended 30 June 2017.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2017
- a Statement of Administered Financial Position as at 30 June 2017
- a Statement of Administered Changes in Equity for the year ended 30 June 2017
- a Statement of Administered Cash Flows for the year ended 30 June 2017
- a Schedule of Administered Expenses and Income attributable to administered activities for the year ended 30 June 2017
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer.

## **Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Department of Environment, Water and Natural Resources. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the Chief Executive for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

## **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

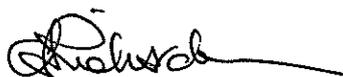
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

21 September 2017

**Department of Environment, Water and  
Natural Resources**

**Financial Statements**

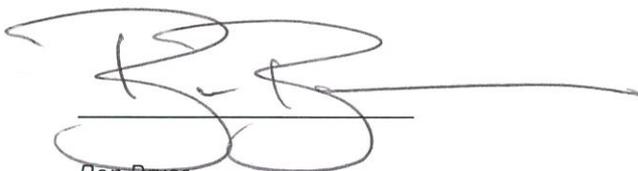
For the year ended 30 June 2017

## Department of Environment, Water and Natural Resources Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Department of Environment, Water and Natural Resources:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the Department of Environment, Water and Natural Resources as at 30 June 2017 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Department of Environment, Water and Natural Resources for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



*Ben Bruce*  
A/Chief Executive  
Department of Environment,  
Water and Natural Resources  
14 September 2017



*Michelle Griffiths*  
Chief Financial Officer  
Department of Environment,  
Water and Natural Resources  
14 September 2017

**Department of Environment, Water and Natural Resources**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Employee benefits	5	155 455	160 552
Supplies and services	6	93 433	83 908
Grants and subsidies	7	31 954	36 352
Water recovery / acquisition	8	-	807
Depreciation and amortisation	9	25 481	20 297
Net loss from disposal of non-current assets	10	9 805	2 149
Other	11	3 136	2 491
<b>Total expenses</b>		<b>319 264</b>	<b>306 556</b>
<b>Income</b>			
Fees and charges	12	97 436	96 217
Grants	13	58 769	65 743
Interest	14	672	683
Other	15	2 215	8 456
<b>Total income</b>		<b>159 092</b>	<b>171 099</b>
<b>Net cost of providing services</b>		<b>160 172</b>	<b>135 457</b>
<b>Revenues from / payments to SA Government</b>			
Revenues from SA Government	16	148 986	156 140
Payments to SA Government	16	(8 273)	(13 652)
<b>Total net revenues from SA Government</b>		<b>140 713</b>	<b>142 488</b>
<b>Net result</b>		<b>(19 459)</b>	<b>7 031</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	22	49 179	48 949
<b>Total other comprehensive income</b>		<b>49 179</b>	<b>48 949</b>
<b>Total comprehensive result</b>		<b>29 720</b>	<b>55 980</b>

**The net result and total comprehensive result are attributable to the SA Government as owner**

The above statement should be read in conjunction with the accompanying notes

**Department of Environment, Water and Natural Resources**  
**Statement of Financial Position**  
*as at 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Current assets</b>			
Cash and cash equivalents	17	144 329	147 428
Receivables	18	14 260	17 743
Inventories	19	2 567	2 423
Other assets	20	1 095	1 251
<b>Total current assets</b>		<b>162 251</b>	<b>168 845</b>
<b>Non-current assets</b>			
Receivables	18	33	34
Other financial assets	21	3	3
Property, plant and equipment	22	635 751	575 908
Intangible assets	23	4 971	5 273
<b>Total non-current assets</b>		<b>640 758</b>	<b>581 218</b>
<b>Total assets</b>		<b>803 009</b>	<b>750 063</b>
<b>Current liabilities</b>			
Payables	25	34 263	21 893
Employee benefits	26	15 181	14 381
Provisions	27	550	913
Other liabilities	28	2 236	2 286
<b>Total current liabilities</b>		<b>52 230</b>	<b>39 473</b>
<b>Non-current liabilities</b>			
Payables	25	3 198	3 287
Employee benefits	26	34 439	35 140
Provisions	27	1 260	1 936
Other liabilities	28	19 062	20 490
<b>Total non-current liabilities</b>		<b>57 959</b>	<b>60 853</b>
<b>Total liabilities</b>		<b>110 189</b>	<b>100 326</b>
<b>Net assets</b>		<b>692 820</b>	<b>649 737</b>
<b>Equity</b>			
Contributed capital	29	22 612	22 612
Retained earnings	29	282 548	287 519
Asset revaluation surplus	29	387 660	339 606
<b>Total equity</b>		<b>692 820</b>	<b>649 737</b>

**The total equity is attributable to the SA Government as owner**

Unrecognised contractual commitments	34
Contingent assets and liabilities	35

The above statement should be read in conjunction with the accompanying notes

**Department of Environment, Water and Natural Resources**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2017*

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 30 June 2015</b>		22 612	290 657	279 351	592 620
Error correction - property, plant and equipment	22	-	-	2 142	2 142
Error correction - receivables	18	-	-	( 374)	( 374)
<b>Restated balance at 30 June 2015</b>		<b>22 612</b>	<b>290 657</b>	<b>281 119</b>	<b>594 388</b>
Net result for 2015-16		-	-	7 031	7 031
Gain on revaluation of property, plant and equipment		-	48 949	-	48 949
<b>Total comprehensive result for 2015-16</b>		<b>-</b>	<b>48 949</b>	<b>7 031</b>	<b>55 980</b>
<b>Balance at 30 June 2016</b>		<b>22 612</b>	<b>339 606</b>	<b>288 150</b>	<b>650 368</b>
Error correction - property, plant and equipment	22	-	-	( 631)	( 631)
<b>Restated balance at 30 June 2016</b>	29	<b>22 612</b>	<b>339 606</b>	<b>287 519</b>	<b>649 737</b>
<b>Opening balance at 1 July 2016</b>		22 612	339 606	287 519	649 737
Error correction - Groundwater monitoring wells	22	-	-	13 363	13 363
<b>Restated opening balance at 1 July 2016</b>		<b>22 612</b>	<b>339 606</b>	<b>300 882</b>	<b>663 100</b>
Net result for 2016-17		-	-	(19 459)	(19 459)
Equity transfer on asset disposal		-	(1 125)	1 125	-
Gain on revaluation of property, plant and equipment		-	49 179	-	49 179
<b>Total comprehensive results for 2016-17</b>		<b>-</b>	<b>48 054</b>	<b>(18 334)</b>	<b>29 720</b>
<b>Balance at 30 June 2017</b>	29	<b>22 612</b>	<b>387 660</b>	<b>282 548</b>	<b>692 820</b>

**All changes in equity are attributable to the SA Government as owner**

The above statement should be read in conjunction with the accompanying notes

**Department of Environment, Water and Natural Resources**  
**Statement of Cash Flows**  
*for the year ended 30 June 2017*

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	Note	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(156 156)	(154 005)
Payments for supplies and services		(102 201)	(102 041)
Payments of grants and subsidies		(37 913)	(38 342)
Water recovery / acquisition expenses		-	( 807)
Other payments		( 760)	( 365)
<b>Cash provided by (used in) operations</b>		<b>(297 030)</b>	<b>(295 560)</b>
<b>Cash inflows</b>			
Fees and charges		105 113	92 164
Receipts from grants		60 972	68 810
Interest received		678	712
GST recovered from the Australian Taxation Office		11 646	11 886
Other receipts		2 429	9 923
<b>Cash generated from operations</b>		<b>180 838</b>	<b>183 495</b>
<b>Cash flows from SA government</b>			
Receipts from SA government		148 986	156 140
Payments to SA government		(8 273)	(13 652)
<b>Cash generated from SA government</b>		<b>140 713</b>	<b>142 488</b>
<b>Net cash provided by operating activities</b>	31	<b>24 521</b>	<b>30 423</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(27 654)	(17 475)
<b>Cash used in investing activities</b>		<b>(27 654)</b>	<b>(17 475)</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		34	30
<b>Cash generated from investing activities</b>		<b>34</b>	<b>30</b>
<b>Net cash used in investing activities</b>		<b>(27 620)</b>	<b>(17 445)</b>
<b>Net increase in cash and cash equivalents</b>		(3 099)	12 978
Cash and cash equivalents at the beginning of the period		147 428	134 450
<b>Cash and cash equivalents at 30 June</b>	17	<b>144 329</b>	<b>147 428</b>

**Department of Environment, Water and Natural Resources**  
**Disaggregated Disclosures – Expenses and Income**  
*for the year ended 30 June 2017*

	Sustainability		Water		Parks and Public Assets		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Expenses</b>								
Employee benefits	54 207	58 150	38 227	37 912	63 021	64 490	155 455	160 552
Supplies and services	24 228	25 177	32 383	24 023	36 822	34 708	93 433	83 908
Grants and subsidies	4 295	2 274	24 158	32 018	3 501	2 060	31 954	36 352
Water recovery / acquisition	-	-	-	807	-	-	-	807
Depreciation and amortisation	4 255	3 329	6 931	5 358	14 295	11 610	25 481	20 297
Net loss from disposal of non-current assets	3 422	301	927	78	5 456	1 770	9 805	2 149
Other	770	365	777	1 285	1 589	841	3 136	2 491
<b>Total expenses</b>	<b>91 177</b>	<b>89 596</b>	<b>103 403</b>	<b>101 481</b>	<b>124 684</b>	<b>115 479</b>	<b>319 264</b>	<b>306 556</b>
<b>Income</b>								
Fees and charges	40 013	33 374	32 856	35 233	24 567	27 610	97 436	96 217
Grants	8 397	8 055	45 017	51 747	5 355	5 941	58 769	65 743
Interest	6	7	644	650	22	26	672	683
Other	535	6 440	1 588	1 939	92	77	2 215	8 456
<b>Total income</b>	<b>48 951</b>	<b>47 876</b>	<b>80 105</b>	<b>89 569</b>	<b>30 036</b>	<b>33 654</b>	<b>159 092</b>	<b>171 099</b>
<b>Net cost of providing services</b>	<b>42 226</b>	<b>41 720</b>	<b>23 298</b>	<b>11 912</b>	<b>94 648</b>	<b>81 825</b>	<b>160 172</b>	<b>135 457</b>
<b>Revenues from/payments to SA Government</b>								
Revenues from SA Government	59 739	65 535	18 031	18 579	71 216	72 026	148 986	156 140
Payments to SA Government	(3 359)	(2 396)	( 910)	(8 622)	(4 004)	(2 634)	(8 273)	(13 652)
<b>Total net revenues from SA Government</b>	<b>56 380</b>	<b>63 139</b>	<b>17 121</b>	<b>9 957</b>	<b>67 212</b>	<b>69 392</b>	<b>140 713</b>	<b>142 488</b>
<b>Net result</b>	<b>14 154</b>	<b>21 419</b>	<b>(6 177)</b>	<b>(1 955)</b>	<b>(27 436)</b>	<b>(12 433)</b>	<b>(19 459)</b>	<b>7 031</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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## **1 Objectives of the Department of Environment, Water and Natural Resources**

The Department of Environment, Water and Natural Resources (DEWNR) purpose is to help South Australians conserve, sustain and prosper. DEWNR achieves this by being:

- a facilitator of community involvement in, and shared responsibility for, the environment
- a steward of the state's natural resources to enable sustainable development
- the custodian of public places (parks, gardens, heritage places and Crown lands) for public benefit and enjoyment, and their intrinsic value
- an authority on the state's environment and natural resources to help governments, businesses and individuals make good long-term decisions.

## **2 Significant accounting policies**

### **(a) Statement of compliance**

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

DEWNR has applied Australian Accounting Standards that are applicable to not-for-profit entities, as DEWNR is a not for profit entity.

### **(b) Basis of preparation**

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying DEWNR's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- The selection and application of accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- Compliance with Accounting Policy Statements issued pursuant to Section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Standards require the following note disclosures, that have been included in these financial statements:
  - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items may be utilised. DEWNR has elected to utilise this threshold in relation to transactions applicable to revenue and expense items. The threshold has not been applied to financial assets and financial liabilities, that is financial assets and financial liabilities relating to SA Government have been separately disclosed
  - (b) expenses incurred as a result of engaging consultants
  - (c) employee targeted voluntary separation package information

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

**(b) Basis of preparation (continued)**

- (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
- (e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

**(c) Reporting entity**

DEWNR is a government department of the State of South Australia and operates within the *Public Sector Act 2009*. DEWNR is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of DEWNR (refer to the disaggregated schedule for details of the DEWNR's controlled activities). Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to DEWNR's overall financial performance and position, they are disclosed in the administered financial statements (schedule of administered items) at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

**(d) Comparative information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative amounts have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

**(e) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

**(f) Taxation**

DEWNR is not subject to income tax. DEWNR is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Income, expenses and assets are recognised net of the amount of GST except that:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

**(f) Taxation (continued)**

DEWNR prepares a Business Activity Statement on behalf of its controlled entities, administered items and other clients to which it provides business services under the grouping provisions of the GST legislation. Under the grouping provisions, DEWNR is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in DEWNR's Statement of Financial Position and the GST cash flows recorded in DEWNR's.

**(g) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

**(h) Current and non-current classification**

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, DEWNR has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

**(i) Non-current assets**

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value; that is the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value of \$10 000 or greater are capitalised.

Minor assets with an individual value of less than \$10 000 are expensed in the Statement of Comprehensive Income at the time of acquisition, with the exception of Groundwater Monitoring Wells due to the significant number and long useful lives of the assets contained within this class. All assets for this class have been recognised in the Statement of Financial Position regardless of their initial cost of acquisition.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as computer software, while depreciation is applied to tangible assets such as property, plant and equipment.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

**(i) Non-current assets (continued)**

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Land is not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Property, plant and equipment	
Buildings and improvements	5-188
Groundwater monitoring wells	10-50
Regulators and embankments	5-200
Park infrastructure	3-120
Patawalonga seawater circulation and Barcoo Outlet	6-99
Plant and equipment	3-40
Roads, tracks and trails	4-41
Salinity disposal schemes	15-99
Surface water monitoring network	40-80
Waste disposal stations	50-400
Sand pumping infrastructure	10-50
Leasehold improvements	12
Other	45-60
Intangible assets	
Externally acquired	3-10
Internally acquired	3-12
War services leases	44

Revaluation of non-current assets

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

DEWNR revalues its land, buildings and improvements, and other infrastructure assets via a Certified Practising Valuer or internal estimates based on indices or recent transactions. A valuation appraisal by a Certified Practising Valuer is performed at least every six years.

If at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

For all property, plant and equipment assets that have been subject to an independent revaluation both the replacement cost and the associated accumulated depreciation have been presented on a gross basis.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

**(i) Non-current assets (continued)**

Impairment

DEWNR holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible. Accordingly, the recoverable amount will be close to or greater than fair value.

DEWNR also expects for all other non-current tangible assets that any costs of disposal would be negligible and the recoverable amount to be close to or greater than fair value.

*Heritage assets*

In accordance with APF III *Asset Accounting Framework*, heritage assets are recognised in the Statement of Financial Position as part of the aggregate value of classes of assets to which they belong. Certain heritage assets and works of art that are unique due to their historical or cultural interest are not depreciated due to their long and indeterminate useful lives. Heritage assets that provide a functional service are recorded at depreciable fair value.

*Land*

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

DEWNR is also custodian of unallotted (unalienated) Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Land dedicated to the Minister and land held by the Minister, either as freehold or reverted land is also recognised as administered land. Administered lands may be subject to third party perpetual leases and other leases and annual licenses.

*Intangible assets*

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

For the War Services Leases the rate of amortisation has been determined after reference to both the unexpired period of the leases and the rate of extinguishment of the leases.

No amortisation is applied to water entitlements (included in acquired intangible assets) as these have been assessed as having an indefinite term of future economic benefits.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

**(i) Non-current assets (continued)**

*Fair value measurement*

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

DEWNR classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in an active market and derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in an active market and are derived from unobservable inputs.

In determining fair value, DEWNR has taken into account the characteristic of the asset (for example condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

DEWNR's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As DEWNR did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer notes 22 and 24 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

**(j) Liabilities**

*Leases*

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. DEWNR has entered into operating leases.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

*Lease incentives*

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by DEWNR in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

*Employee benefits*

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

**(j) Liabilities (continued)**

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

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

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The unconditional portion of the long service leave provision is classified as current as DEWNR does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of the long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

**(k) Unrecognised contractual commitments and contingent assets and liabilities**

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

**3 New and revised accounting standards and policies**

DEWNR did not voluntarily change any of its accounting policies during 2016-17.

Accounting standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by DEWNR for the period ending 30 June 2017.

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 January 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases.

The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**3 New and revised accounting standards and policies (continued)**

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

DEWNR has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the Commitments disclosure in the Notes to the Financial Statements.

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

The changes in revenue recognition requirements may result in changes to the timing and amount of revenue from sales of DEWNR's goods and services. Some revenue may need to be deferred to a later reporting period to the extent that DEWNR has received cash but has not yet met the associated performance obligations.

AASB 1058 *Income of Not-for-Profit Entities* will replace a number of income recognition requirements under AASB 1004 *Contributions* and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

DEWNR has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the statement of comprehensive income.

DEWNR has not assessed the impact of other new and amended standards and interpretations and therefore is not able to quantify the impact on accounting policies or the financial statements of DEWNR.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**4 Activities of DEWNR**

In achieving its objectives, DEWNR provides a range of services classified into the following activities:

**Activity 1: Sustainability**

Ensure the effective management of the state's natural resources through strategic planning, state-wide policy and frontline service delivery for the benefit of the community, our economy and ecosystems.

**Activity 2: Water**

Ensure good quality, sustainable water supplies and management of the River Murray and state water resources for the benefit of our economy, community and environment.

**Activity 3: Parks and public assets**

Conserve, sustain and build the state's reserve system to enhance visitor experiences, improve management practices and help mitigate against the impacts of bushfire.

The disaggregated disclosures schedules presents expenses and income information attributable to each of the activities for the years ended 30 June 2017 and 30 June 2016.

AASB 1052 Disaggregated Disclosures requires government departments to disclose the assets deployed and liabilities incurred that are reliably attributable to each of their activities. DEWNR cannot currently reliably attribute assets and liabilities across activities. Hence this disclosure has not been made.

**5 Employee benefits expenses**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	119 835	119 152
Annual leave	11 150	11 023
LSL	2 337	6 078
SERL	608	618
Employment on-costs - superannuation*	13 416	13 507
Employment on-costs - other	7 403	9 458
TVSPs (refer below)	131	113
Board and committees fees	234	253
Other employee related expenses	341	350
<b>Total employee benefits expenses</b>	<b>155 455</b>	<b>160 552</b>

\*The superannuation employment on-cost charge represents DEWNR's contributions to superannuation plans in respect of current services of current employees.

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid during the reporting period to separated employees:		
TVSPs	131	113
Annual leave, LSL and SERL paid to those employees	88	75
	<b>219</b>	<b>188</b>
<b>Net cost to DEWNR</b>	<b>219</b>	<b>188</b>
Number of employees who received a TVSP during the reporting period	2	1

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**5 Employee benefits expenses (continued)**

**Remuneration of employees**

The number of employees whose remuneration received or receivable falls within the following bands:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
\$147 001 – 157 000	5	4
\$157 001 – 167 000	5	4
\$167 001 – 177 000	3	5
\$177 001 – 187 000	5	3
\$187 001 – 197 000	1	4
\$197 001 – 207 000	1	1
\$207 001 – 217 000	3	1
\$217 001 – 227 000	2	1
\$227 001 – 237 000	1	-
\$237 001 – 247 000	1	-
\$247 001 – 257 000	-	2
\$257 001 – 267 000	-	1
\$287 001 – 297 000	-	1
\$297 001 – 307 000	1	-
\$317 001 – 327 000	-	1
\$337 001 – 347 000	-	1
\$357 001 – 367 000	1	1
\$467 001 – 477 000	1	-
<b>Total</b>	<b>30</b>	<b>30</b>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$6.062 million (2016: \$6.127 million).

**6 Supplies and services**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation and property management	14 011	16 812
Bore drilling services	4 299	1 733
Consultants	282	243
Contractors	1 789	3 822
Cost of goods sold	1 553	1 634
Fee for service	19 765	17 664
General administration	12 341	10 669
Information technology & communication	9 758	9 513
Minor works, maintenance & equipment	10 285	4 621
Monitoring fees	245	110
Sand replenishment	6 087	4 948
Scientific and technical services	307	334
Transportation	459	334
Travel and accommodation	1 961	1 874
Vehicle and aircraft	4 710	4 790
Staff development	1 482	1 401
Other	4 099	3 406
<b>Total supplies and services</b>	<b>93 433</b>	<b>83 908</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**6 Supplies and services (continued)**

The number and dollar amount of consultancies paid/payable (included in supplies and services expenses) fell within the following bands:

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10 000	8	13	41	52
Above \$10 000	8	5	241	191
<b>Total paid/payable to consultants engaged</b>	<b>16</b>	<b>18</b>	<b>282</b>	<b>243</b>

**7 Grants and subsidies**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Administration of the <i>Animal Welfare Act 1985</i>	1 077	1 051
Building upgrade finance	885	20
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	1 219	3 903
Goyder Institute	2 000	2 000
Great Artesian Basin Sustainability Initiative	-	2 166
Marine parks	780	1 051
Murray Darling Basin Authority	19 444	19 054
Nilpena Station Ediacaran Fossil site	1 730	-
River Murray Improvement Program	-	2 000
Other	4 819	5 107
<b>Total grants and subsidies</b>	<b>31 954</b>	<b>36 352</b>

**Grants and subsidies paid/payable to entities within the SA Government**

Coorong, Lower Lakes and Murray Mouth - Long Term Plan	-	545
Marine parks	300	285
River Murray Improvement Program	-	2 000
Other	410	1 310
<b>Total grants and subsidies - SA Government entities</b>	<b>710</b>	<b>4 140</b>

**8 Water recovery / acquisition expenses**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Environmental water purchase	-	807
<b>Total water recovery / acquisition expenses</b>	<b>-</b>	<b>807</b>

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**9 Depreciation and amortisation expense**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings and improvements	4 935	3 069
Park infrastructure	3 896	4 141
Roads, tracks and trails	5 636	4 396
Groundwater monitoring wells	2 271	2 259
Salinity disposal schemes	445	458
Patawalonga seawater circulation and Barcoo outlet	610	688
Sand pumping infrastructure	1 006	1 006
Surface water monitoring network	157	159
Waste disposal stations	168	168
Regulators and embankments	1 272	69
Plant and equipment	2 442	2 465
Leasehold improvements	1 788	307
Other	18	18
<b>Total depreciation</b>	<b>24 644</b>	<b>19 203</b>
<b>Amortisation</b>		
Application software - internally generated	555	832
Application software - externally purchased	260	240
Other - war services leases	22	22
<b>Total amortisation</b>	<b>837</b>	<b>1 094</b>
<b>Total depreciation and amortisation expense</b>	<b>25 481</b>	<b>20 297</b>

**Revision of accounting estimates**

DEWNR altered the useful lives of various assets in accordance with normal periodic assessment procedures. In accordance with AASB108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the resulting adjustments have been applied prospectively in the current year.

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**10 Net loss from disposal of non-current assets**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed *	( 706)	-
<b>Net (loss)/gain from disposal</b>	<b>( 706)</b>	<b>-</b>
<b>Buildings and improvements</b>		
Proceeds from disposal	-	1
Less net book value of assets disposed *	(1 532)	( 87)
<b>Net (loss)/gain from disposal</b>	<b>(1 532)</b>	<b>( 86)</b>
<b>Park infrastructure</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed *	( 260)	( 376)
<b>Net (loss)/gain from disposal</b>	<b>( 260)</b>	<b>( 376)</b>
<b>Roads, tracks and trails</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed *	(3 024)	( 840)
<b>Net (loss)/gain from disposal</b>	<b>(3 024)</b>	<b>( 840)</b>
<b>Plant and equipment</b>		
Proceeds from disposal	34	29
Less net book value of assets disposed *	( 217)	( 876)
<b>Net (loss)/gain from disposal</b>	<b>( 183)</b>	<b>( 847)</b>
<b>Waste disposal stations</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	( 156)	-
<b>Net (loss)/gain from disposal</b>	<b>( 156)</b>	<b>-</b>
<b>Groundwater monitoring wells</b>		
Proceeds from disposal	-	-
Less Net book value of assets disposed *	(2 692)	-
<b>Net (loss)/gain from disposal</b>	<b>(2 692)</b>	<b>-</b>
<b>Salinity disposal schemes</b>		
Proceeds from disposal	-	-
Less Net book value of assets disposed	(1 252)	-
<b>Net loss from disposal</b>	<b>(1 252)</b>	<b>-</b>
<b>Total assets</b>		
Total proceeds from disposal	34	30
Less total net book value of assets disposed	(9 839)	(2 179)
<b>Total net (loss) from disposal of non-current assets</b>	<b>(9 805)</b>	<b>(2 149)</b>

Losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

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**10 Net loss from disposal of non-current assets (continued)**

**\*Assets transferred free of charge**

During the current year, assets to the value of \$1.379 million (2016: \$1.44 million) were transferred to the Board of the Botanic Gardens and State Herbarium, assets to the value of \$0.706 million were transferred to Crown Lands, assets to the value of \$3.014 million were transferred to the Renmark Paringa Council and assets to the value of \$2.593 million were transferred to Pastoralists in the Great Artesian Basin Region. The prior year included assets to the value of \$0.244 million transferred to the Murray Darling Basin Authority free of charge.

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Land	706	-
Buildings and improvements	1 346	-
Park infrastructure	-	376
Roads, tracks and trails	3 014	840
Plant and equipment	33	468
Groundwater monitoring wells	2 593	-
<b>Total assets transferred free of charge</b>	<b>7 692</b>	<b>1 684</b>

**11 Other expenses**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Bad and doubtful debts	592	60
Capital project costs not capitalised	1 325	2 153
Audit fees *	489	405
Movement in Inventory	( 133)	( 129)
Impairment loss	862	-
Other	1	2
<b>Total other expenses</b>	<b>3 136</b>	<b>2 491</b>

\*Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.415 million (2016: \$0.405 million). No other services were provided by the Auditor-General's Department.

**12 Revenues from fees and charges**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Admissions and guided tours	9 283	8 882
Fees, levies and licences	2 622	2 499
NRM Board salary recovery	30 040	30 544
Other salary recoveries	1 828	1 887
Property rental and related income	5 857	6 082
Taxation revenue - River Murray rehabilitation levy	286	1 453
Service recoveries	17 995	17 556
Sale of goods	3 991	3 892
Sale of professional services	5 725	8 117
Sale of support services	18 804	14 263
Sale of spatial information	783	840
Sale of freehold titles	222	202
<b>Total revenues from fees and charges</b>	<b>97 436</b>	<b>96 217</b>

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**13 Grant revenues**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grant revenues from the Commonwealth</b>		
Constraints Management Strategy Implementation	-	830
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	14 413	5 003
Flows for the future	1 800	-
Great Artesian Basin Sustainability Initiative	4 281	2 698
Implementing the Murray Darling Basin reform	1 486	2 043
Murray Futures - Riverine Recovery	584	7 875
National Bushfire Mitigation Program	449	907
National framework for compliance and enforcement systems	-	778
National Partnership Agreement - Bioregional Assessment Lake Eyre Basin	-	250
Nature Links	364	351
SA Riverland Floodplain Infrastructure Program	15 000	25 000
SA State Priority Project Design Funding	713	1 965
The Living Murray - Chowilla	1 002	1 015
The Living Murray - Lower Lakes, Coorong and Murray Mouth	828	888
Tourism Demand Driver Infrastructure	739	959
Other	115	287
<b>Total grant revenues from the Commonwealth</b>	<b>41 774</b>	<b>50 849</b>
<b>Grant revenues from SA Government</b>		
Adelaide Living Beaches strategy	2 655	2 590
Botanic Gardens - Aquifer Storage and Recovery	655	655
Community Emergency Services Funding	3 194	3 321
Compliance and Monitoring	781	690
Highbury Aqueduct fire prevention	375	282
One million trees	-	250
Water Industry Act	165	200
Other	5 628	5 155
<b>Total grant revenues from SA Government</b>	<b>13 453</b>	<b>13 143</b>
<b>Grant revenues from private industry and local government</b>		
Implementing the Limestone Coast and Coorong Coastal Action Plan	486	489
Other	3 056	1 262
<b>Total grant revenues from private industry and local government</b>	<b>3 542</b>	<b>1 751</b>
<b>Total grant revenues</b>	<b>58 769</b>	<b>65 743</b>

Contributions are recognised as an asset and income when DEWNR obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (that is the amount can be reliably measured and the flow of resources is probable).

Generally, DEWNR has obtained control or the right to receive:

- Contributions with unconditional stipulations – this will be when the agreement becomes enforceable; that is the earlier of when the receiving entity has formally been advised that the contribution (for example grant application) has been approved; agreement/contract is executed; and/or the contribution is received.

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**13 Grant revenues (continued)**

- Contributions with conditional stipulations – that is when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

**Contributions with conditions of expenditure**

DEWNR received grants from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2017 \$76.509 million (2016: \$84.113 million) of grants, which have been recognised as revenues in the Statement of Comprehensive Income, are yet to be spent in the manner specified by the contributors.

**14 Interest revenues**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	672	683
<b>Total interest revenues</b>	<b>672</b>	<b>683</b>

**15 Other income**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Insurance recoveries	34	28
Salaries and wages recoveries	88	68
Sponsorships, donations, commissions and bequests	117	114
Water sales	1 540	8 007
Other sundry revenue	436	239
<b>Total other income</b>	<b>2 215</b>	<b>8 456</b>

**16 Revenue from / payments to SA Government**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the Appropriation Act	144 698	155 185
Appropriations from contingency funds	4 288	955
<b>Total revenues from SA Government</b>	<b>148 986</b>	<b>156 140</b>
<b>Payments to SA Government</b>		
Return to consolidated account	( 701)	(9 932)
Return of surplus cash	(7 572)	(3 720)
<b>Total payments to SA Government</b>	<b>(8 273)</b>	<b>(13 652)</b>

Appropriations are recognised as revenues when DEWNR obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of DEWNR and the appropriation is recorded as contributed equity.

Total revenues from government consist of \$138.526 million (2016: \$144.049 million) for operational funding and \$10.460 million (2016: \$12.091 million) for capital projects. There was no material variance between the amount appropriated and the expenditure associated with this appropriation.

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**17 Cash and cash equivalents**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	144 150	147 246
Imprest account / cash on hand	179	182
<b>Total cash and cash equivalents</b>	<b>144 329</b>	<b>147 428</b>

Cash is measured at nominal amounts.

**Deposits with the Treasurer**

DEWNR has two deposit accounts with the Treasurer, a General Operating Account and an Accrual Appropriation Excess Funds Account. Although DEWNR controls the money in the Accrual Appropriation Excess Funds Account its use must be approved by the Treasurer.

**18 Receivables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Receivables	10 197	14 104
Less allowance for doubtful debts	( 738)	( 489)
	<b>9 459</b>	<b>13 615</b>
Accrued revenues	55	58
GST input tax recoverable	4 741	4 056
Workers compensation recoveries	5	14
<b>Total current receivables</b>	<b>14 260</b>	<b>17 743</b>
<b>Non-current</b>		
Workers compensation recoveries	33	34
<b>Total non-current receivables</b>	<b>33</b>	<b>34</b>

**Movement in the allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (that is calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	489	435
Amounts written off	-	( 6)
Increase in the allowance	249	60
<b>Carrying amount at the end of the period</b>	<b>738</b>	<b>489</b>

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**18 Receivables (continued)**

**Interest rate and credit risk**

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that DEWNR will not be able to collect the debt. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 38 for further information on risk management.

Error correction

An error correction of \$0.374 million has been disclosed in the Statement of Changes in Equity in respect of the 2012-13 financial year. As a consequence, receivables were overstated. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a de-recognition of a receivable. Total impact on equity was \$0.374 million (receivables \$0.374 million).

**19 Inventories**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Inventories held for distribution at no or nominal amount</b>		
Inventories held for distribution - at cost	632	507
<b>Total inventories held for distribution at no or nominal amount</b>	<b>632</b>	<b>507</b>
<b>Inventories held for resale - at cost</b>		
Finished goods held for resale - at cost	1 935	1 916
<b>Total inventories held for resale - at cost</b>	<b>1 935</b>	<b>1 916</b>
<b>Total inventories</b>	<b>2 567</b>	<b>2 423</b>

Inventories include goods held either for sale or distribution at no or nominal cost in the ordinary course of business.

Inventories held for distribution at no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Bases used in assessing loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost for all other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred.

**20 Other assets**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Prepaid supplies and services	1 094	1 245
Other	1	6
<b>Total other current assets</b>	<b>1 095</b>	<b>1 251</b>

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**21 Other financial assets**

	2017	2016
	\$'000	\$'000
<b>Non-current</b>		
Equity in unlisted entities	3	3
<b>Total non-current other financial assets</b>	<b>3</b>	<b>3</b>

**22 Property, plant and equipment**

	2017	2016
	\$'000	\$'000
<b>Land</b>		
Independent valuation <sup>(i)</sup>	259 055	258 890
At cost <sup>(ii)</sup>	8 140	8 245
<b>Total land</b>	<b>267 195</b>	<b>267 135</b>
<b>Buildings and improvements</b>		
Independent valuation <sup>(i)</sup>	192 726	145 491
At cost <sup>(ii)</sup>	2 542	9 805
Less accumulated depreciation	(131 060)	(107 598)
<b>Total buildings and improvements</b>	<b>64 208</b>	<b>47 698</b>
<b>Park infrastructure</b>		
Independent valuation <sup>(i)</sup>	210 168	174 267
At cost <sup>(ii)</sup>	8 777	31 154
Less accumulated depreciation	(192 130)	(167 787)
<b>Total park infrastructure</b>	<b>26 815</b>	<b>37 634</b>
<b>Roads, tracks and trails</b>		
Independent valuation <sup>(i)</sup>	228 019	194 721
At cost <sup>(ii)</sup>	10 549	12 214
Less accumulated depreciation	(215 237)	(183 560)
<b>Total roads, tracks and trails</b>	<b>23 331</b>	<b>23 375</b>
<b>Groundwater monitoring wells</b>		
Independent valuation <sup>(i)</sup>	223 231	130 256
At cost <sup>(ii)</sup>	-	4 679
Less accumulated depreciation	(147 118)	(90 548)
<b>Total groundwater monitoring wells</b>	<b>76 113</b>	<b>44 387</b>
<b>Salinity disposal schemes</b>		
Independent valuation <sup>(i)</sup>	43 067	44 314
At cost <sup>(ii)</sup>	-	568
Less accumulated depreciation	(13 502)	(13 620)
<b>Total salinity disposal schemes</b>	<b>29 565</b>	<b>31 262</b>
<b>Patawalonga seawater circulation and Barcoo outlet</b>		
Independent valuation <sup>(i)</sup>	45 452	45 451
Less accumulated depreciation	(15 293)	(14 682)
<b>Total Patawalonga seawater circulation and Barcoo outlet</b>	<b>30 159</b>	<b>30 769</b>

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**22 Property, plant and equipment (continued)**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Sand pumping infrastructure</b>		
At cost <sup>(ii)</sup>	20 544	20 544
Less accumulated depreciation	(4 443)	(3 437)
<b>Total sand pumping infrastructure</b>	<b>16 101</b>	<b>17 107</b>
<b>Surface water monitoring network</b>		
Independent valuation <sup>(i)</sup>	12 622	8 469
At cost <sup>(ii)</sup>	-	1 051
Less accumulated depreciation	(5 490)	(4 024)
<b>Total surface water monitoring network</b>	<b>7 132</b>	<b>5 496</b>
<b>Waste disposal stations</b>		
Independent valuation <sup>(i)</sup>	6 839	7 752
At cost <sup>(ii)</sup>	1 532	638
Less accumulated depreciation	(2 205)	(2 829)
<b>Total waste disposal stations</b>	<b>6 166</b>	<b>5 561</b>
<b>Regulators and embankments</b>		
Independent valuation <sup>(i)</sup>	20 559	13 760
At cost	17 469	-
Less accumulated depreciation	(16 782)	(6 880)
<b>Total Regulators and embankments</b>	<b>21 246</b>	<b>6 880</b>
<b>Plant and equipment</b>		
At cost (deemed fair value) <sup>(iii)</sup>	35 043	38 737
Less accumulated depreciation	(21 092)	(25 158)
<b>Total plant and equipment</b>	<b>13 951</b>	<b>13 579</b>
<b>Leasehold improvements</b>		
At cost (deemed fair value) <sup>(iii)</sup>	21 459	21 459
Less accumulated depreciation	(2 086)	( 298)
<b>Total leasehold improvements</b>	<b>19 373</b>	<b>21 161</b>
<b>Other</b>		
At cost (deemed fair value) <sup>(iii)</sup>	1 867	1 867
Less accumulated depreciation	( 686)	( 668)
<b>Total other</b>	<b>1 181</b>	<b>1 199</b>
<b>Capital works in progress</b>		
Capital works in progress	33 215	22 665
<b>Total capital works in progress</b>	<b>33 215</b>	<b>22 665</b>
<b>Total property, plant and equipment</b>	<b>635 751</b>	<b>575 908</b>

## **22 Property, plant and equipment (continued)**

### **Carrying amounts of property, plant and equipment**

Classes of property, plant and equipment are valued as follows:

i. Independent valuation:

Generic assets are valued using the Data Dictionary model. Unique assets are items which cannot be categorised within the standard Data Dictionary groups. These assets are valued separately by independent professional valuers. Refer to note 2(i) for further details.

ii. At cost (acquisition cost):

This class includes one or more items that have an acquisition cost exceeding \$1 million. All assets within this class are temporarily held at cost pending revaluation.

iii. At cost (deemed fair value):

These assets have an acquisition cost below \$1 million or have an estimated useful life of less than three years, and have not been revalued in accordance with APF III and are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

### **Asset Revaluations**

Independent valuations were performed of the following asset classes during the reporting period:

- Buildings and improvements
- Park infrastructure
- Roads, tracks and trails
- Groundwater monitoring wells, and
- Surface water monitoring network

Specific details relating to the revalued asset classes follow:

Generic (or 'standard' designed) Buildings and improvements, Park infrastructure, and Roads, tracks and trails were revalued using a Data Dictionary approach. The data dictionary model is contained within DEWNR's Asset Register and Management Information System (ARAMIS). The revaluation was undertaken from May – July 2017, and applied as at 1 July 2016. Asset useful lives are also contained in the data dictionary, although these warranted no adjustments. The revaluation was undertaken by Certified Practising Valuer, Mr F Taormina, B.App.Sc (Val), AAPI, of Valcorp Australia Pty Ltd.

The data dictionary model calculates a value for an asset based on its asset type class, name, description, grade/composition, condition and size/quantity. The model value is adjusted by a locality factor to take into account climatic conditions. Data dictionary unit costs were updated based on replacement cost or reproduction cost. In making valuation determinations, the valuer had regard to cost data from Construction handbooks, data published from the Australian Institute of Quantity Surveyors (AIQS) and had regard to project costs of assets erected in the past few years of comparable style buildings/assets and other actual costs of privately developed assets. The application of the data dictionary model resulted in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

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**22 Property, plant and equipment (continued)**

'Unique' Buildings and improvements and Park infrastructure are assets for which application of the Data Dictionary is considered inappropriate. Generally, these assets were constructed following specific fit-for purpose designs. Revaluations were undertaken from May – August 2017, and applied as at 1 July 2016. Revaluations of assets in the Adelaide region, metropolitan Adelaide, Kangaroo Island and the South East of South Australia were undertaken by Certified Practising Valuer, Mr P Tilley, FAPI, AREI, CREI (Val) of Herron Todd White. Revaluations of assets in the northern, western and Riverland regions of South Australia were undertaken by Certified Practising Valuers, Mr G Martin B.Bus Property (Valuation), AAPI, Ms K Tynan, B.Bus Property (Valuation), AAPI and Mr M Ekonomopoulos, B.Bus Property (Valuation), AAPI each of Maloney Field Services (Australia) Pty. Ltd..

The fair value of unique assets was determined by utilising the Market approach or the Cost approach. Assets situated on freehold land and which do not exhibit any particular degree of specialisation were valued with reference to the market approach where there is appropriate market evidence. Depreciable assets situated on reserve or leasehold land were valued using the cost approach. The application of the valuations resulted in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

DEWNR's Groundwater monitoring wells were revalued during the period May – August 2017, applied as at 30 June 2017. The independent valuation also included a review of the asset's useful lives, although these warranted no adjustments. The Chief Valuer was Mr D Mollison of Jacobs Group (Australia) Pty. Ltd.

As there is no active market for Groundwater monitoring wells the asset's fair value was determined by assessing the optimised replacement cost, by gathering and applying market evidence of material supply and construction costs for mobilisation and drilling, well construction, lithological and geophysical logging, tender and contract administration, supervision and inspection. Significant assumptions underpinning the valuation are:

- the valuation is based on available asset information only, as provided by DEWNR;
- valuation estimates are based on current practices in design and construction; future asset replacements may vary in their application of design and construction techniques;
- valuation estimates treat replacement of each asset as a distinct exercise; and
- all assets are adequately maintained as per relevant operation and maintenance standards.

The application of the valuations resulted in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

DEWNR's Surface water monitoring network assets were revalued during the period May – July 2017, applied as at 30 June 2017. The independent valuation also included a review of the asset's useful lives, although these warranted no adjustments. The revaluation was undertaken by Certified Practising Valuer, Mr F Taormina, B.App.Sc (Val), AAPI, of Valcorp Australia Pty Ltd.

As there is no active market for Surface water monitoring network assets, the asset's fair value was determined by assessing the optimised replacement cost, and gathering and applying market evidence of material supply and construction costs for the major component relevant to each asset (e.g. control structure, float well, instrument housing and instrumentation), tender and contract administration, supervision and inspection. Significant assumptions underpinning the valuation are:

- the valuation is based on available asset information, underpinned by a high degree of familiarity from previous physical inspections of a sample of assets;
- valuation estimates are based on current practices in design and construction; future asset replacements may vary in their application of design and construction techniques;
- valuation estimates treat replacement of each asset as a distinct exercise; and
- all assets are adequately maintained as per relevant operation and maintenance standards.

The application of the valuations resulted in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

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**22 Property, plant and equipment (continued)**

The following table lists details of asset classes subject to independent revaluations:

<b>Class of Asset</b>	<b>Date of Last Independent revaluation</b>	<b>Name of Valuer</b>
Land	1 July 2015	State Valuation Office
Buildings and improvements (data dictionary)	1 July 2016	Valcorp Aust. Pty Ltd
Buildings and improvements (unique assets)	1 July 2016	Herron Todd White and Maloney Field Services
Park infrastructure (data dictionary)	1 July 2016	Valcorp Aust. Pty Ltd
Park infrastructure (unique assets)	1 July 2016	Herron Todd White and Maloney Field Services
Roads, tracks and trails	1 July 2016	Valcorp Aust. Pty Ltd
Groundwater monitoring wells	30 June 2017	Jacobs Australia Ltd
Salinity disposal schemes	1 July 2014	Valcorp Aust. Pty Ltd
Patawalonga seawater circulation and Barcoo outlet	1 July 2014	Valcorp Aust. Pty Ltd
Sand pumping infrastructure *	-	-
Surface water monitoring network	30 June 2017	Valcorp Aust. Pty Ltd
Waste disposal stations	30 June 2014	Valcorp Aust. Pty Ltd
Regulators and embankments	30 June 2014	Valcorp Aust. Pty Ltd

\* First capitalised less than 6 years ago, not yet independently revalued.

**Other items of Significance**

*Recast of an asset class: Regulators and Embankments*

During the reporting period DEWNR reclassified assets from the 'Lower Murray Embankments' and 'Park Infrastructure' asset classes into a new class, 'Regulators and Embankments'. The terminology of this new asset class is considered a more appropriate reflection of relevant assets' functions and purposes, being either:

- regulators manage water levels in a watercourse (river, stream etc.). Assets moved into this new class, from Park Infrastructure, are regulators and associated components constructed along the Murray River in the Riverland geographical region of South Australia. These assets were largely constructed in the past 1-3 years, funded pursuant to the Riverine Recovery Project, which in turn is a component of the Murray Futures Program. This Program aims to achieve measurable long term improvements in the health of the riverine environment between Wellington and the South Australian border.
- embankments contain or keep water within the confines of a watercourse (in DEWNR's case, this is most prominently, but not exclusively, within the Murray River). All assets in the previously named Lower Murray Embankments have been moved to the new asset class, along with several other embankments and levees from Park Infrastructure.

*Impairment*

South Australia experienced a series of severe weather events in 2016/17, in particular several storm events in September 2016. These storm events damaged or impacted the service capacity of several hundred DEWNR assets across the state. Assets impacted by the storm events include buildings, campgrounds, fencing, and roads, tracks and trails. Significant remedial works were undertaken over the course of 2016/17, bringing many of the assets back to a pre-storm service capacity. However, given the severity and geographical reach of the storms, numerous DEWNR assets are awaiting remedial works as at reporting date. Subject to funding, remedial works will continue into 2017/18 and likely beyond. The estimated cost of completing remedial works is currently \$9.1 million.

As at reporting date an impairment loss of \$0.862 million has been recognised in the Statement of Comprehensive Income, primarily relating to assets damaged in the September 2016 storms.

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**22 Property, plant and equipment (continued)**

Many of DEWNR's assets that are still to be repaired, particularly roads, tracks and trails, have previously been fully written down and no longer subject to an impairment write-down. For revalued assets, impairment losses have been initially offset against the respective revaluation surplus.

***Movement reconciliation of property, plant and equipment***

	Land	Buildings & improvements	Park infrastructure	Roads, tracks & trails	Groundwater Monitoring Wells	Salinity Disposal Schemes
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the start of period</b>	267 135	47 698	37 634	23 375	44 387	31 262
Acquisitions	650	367	14	13	-	-
Initial recognition	-	-	-	-	13 363	-
Transfer between classes	( 590)	( 143)	(12 771)	13	-	-
Disposals - transfers for nil consideration	( 706)	(1 346)	-	(3 014)	(2 593)	-
Disposals	-	( 186)	( 260)	( 10)	( 99)	(1 252)
Transfers to/(from) capital works in progress	706	3 256	1 716	6 212	2 831	-
Impairment loss	-	( 862)	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-
<b>Subtotal</b>	<b>60</b>	<b>1 086</b>	<b>(11 301)</b>	<b>3 214</b>	<b>13 502</b>	<b>(1 252)</b>
<b>Gains/(losses) for the period recognised in net result:</b>						
Depreciation expense	-	(4 935)	(3 896)	(5 636)	(2 271)	( 445)
<b>Subtotal</b>	<b>-</b>	<b>(4 935)</b>	<b>(3 896)</b>	<b>(5 636)</b>	<b>(2 271)</b>	<b>( 445)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>						
Net revaluation (decrement)/increment	-	20 359	4 378	2 378	20 495	-
<b>Subtotal</b>	<b>-</b>	<b>20 359</b>	<b>4 378</b>	<b>2 378</b>	<b>20 495</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>267 195</b>	<b>64 208</b>	<b>26 815</b>	<b>23 331</b>	<b>76 113</b>	<b>29 565</b>

	Patawalonga Seawater Circulation	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Regulators and embankments
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the start of period</b>	30 769	17 107	5 496	5 561	6 880
Acquisitions	-	-	-	-	-
Initial recognition	-	-	-	-	-
Transfer between classes	-	-	-	-	13 491
Disposals - transfers for nil consideration	-	-	-	-	-
Disposals	-	-	-	( 156)	-
Transfers to/(from) capital works in progress	-	-	224	929	2 147
Impairment loss	-	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>224</b>	<b>773</b>	<b>15 638</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation expense	( 610)	(1 006)	( 157)	( 168)	(1 272)
<b>Subtotal</b>	<b>( 610)</b>	<b>(1 006)</b>	<b>( 157)</b>	<b>( 168)</b>	<b>(1 272)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation (decrement)/increment	-	-	1 569	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>1 569</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>30 159</b>	<b>16 101</b>	<b>7 132</b>	<b>6 166</b>	<b>21 246</b>

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**22 Property, plant and equipment (continued)**

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
<b>2017</b>					
<b>Carrying amount at the start of period</b>	13 579	21 161	1 199	22 665	575 908
Acquisitions	1 167	-	-	32 295	34 506
Initial recognition	-	-	-	-	13 363
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	( 33)	-	-	-	(7 692)
Disposals	( 184)	-	-	-	(2 147)
Transfers to/(from) capital works in progress	1 864	-	-	(20 420)	( 535)
Impairment loss	-	-	-	-	( 862)
Capital WIP - expensed in current period	-	-	-	(1 325)	(1 325)
<b>Subtotal</b>	<b>2 814</b>	<b>-</b>	<b>-</b>	<b>10 550</b>	<b>35 308</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation expense	(2 442)	(1 788)	( 18)	-	(24 644)
<b>Subtotal</b>	<b>(2 442)</b>	<b>(1 788)</b>	<b>( 18)</b>	<b>-</b>	<b>(24 644)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation (decrement)/increment	-	-	-	-	49 179
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49 179</b>
<b>Carrying amount at the end of period</b>	<b>13 951</b>	<b>19 373</b>	<b>1 181</b>	<b>33 215</b>	<b>635 751</b>

	Land \$'000	Buildings & improvements \$'000	Park infrastructure \$'000	Roads, tracks & trails \$'000	Groundwater Monitoring Wells \$'000	Salinity Disposal Schemes \$'000
<b>2016</b>						
<b>Carrying amount at the start of period</b>	217 892	49 742	31 343	24 569	44 210	31 720
Acquisitions	294	-	-	-	-	-
Initial recognition	-	-	-	-	-	-
Transfer between classes	-	-	29	( 29)	-	-
Disposals - transfers for nil consideration	-	-	( 376)	( 840)	-	-
Disposals	-	( 87)	-	-	-	-
Transfers to/(from) capital works in progress	-	1 112	10 779	4 071	2 436	-
Capital WIP - expensed in current period	-	-	-	-	-	-
<b>Subtotal</b>	<b>294</b>	<b>1 025</b>	<b>10 432</b>	<b>3 202</b>	<b>2 436</b>	<b>-</b>
<b>Gains/(losses) for the period recognised in net result:</b>						
Depreciation expense	-	(3 069)	(4 141)	(4 396)	(2 259)	( 458)
<b>Subtotal</b>	<b>-</b>	<b>(3 069)</b>	<b>(4 141)</b>	<b>(4 396)</b>	<b>(2 259)</b>	<b>( 458)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>						
Net revaluation (decrement)/increment	48 949	-	-	-	-	-
<b>Subtotal</b>	<b>48 949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>267 135</b>	<b>47 698</b>	<b>37 634</b>	<b>23 375</b>	<b>44 387</b>	<b>31 262</b>

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**22 Property, plant and equipment (continued)**

	Patawalonga Seawater Circulation	Sand pumping infrastructure	Surface Water Monitoring Network	Waste Disposal Stations	Lower Murray Embankments
<b>2016</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the start of period</b>	31 457	18 113	5 637	5 729	6 949
Acquisitions	-	-	-	-	-
Initial recognition	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers to/(from) capital works in progress	-	-	18	-	-
Capital WIP - expensed in current period	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation expense	( 688)	(1 006)	( 159)	( 168)	( 69)
<b>Subtotal</b>	<b>( 688)</b>	<b>(1 006)</b>	<b>( 159)</b>	<b>( 168)</b>	<b>( 69)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation (decrement)/increment	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at the end of period</b>	<b>30 769</b>	<b>17 107</b>	<b>5 496</b>	<b>5 561</b>	<b>6 880</b>
	Plant & equipment	Leasehold improvements	Other	Capital work in progress	Total
<b>2016</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the start of period</b>	11 172	-	1 217	34 176	513 926
Acquisitions	1 469	-	-	14 519	16 282
Initial recognition	-	21 468	-	-	21 468
Transfer between classes	-	-	-	-	-
Disposals - transfers for nil consideration	( 468)	-	-	-	(1 684)
Disposals	( 408)	-	-	-	( 495)
Transfers to/(from) capital works in progress	4 279	-	-	(23 877)	(1 182)
Capital WIP - expensed in current period	-	-	-	(2 153)	(2 153)
<b>Subtotal</b>	<b>4 872</b>	<b>21 468</b>	<b>-</b>	<b>(11 511)</b>	<b>32 236</b>
<b>Gains/(losses) for the period recognised in net result:</b>					
Depreciation expense	(2 465)	( 307)	( 18)	-	(19 203)
<b>Subtotal</b>	<b>(2 465)</b>	<b>( 307)</b>	<b>( 18)</b>	<b>-</b>	<b>(19 203)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation (decrement)/increment	-	-	-	-	48 949
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48 949</b>
<b>Carrying amount at the end of period</b>	<b>13 579</b>	<b>21 161</b>	<b>1 199</b>	<b>22 665</b>	<b>575 908</b>

Error correction

An error correction of \$2.142 million (property, plant and equipment) in respect of the 2014-15 financial year has been disclosed in the Statement of Changes in Equity. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to the carrying values of property, plant and equipment assets. The error correction relates to first time recognition of assets following an extensive asset verification process.

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**22 Property, plant and equipment (continued)**

In addition, an error correction of \$0.631 million has been disclosed in the Statement of Changes in Equity in respect of the 2015-16 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to leasehold improvements and total equity. The error correction related to an overstatement to the capitalisation of the leasehold improvements in respect to DEWNR's CBD accommodation.

**23 Intangible assets**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Internally developed intangible assets</b>		
Computer software - at cost (deemed fair value)	12 169	20 500
Less accumulated amortisation	(11 135)	(19 378)
<b>Total internally generated computer software</b>	<b>1 034</b>	<b>1 122</b>
<b>Externally acquired intangible assets</b>		
Computer software and water licences	3 938	4 449
Less accumulated amortisation	( 750)	(1 069)
<b>Total externally acquired intangible assets</b>	<b>3 188</b>	<b>3 380</b>
<b>Other</b>		
Revenue stream (War services freehold leases) - at cost (deemed fair value)	1 000	1 000
Less accumulated amortisation	( 251)	( 229)
<b>Total other</b>	<b>749</b>	<b>771</b>
<b>Total intangible assets</b>	<b>4 971</b>	<b>5 273</b>

DEWNR recognises the following intangible assets:

**Computer software**

The internal development of software is capitalised by DEWNR when the expenditure meets the definition and recognition criteria of an intangible asset outlined in AASB 138 *Intangible Assets* and when the amount of expenditure is greater than or equal to \$10 000, in accordance with APF III *Asset Accounting Framework* APS 2.15. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed. Subsequent expenditure on intangible assets has not been capitalised. DEWNR has capitalised the internal development of software for the Crown Lands System, Water Information and Licensing and Management Application system (WILMA) and ARAMIS Solution Software. In addition, certain costs have been capitalised in respect of the Water Connect Portal (Natural Resources Management Information System) and other software specific to DEWNR's core activities. Some intangibles are currently included in work in progress. Externally acquired computer software relates to ARCGIS software.

**Water licenses – acquired at no cost**

An intangible asset for water licences has been recognised. The asset was initially acquired for nil consideration prior to 1 July 2005. A reliable fair value at the time of acquisition was not available. The assets were recognised for the first time at fair value as at 30 June 2006. Fair value was determined by observing prices in the water trading market as at 30 June 2006.

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**23 Intangible assets (continued)**

**Revenue stream**

The revenue stream relates to various property leases that were offered by the Commonwealth Government to ex-service personnel with Australian War Service history. A contract to purchase the right to this revenue stream from the Commonwealth Government by DEWNR was negotiated during the 2005-06 year, and is being amortised in accordance with the expected life of the revenue stream.

**Intangible asset movement reconciliation schedule**

	Internally developed	Externally acquired	Revenue stream	Total
2017	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the start of the period</b>	1 122	3 380	771	5 273
Transfers from capital works in progress	467	68	-	535
Amortisation	( 555)	( 260)	( 22)	( 837)
<b>Carrying amount at the end of the period</b>	<b>1 034</b>	<b>3 188</b>	<b>749</b>	<b>4 971</b>

	Internally developed	Externally acquired	Revenue stream	Total
2016	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the start of the period</b>	1 692	2 700	793	5 185
Transfers from capital works in progress	262	920	-	1 182
Amortisation	( 832)	( 240)	( 22)	(1 094)
<b>Carrying amount at the end of the period</b>	<b>1 122</b>	<b>3 380</b>	<b>771</b>	<b>5 273</b>

**Assets Not Recognised**

**Acquisition of Water Licences for Environmental Flows**

While DEWNR recognises certain water licences controlled by the Minister for the River Murray as intangible assets at 30 June 2013, the acquisition and / or transfer of water licences for environmental purposes is generally expensed when such expenditure is incurred.

The decision not to capitalise these expenditures is linked to the provisions of two Intergovernmental Agreements to which the state of South Australia is a party as follows:

- (i) The Intergovernmental Agreement on Addressing Water Over-allocation and Achieving Environmental Objectives in the Murray-Darling Basin (June 2004) gives effect to a decision by the southern Murray-Darling Basin jurisdictions to commit \$500 million over five years to address water over-allocation in the Murray-Darling Basin with an initial focus on achieving specific environmental outcomes for six significant ecological assets along the River Murray.

The Living Murray Business Plan provided for under Clause 13 of the above Agreement describes how the actions and milestones in the Agreement in relation to the acquisition and transfer of water licences are to be achieved.

- (ii) The Agreement on Murray-Darling Basin Reform (July 2008) gives affect that a Commonwealth-State National Management Partnership will be in a form of a bilateral agreement between the Commonwealth and each Basin jurisdiction known as the National Partnership Agreement on Water for the Future (Partnership Agreement). The Implementation Plan for Augmentation of the Adelaide Desalination Plant is created subject to the provisions of the Partnership Agreement.

The Implementation Plan describes the actions and milestones in relation to the acquisition of water licences and the establishment of an Environmental Provision for environmental purposes.

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**23 Intangible assets (continued)**

The transactions pertaining to the acquisition of water licences and subsequent application of these licences have been expensed on the basis that the future economic benefits attached to these transactions are not expected to flow directly to DEWNR.

**24 Fair value measurement**

**Fair value hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. DEWNR categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement as follows:

**Fair value measurement at 30 June 2017**

	<b>Level 3</b>
	<b>\$'000</b>
<b>Recurring fair value measurements</b>	
Land	267 195
Buildings and improvements	64 208
Park infrastructure	26 815
Roads, tracks and trails	23 331
Groundwater monitoring wells	76 113
Salinity disposal schemes	29 565
Patawalonga seawater circulation and Barcoo outlet	30 159
Surface water monitoring network	7 132
Waste disposal stations	6 166
Regulators and embankments	21 246
Sand pumping infrastructure	16 101
Plant and equipment	13 951
Leasehold improvements	19 373
Other	1 181
<b>Total recurring fair value measurements</b>	<b>602 536</b>

**Fair value measurement at 30 June 2016**

	<b>Level 3</b>
	<b>\$'000</b>
<b>Recurring fair value measurements</b>	
Land	267 135
Buildings and improvements	47 698
Park infrastructure	37 634
Roads, tracks and trails	23 375
Groundwater monitoring wells	44 387
Salinity disposal schemes	31 262
Patawalonga seawater circulation and Barcoo outlet	30 769
Surface water monitoring network	5 496
Waste disposal stations	5 561
Lower Murray embankments	6 880
Sand pumping infrastructure	17 107
Plant and equipment	13 579
Leasehold improvements	21 161
Other	1 199
<b>Total recurring fair value measurements</b>	<b>553 243</b>

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**24 Fair value measurements (continued)**

DEWNR's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

DEWNR had no valuations categorised into level 1 or level 2 during 2016 and 2017.

**Valuation techniques and inputs**

Valuation techniques used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements are detailed at note 22. There were no changes in valuation techniques during 2017.

**25 Payables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued expenses	1 030	915
Creditors	30 057	18 120
Employment on-costs <sup>^</sup>	3 135	2 833
Paid Parental Leave Scheme payable	41	25
<b>Total current payables</b>	<b>34 263</b>	<b>21 893</b>
<b>Non-current</b>		
Employment on-costs	3 198	3 287
<b>Total non-current payables</b>	<b>3 198</b>	<b>3 287</b>

<sup>^</sup>Employment on-costs include payroll tax, WorkCover levies and superannuation contributions. DEWNR makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave remains unchanged from the 2016 rate (40%). This rate is used in the employment on-cost calculation.

The Paid Parental Leave Scheme payable represents amounts which DEWNR has received from the Commonwealth Government to forward onto eligible employees via DEWNR's standard payroll processes. That is, DEWNR is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

**Interest rate and credit risk**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

For further information on risk management refer to note 38

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**26 Employee benefits**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	2 054	1 731
Annual leave	9 712	9 551
Long service leave	2 530	2 161
Skills and experience retention leave	885	938
<b>Total current employee benefits</b>	<b>15 181</b>	<b>14 381</b>
<b>Non-current</b>		
Long service leave	34 439	35 140
<b>Total non-current employee benefits</b>	<b>34 439</b>	<b>35 140</b>

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave. AASB 119 *Employee Benefits* requires the use of yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 2016 (2.00%) to 2017 (2.50%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$1.497 million and employee benefit expense of \$1.497 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

**27 Provisions**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	550	913
<b>Total current provisions</b>	<b>550</b>	<b>913</b>
<b>Non-current</b>		
Provision for workers compensation	1 260	1 936
<b>Total non-current provisions</b>	<b>1 260</b>	<b>1 936</b>
<b>Provision movement</b>		
<b>Carrying amount at the beginning of the period</b>	2 849	2 430
Reductions resulting from re-measurement or settlement without cost	(1 039)	-
Additional provisions recognised	-	419
<b>Carrying amount at the end of the period</b>	<b>1 810</b>	<b>2 849</b>

**Department of Environment, Water and Natural Resources**  
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**27 Provisions (continued)**

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

DEWNR is responsible for the payment of workers compensation claims.

**28 Other liabilities**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease incentive	1 910	1 931
Unearned revenue	204	101
Other	122	254
<b>Total current other liabilities</b>	<b>2 236</b>	<b>2 286</b>
<b>Non-current</b>		
Lease incentive	18 597	20 025
Deposits held	465	465
<b>Total non-current other liabilities</b>	<b>19 062</b>	<b>20 490</b>

**29 Equity**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Contributed capital	22 612	22 612
Retained earnings	282 548	287 519
Asset revaluation surplus	387 660	339 606
<b>Total equity</b>	<b>692 820</b>	<b>649 737</b>

The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

**Department of Environment, Water and Natural Resources**  
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**30 Related Party Transactions**

DEWNR is a government administrative unit and is wholly owned and controlled by the Crown.

Related parties of DEWNR include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

**Collectively, but not individually significant transactions with government related entities.**

Quantitative information about transactions and balances between DEWNR and other SA Government controlled entities are disclosed at note 32

**Key Management Personnel**

Key management personnel of DEWNR include the Minister, the Chief Executive Officer and the 7 members of the Executive Team who have responsibility for the strategic direction and management of the department. There were 2 key management personnel that left DEWNR during the 2016-17 financial year. The compensation detailed below excludes salaries and other benefits the Minister for Sustainability, Environment and Conservation receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	<b>2017</b>
<b>Compensation</b>	<b>\$'000</b>
Salaries and other short term employee benefits	1 621
Post-employment benefits	<u>182</u>
<b>Total compensation</b>	<b><u><u>1 803</u></u></b>

**Department of Environment, Water and Natural Resources**  
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*for the year ended 30 June 2017*

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**31 Cash flow reconciliation**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	144 329	147 428
Balance as per the Statement of Cash Flows	144 329	147 428
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash provided by operating activities	24 521	30 423
Less revenues from SA Government	(148 986)	(156 140)
Add payments to SA Government	8 273	13 652
<b>Add/less non-cash items</b>		
Depreciation and amortisation	(25 481)	(20 297)
Capital work-in-progress expensed	(1 325)	(2 153)
Impairment of non-current assets	( 862)	-
Loss on disposal of non-current assets	(9 805)	(2 149)
<b>Movements in assets and liabilities</b>		
(Decrease)/increase in receivables	(3 484)	5 256
Increase in inventories	144	58
(Decrease) in other assets	( 156)	( 6)
(Increase)/decrease in payables	(5 429)	2 065
(Increase) in employee benefits	( 99)	(5 378)
Decrease/(increase) in provisions	1 039	( 419)
Decrease/(increase) in other liabilities	1 478	( 369)
<b>Net cost of providing services</b>	<b>(160 172)</b>	<b>(135 457)</b>

**Department of Environment, Water and Natural Resources**  
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**32 Transactions with SA Government**

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Expenses</b>							
Employee benefits	5	-	-	155 455	160 552	155 455	160 552
Supplies and services	6						
Accommodation and property management		12 475	12 401	1 536	4 411	14 011	16 812
Bore drilling services		-	-	4 299	1 733	4 299	1 733
Consultants		-	-	282	243	282	243
Contractors		-	-	1 789	3 822	1 789	3 822
Cost of goods sold		-	-	1 553	1 634	1 553	1 634
Fee for service		6 077	2 950	13 688	14 714	19 765	17 664
General administration		8 242	8 180	4 099	2 489	12 341	10 669
Information technology & communication		2 062	3 033	7 696	6 480	9 758	9 513
Minor works, maintenance & equipment		2 853	378	7 432	4 243	10 285	4 621
Monitoring fees		-	-	245	110	245	110
Sand replenishment		-	-	6 087	4 948	6 087	4 948
Scientific and technical services		-	-	307	334	307	334
Transportation		-	-	459	334	459	334
Travel and accommodation		-	-	1 961	1 874	1 961	1 874
Vehicle and aircraft		3 030	3 507	1 680	1 283	4 710	4 790
Staff development		562	-	920	1 401	1 482	1 401
Other		492	-	3 607	3 406	4 099	3 406
Grants and subsidies	7	710	4 140	31 244	32 212	31 954	36 352
Water recovery / acquisition	8	-	-	-	807	-	807
Depreciation and amortisation	9	-	-	25 481	20 297	25 481	20 297
Net loss from the disposal of non-current assets	10	-	-	9 805	2 149	9 805	2 149
Other	11						
Bad and doubtful debts		199	-	393	60	592	60
Capital project costs not capitalised		277	-	1 048	2 153	1 325	2 153
Audit fees		415	405	74	-	489	405
Movement in Inventory		-	-	( 133)	( 129)	( 133)	(129)
Impairment loss		-	-	862	-	862	-
Other		-	-	1	2	1	2
<b>Total expenses</b>		<b>37 394</b>	<b>34 994</b>	<b>281 870</b>	<b>271 562</b>	<b>319 264</b>	<b>306 556</b>

**Department of Environment, Water and Natural Resources**  
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**32 Transactions with SA Government (continued)**

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Income</b>							
Fees and charges	12						
Admissions and guided tours		-	-	9 283	8 882	9 283	8 882
Fees, levies and licences		-	-	2 622	2 499	2 622	2 499
NRM Board salary recovery		30 040	30 544	-	-	30 040	30 544
Other salary recoveries		1 378	1 514	450	373	1 828	1 887
Property rental and related income		210	250	5 647	5 832	5 857	6 082
Taxation revenue - River Murray rehabilitation levy		286	1 290	-	163	286	1 453
Service recoveries		17 995	17 556	-	-	17 995	17 556
Sale of goods		-	-	3 991	3 892	3 991	3 892
Sale of professional services		2 432	5 279	3 293	2 838	5 725	8 117
Sale of support services		16 410	11 133	2 394	3 130	18 804	14 263
Sale of spatial information		109	148	674	692	783	840
Sale of freehold titles		-	-	222	202	222	202
Grants	13	13 453	13 143	45 316	52 600	58 769	65 743
Interest	14	672	683	-	-	672	683
Other	15						
Insurance recoveries		-	-	34	28	34	28
Salaries and wages recoveries		-	-	88	68	88	68
Sponsorships, donations, commissions and bequests		-	-	117	114	117	114
Water sales		-	-	1 540	8 007	1 540	8 007
Other sundry revenue		-	-	436	239	436	239
Net Revenues from SA Government	16	140 713	142 488	-	-	140 713	142 488
<b>Total income</b>		<b>223 698</b>	<b>224 028</b>	<b>76 107</b>	<b>89 559</b>	<b>299 805</b>	<b>313 587</b>
<b>Financial assets</b>							
Receivables	18						
Receivables		5 166	7 218	4 293	6 397	9 459	13 615
Accrued revenues		-	-	55	58	55	58
GST input tax recoverable		-	-	4 741	4 056	4 741	4 056
Workers compensation recoveries		-	-	38	48	38	48
Other financial assets	20						
Prepaid supplies and services		-	-	1 094	1 245	1 094	1 245
Other		-	-	1	6	1	6
Equity in unlisted entities	21	-	-	3	3	3	3
<b>Total financial assets</b>		<b>5 166</b>	<b>7 218</b>	<b>10 225</b>	<b>11 813</b>	<b>15 391</b>	<b>19 031</b>
<b>Financial liabilities</b>							
Payables	25						
Accrued expenses		410	412	620	503	1 030	915
Creditors		14 943	4 552	15 114	13 568	30 057	18 120
Employment on-costs		3 051	3 049	3 282	3 071	6 333	6 120
Paid Parental Leave Scheme payable		-	-	41	25	41	25
Other liabilities	28						
Lease incentive		20 507	21 956	-	-	20 507	21 956
Unearned revenue		-	-	204	101	204	101
Deposits held		-	-	465	465	465	465
Other		-	-	122	254	122	254
<b>Total financial liabilities</b>		<b>38 911</b>	<b>29 969</b>	<b>19 848</b>	<b>17 987</b>	<b>58 759</b>	<b>47 956</b>

**Department of Environment, Water and Natural Resources**  
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**33 Budgetary reporting and explanations of major variances between budget and actual amounts**

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information.

These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

		Original budget <sup>1</sup> 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000
<b>Statement of Comprehensive Income</b>				
<b>Expenses</b>				
Employee benefits		161 933	155 455	(6 478)
Supplies and services		79 744	93 433	13 689
Grants and subsidies		31 183	31 954	771
Depreciation and amortisation		20 998	25 481	4 483
Net loss from disposal of non-current assets		-	9 805	9 805
Other		3 449	3 136	( 313)
<b>Total expenses</b>		<b>297 307</b>	<b>319 264</b>	<b>21 957</b>
<b>Income</b>				
Fees and charges		91 232	97 436	6 204
Grants	a	97 813	58 769	(39 044)
Interest		124	672	548
Other		2 208	2 215	7
<b>Total income</b>		<b>191 377</b>	<b>159 092</b>	<b>(32 285)</b>
<b>Net cost of providing services</b>		<b>105 930</b>	<b>160 172</b>	<b>54 242</b>
<b>Revenues from / payments to SA government</b>				
Revenues from SA government		144 698	148 986	4 288
Payments to SA government		-	(8 273)	(8 273)
<b>Total net revenues from SA Government</b>		<b>144 698</b>	<b>140 713</b>	<b>(3 985)</b>
<b>Net result</b>		<b>38 768</b>	<b>(19 459)</b>	<b>(58 227)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
Changes in property, plant and equipment asset revaluation surplus	b	-	49 179	49 179
<b>Total other comprehensive income</b>		<b>-</b>	<b>49 179</b>	<b>49 179</b>
<b>Total comprehensive result</b>		<b>38 768</b>	<b>29 720</b>	<b>(9 048)</b>

<sup>1</sup> The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

**Department of Environment, Water and Natural Resources**  
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**33 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)**

- a. The variance is mainly due to a reduction in funding for Commonwealth programs (for example South Australian Riverland Floodplain Integrated Infrastructure Program).
- b. The variance is due to the non-budgeting of the revaluation of property, plant and equipment.

		Original budget <sup>1</sup>	Actual	Variance
		2017	2017	2017
		\$'000	\$'000	\$'000
<b>Investing expenditure summary</b>				
Total existing projects	c	82 391	23 480	(58 911)
Total annual program		8 187	11 030	2 843
<b>Total investing expenditure</b>		<b>90 578</b>	<b>34 510</b>	<b>(56 068)</b>

<sup>1</sup> The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- c. The variation was due largely to carryovers and the reprofiling of funds for Commonwealth programs including the Coorong, Lower Lakes and Murray Mouth, South Australian Riverland Floodplains Integrated Infrastructure and the Riverine Recovery Program.

**34 Unrecognised contractual commitments**

**Operating lease commitments**

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2017	2016
	\$'000	\$'000
Within one year	6 882	8 583
Later than one year but not longer than five years	25 801	25 327
Later than five years	37 098	42 608
<b>Total operating lease commitments</b>	<b>69 781</b>	<b>76 518</b>

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

**Capital commitments**

Capital expenditure contracted for at the reporting date but not recognised as liabilities is payable as follows:

	2017	2016
	\$'000	\$'000
Within one year	352	8 474
<b>Total capital commitments</b>	<b>352</b>	<b>8 474</b>

DEWNR's capital commitments include amounts associated with the Coorong, Lower Lakes and Murray Mouth (CLMM) project (\$0.260 million) and the Tennyson Dunes Coast Park Discovery Trail project (\$0.092 million). In 2015-16 capital commitments comprised South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) (\$7.324 million) and the Kangaroo Island Multi-Day Walk (\$1.150 million).

**Department of Environment, Water and Natural Resources**  
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**34 Unrecognised contractual commitments (continued)**

**Expenditure commitments**

Expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	22 784	19 444
Later than one year but not longer than five years	66 731	50 117
<b>Total expenditure commitments</b>	<b>89 515</b>	<b>69 561</b>

DEWNR's expenditure commitments are for contributions to the Murray Darling Basin Authority.

**35 Contingent assets and liabilities**

DEWNR is not aware of the existence of any contingent assets.

At the time of this report the outcomes of any pending legal cases are not known and the effects are not quantifiable.

The Minister has a statutory obligation under the *Upper South East Dryland Salinity and Flood Management Act 2002* (USE Act) to consider landholders' requests for compensation and pay landholders, if it is deemed that they are entitled to compensation. As at reporting date, the outcomes of any compensation claims that have been lodged by eligible landholders are not known and the effects are not quantifiable.

**36 Remuneration of board and committee members**

Members during 2016-17 financial year were:

**Animal Welfare Advisory Committee**

Mr D K B Basham (retired 1 December 2016)  
 Mr M S Doroudi\* (appointed 19 June 2017)  
 Ms R F Evers (appointed 19 June 2017)  
 Mr M J Greenslade (appointed 7 December 2016)  
 Ms S J Hazel  
 Ms S A Joppich (appointed 7 December 2016)  
 Ms A G Lewis (retired 6 April 2017)  
 Ms K D Moses (retired 29 October 2016)  
 Mr R I Mussell  
 Ms D E Noonan  
 Mr M D Peters\* (observer)  
 Mr A J Tilbrook\* (retired 28 April 2017)  
 Mr P S Warren

**Arabana Parks Advisory Committee**

Ms F J Gill\* (Chair)  
 Ms K J Blaylock\*  
 Mr E J Bravington (appointed 1 May 2017)  
 Mr K Buzzacott (appointed 1 May 2017)  
 Mr T B Gotch\*  
 Mr D A Leek\* (appointed 1 May 2017)  
 Ms F Singer (appointed 1 May 2017)  
 Mr A C Stuart (retired 30 April 2017)  
 Mr D Stuart (retired 30 April 2017)  
 Mr J Warren (retired 30 April 2017)

**Kangaroo Management Reference Group**

Mr Q L B Agius  
 Mr R Borda  
 Ms N D De Preu  
 Mr P Dean\* (ex-officio)  
 Mr A Freebairn\* (ex-officio)  
 Mr T Gerschwitz\* (ex-officio)  
 Ms A G Lewis  
 Mr M Moore\*  
 Mr J H Neal  
 Mr J Stringer\* (ex-officio)  
 Mr G W Tansell  
 Mr T Wigg\* (ex-officio)  
 Ms S L Williams

**Premier's Climate Change Council**

Ms K J Bellette (retired 30 April 2017)  
 Mr B J Carter (retired 30 April 2017)  
 Ms R H Degaris (retired 30 April 2017)  
 Mr B J Foster (retired 30 April 2017)  
 Ms N Halsey (retired 30 April 2017)  
 Mr J K O'Brien (retired 30 April 2017)  
 Ms S J Pitcher\* (retired 30 April 2017)  
 Mr D E Russell\* (retired 30 April 2017)  
 Mr J Scales (retired 30 April 2017)  
 Ms M Tucker (retired 31 March 2017)

**Department of Environment, Water and Natural Resources**  
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**36 Remuneration of board and committee members (continued)**

**Witjira National Park Board of Management**

Mr G A Pelton\* (Chair)  
Mr A Ah Chee  
Ms M R Ah Chee  
Ms V T N Fuschtei  
Mr A B Magor\*  
Ms V C Mckenzie (deputy member)  
Ms H Miller\* (retired 3 September 2016)  
Mr R Tjami  
Ms K A Villiers\* (appointed 1 November 2016)

**YYP A Committee Coongie Lakes National Park**

Mr R Singleton\* (Chair)  
Mr C R Allen  
Mr E S Dahl\*  
Ms T J Elliot  
Ms T J Gallo  
Ms J Gates\*  
Ms J Gregg-Smith\*  
Ms V M Linton\*

**Ngaut Ngaut Conservation Park Co-management Board**

Ms I M Campbell (Chair)  
Ms I L Campbell  
Ms S T Dominelli\*  
Mr P G Gillen\*  
Ms A B Hunter (deputy member)  
Ms C M Hutchinson  
Ms J Tesoriero\*

**Nullarbor Wilderness Protection Area Co-Management  
Advisory Committee**

Mr C Lawrie (Chair)  
Mr M J Anderson\*  
Ms S F Keen\*  
Ms K Kerdel\*  
Ms D Miller  
Mr N Miller (deputy member)  
Mr J P Peel  
Ms P J Richter\* (appointed 1 February 2017)  
Mr M J Ward\*

**South Australian Heritage Council**

Ms J M Carr\* (Chair)  
Ms S L Beazley  
Ms A Ben Kahn (acting member)  
Mr R T Donaldson  
Mr G W M Hobbs (appointed 28 November 2016)  
Mr G J Leydon  
Ms D M Lindsay (appointed 28 November 2016)  
Ms A G Mackinnon  
Mr M W Queale (retired 31 August 2016)  
Mr J Schulz  
Ms C A Wigg

**Vulkathunha-Gammon Ranges National Park  
Cooperative Management Committee**

Ms P J McKenzie (Chair)  
Mr M F G Anderson  
Ms J M Coulthard  
Mr P J Coulthard (deputy member)  
Mr K W Johnson  
Ms L M Loan\*  
Mr T L Naismith\*  
Mr S A M Paul\*  
Ms M Toscano\*

**Flinders Ranges National Park Co-Management Board**

Mr J E Schutz\*\* (Chair)  
Ms M Barker\*  
Ms G M Coulthard  
Mr T C Coulthard  
Ms L M Loan\*  
Mr S A M Paul\*  
Ms C I Waye  
Mr A L Wilton

**Parks and Wilderness Council**

Ms A McEwen (Presiding member, appointed 17 October 2016)  
Mr M I Bossley (appointed 17 October 2016)  
Ms G M Coulthard (appointed 17 October 2016)  
Mr C B Daniels (appointed 17 October 2016)  
Ms E Forster (appointed 17 October 2016)  
Ms K James (appointed 17 October 2016)  
Mr W D F MacKenzie (appointed 17 October 2016)  
Mr W R McIntosh (appointed 17 October 2016)  
Mr J E Schutz\*\* (Ex Officio, appointed 17 October 2016)

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**36 Remuneration of board and committee members (continued)**

**Yumbarra Conservation Park Co-management Board**

Mr M J Ward\* (Chair)  
 Mr M J Anderson\*  
 Ms S R Haseldine  
 Ms S F Keen\*  
 Mr L G Miller  
 Ms W Miller  
 Mr W J Newchurch (deputy member)  
 Ms P J Richter\* (appointed 7 November 2016)  
 Mr E Roberts  
 Ms M Smart (deputy member)

**DEWNR Risk Management and Audit Committee**

Mr W T M Goodes\* (Chair, retired 1 February 2017)  
 Ms J C Grant\* (Chair)  
 Mr A D Copus\*  
 Ms P Martin  
 Ms R Parker-Benton\*  
 Mr S Spadavecchia  
 Mr A Swanson\*  
 Ms M Swart\*

**Pastoral Board**

Mr G D Mills (Presiding member)  
 Ms A L Barclay\* (appointed 5 December 2016)  
 Ms K J Bellette  
 Mr M A Fennell (appointed 28 September 2016)  
 Mr A W Johnson\* (retired 28 August 2016)  
 Mr G R Johnston (deputy member, appointed 28 January 2017)  
 Mr D G Lillecrapp (retired 28 August 2016)  
 Ms V M Linton\* (retired 28 August 2016)  
 Ms J A Mould (retired 28 August 2016)  
 Ms A S Oldfield (deputy member)  
 Mr K L Slade (appointed 28 September 2016)  
 Ms J M Treloar (deputy member, appointed 28 September 2016)  
 Ms A K Tschirner (appointed 28 September 2016)  
 Ms S L Williams (deputy member, retired 28 August 2016)

\* Denotes government employees

\*\* Denotes statutory employee

The number of members whose remuneration received/receivable falls within the following bands:

	<b>2017</b>	<b>2016</b>
	<b>Number of</b>	<b>Number of</b>
	<b>members</b>	<b>members</b>
\$nil	59	60
\$1 - \$9 999	71	69
\$10 000 - \$19 999	8	6
\$20 000 - \$29 999	-	1
<b>Total number of members</b>	<b>138</b>	<b>136</b>

Individuals may be members of more than one Board, Committee or Group associated with DEWNR.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$194 000 (2016: \$196 000).

\* In accordance with the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year. Unless otherwise disclosed, transactions between members and DEWNR are on conditions no more favourable than those that it is reasonable to expect DEWNR would have adopted if dealing with the related party at arm's length in the same circumstances.

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members.

### **37 Events after the reporting period**

DEWNR is not aware of any event occurring after balance date that would materially affect the financial statements.

### **38 Financial risk management/financial instruments**

#### **38.1 Financial risk management**

Risk management is managed by DEWNR's corporate services section and departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

DEWNR's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

##### *Liquidity risk*

DEWNR is funded principally from appropriations by the SA Government. DEWNR works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 25 for further information.

##### *Credit and market risk*

DEWNR has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

DEWNR does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. DEWNR does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

No collateral is held as security and no credit enhancements relate to financial assets held by DEWNR.

Refer notes 17, 18 and 21 for further information.

Exposure to interest rate risk may arise through its interest bearing liabilities. DEWNR's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

There have been no changes in risk exposure since the last reporting period.

#### **38.2 Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 or the respective financial asset / financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; receivables; and financial liabilities measured at cost are detailed below:

DEWNR does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, 18 and 25).
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer notes 2 and 21).

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**38 Financial risk management/financial instruments (continued)**

Category of financial asset and financial liability	Notes	2017 Carrying amount/fair value \$'000	2017 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
Cash and cash equivalents	17	144 329	144 329	-	-	-
Receivables <sup>(1)(2)</sup>	18	9 514	9 514	-	-	-
Financial assets	21	3	-	3	-	-
<b>Total financial assets</b>		153 846	153 843	3	-	-
<b>Financial liabilities</b>						
Payables <sup>(1)</sup>	25	30 677	30 677	-	-	-
<b>Total financial liabilities</b>		30 677	30 677	-	-	-

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
Cash and cash equivalents	17	147 428	147 428	-	-	-
Receivables <sup>(1)(2)</sup>	18	13 673	13 673	-	-	-
Financial assets	21	3	-	3	-	-
<b>Total financial assets</b>		161 104	161 101	3	-	-
<b>Financial liabilities</b>						
Payables <sup>(1)</sup>	25	18 623	18 623	-	-	-
<b>Total financial liabilities</b>		18 623	18 623	-	-	-

<sup>(1)</sup> Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

<sup>(2)</sup> Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 20 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**39 South Australian Heritage Fund**

The South Australian Heritage Fund (formerly the "State Heritage Fund") was established under the *Heritage Places Act 1993* to conserve places of heritage value. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within DEWNR's financial statements. When incorporating these amounts into DEWNR's financial statements all transactions between the Fund and DEWNR have been eliminated.

<b>Statement of Comprehensive Income for the Year Ended 30 June 2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>		
Supplies and services	-	1
	<u>-</u>	<u>1</u>
<b>Net cost of providing services</b>	<u>-</u>	<u>1</u>
Revenues from SA Government	-	-
<b>Net result</b>	<u>-</u>	<u>( 1)</u>

<b>Statement of Financial Position as at 30 June 2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Cash	349	349
	<u>349</u>	<u>349</u>
<b>Total assets</b>	<u>349</u>	<u>349</u>
<b>Net assets</b>	<u>349</u>	<u>349</u>
<b>Equity</b>		
Retained earnings	349	349
<b>Total equity</b>	<u>349</u>	<u>349</u>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**39 South Australian Heritage Fund (continued)**

<b>Statement of Changes in Equity for the Year Ended 30 June 2017</b>	<b>Retained Earnings \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2015	350	350
Net result for 2015-16	( 1)	( 1)
<b>Balance at 30 June 2016</b>	<b>349</b>	<b>349</b>
Net result for 2016-17	-	-
<b>Balance at 30 June 2017</b>	<b>349</b>	<b>349</b>

<b>Statement of Cash Flows for the Year Ended 30 June 2017</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Payments for supplies and services	-	( 1)
<b>Total Cash used in operations</b>	<b>-</b>	<b>( 1)</b>
Cash generated from SA Government	-	-
<b>Net cash (used in)/provided by operating activities</b>	<b>-</b>	<b>( 1)</b>
Cash at the beginning of the period	349	350
<b>Cash at the end of the period</b>	<b>349</b>	<b>349</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**40 General Reserves Fund**

The General Reserves Fund (the Fund) was established under section 45 of the *National Parks and Wildlife Act 1972* (the Act) to perform duties in relation to the development and management of reserves. Reserves include any national park, conservation park, game reserve, recreation park or regional reserve constituted under the Act. The functions of the Fund are to undertake programs that are directed to achieving the objectives prescribed in section 37 of the Act, through the operation of a Fund account. The Fund provisions are used as the mechanism to provide expanded visitor facilities and services to the park. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within DEWNR's financial statements. When incorporating these amounts into DEWNR's financial statements all transactions between the Fund and DEWNR have been eliminated.

<b>Statement of Comprehensive Income for the Year Ended 30 June 2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses</b>		
Supplies and services	8	9
Grants and subsidies	14 366	13 860
Other	-	9
	<b>14 374</b>	<b>13 878</b>
<b>Income</b>		
Fees and charges	14 339	13 838
Interest	21	26
Other	14	14
	<b>14 374</b>	<b>13 878</b>
<b>Net cost of providing services</b>	<b>-</b>	<b>-</b>
<b>Net result</b>	<b>-</b>	<b>-</b>

<b>Statement of Financial Position as at 30 June 2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	1 526	1 360
Receivables	739	999
<b>Total current assets</b>	<b>2 265</b>	<b>2 359</b>
<b>Total assets</b>	<b>2 265</b>	<b>2 359</b>
<b>Current liabilities</b>		
Payables	-	9
Other	-	85
<b>Total current liabilities</b>	<b>-</b>	<b>94</b>
<b>Total liabilities</b>	<b>-</b>	<b>94</b>
<b>Net assets</b>	<b>2 265</b>	<b>2 265</b>
<b>Equity</b>		
Retained earnings	2 265	2 265
<b>Total equity</b>	<b>2 265</b>	<b>2 265</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**40 General Reserves Fund (continued)**

<b>Statement of Changes in Equity for the Year Ended 30 June 2017</b>	<b>Retained Earnings \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2015	2 265	2 265
Net result for 2015-16	-	-
<b>Balance at 30 June 2016</b>	<b>2 265</b>	<b>2 265</b>
Net result for 2016-17	-	-
<b>Balance at 30 June 2017</b>	<b>2 265</b>	<b>2 265</b>

<b>Statement of Cash Flows for the Year Ended 30 June 2016</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Cash flows from operating activities</b>		
<b>Cash outflows</b>		
Payments for supplies and services	( 17)	( 9)
Payments of grants and subsidies	(14 366)	(13 860)
Other payments	-	( 9)
<b>Total Cash used in operations</b>	<b>(14 383)</b>	<b>(13 878)</b>
<b>Cash inflows</b>		
Fees and charges	14 514	13 555
Interest received	21	27
Other receipts	14	14
<b>Total Cash used in operations</b>	<b>14 549</b>	<b>13 596</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>166</b>	<b>( 282)</b>
Cash at the beginning of the period	1 360	1 642
<b>Cash at the end of the period</b>	<b>1 526</b>	<b>1 360</b>

**Department of Environment, Water and Natural Resources**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Employee benefits		350	323
Supplies and services		438	122
Grants and subsidies	A5	49 493	48 614
Expenses associated with joint operation	A13	11 115	10 494
Other		1 009	2 093
<b>Total expenses</b>		<b>62 405</b>	<b>61 646</b>
<b>Income</b>			
Fees and charges	A6	17 129	14 605
Grants	A7	13 612	14 112
Income associated with joint operation	A13	7 109	21 888
Interest		65	100
Assets received free of charge	A12	706	-
Net gain from the disposal of non-current assets	A9	4 618	692
<b>Total Income</b>		<b>43 239</b>	<b>51 397</b>
<b>Net cost of providing services</b>		<b>19 166</b>	<b>10 249</b>
<b>Revenues from / payments to SA Government</b>			
Revenues from SA Government	A8	19 056	19 179
Payments to SA Government	A8	(8 361)	(1 676)
<b>Total net revenues from SA Government</b>		<b>10 695</b>	<b>17 503</b>
<b>Net result</b>		<b>(8 471)</b>	<b>7 254</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus	A12	17 988	16 254
<b>Total other comprehensive income</b>		<b>17 988</b>	<b>16 254</b>
<b>Total comprehensive result</b>		<b>9 517</b>	<b>23 508</b>

**The net result and total comprehensive result are attributable to the SA Government as owner**

The above statement should be read in conjunction with the accompanying notes

**Department of Environment, Water and Natural Resources**  
**Statement of Administered Financial Position**  
*as at 30 June 2017*

	<b>Note</b>	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	A10	10 360	6 434
Receivables	A11	4 910	6 525
<b>Total current assets</b>		<b>15 270</b>	<b>12 959</b>
<b>Non-current assets</b>			
Property, plant and equipment	A12	1 369 164	1 358 351
Intangibles	A13	151 973	148 097
<b>Total non-current assets</b>		<b>1 521 137</b>	<b>1 506 448</b>
<b>Total assets</b>		<b>1 536 407</b>	<b>1 519 407</b>
<b>Current liabilities</b>			
Payables	A14	4 407	510
<b>Total current liabilities</b>		<b>4 407</b>	<b>510</b>
<b>Total liabilities</b>		<b>4 407</b>	<b>510</b>
<b>Net assets</b>		<b>1 532 000</b>	<b>1 518 897</b>
<b>Equity</b>			
Asset revaluation surplus		195 792	177 804
Retained earnings		1 336 208	1 341 093
<b>Total equity</b>		<b>1 532 000</b>	<b>1 518 897</b>

**The total equity is attributable to the SA Government as owner**

The above statement should be read in conjunction with the accompanying notes

**Department of Environment, Water and Natural Resources**  
**Statement of Administered Changes in Equity**  
*for the year ended 30 June 2017*

		<b>Asset</b>		
		<b>Revaluation</b>	<b>Retained</b>	<b>Total</b>
		<b>Surplus</b>	<b>Earnings</b>	<b>equity</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2015</b>		157 701	777 406	935 107
Error correction - property, plant and equipment		1 931	( 546)	1 385
Error correction - receivables	A11	-	44	44
Error correction - payables	A14	-	3 009	3 009
<b>Restated balance at 30 June 2015</b>		<b>159 632</b>	<b>779 913</b>	<b>939 545</b>
<b>Opening balance at 1 July 2015</b>		159 632	779 913	939 545
Error correction - Crown lands		1 918	553 926	555 844
<b>Restated opening balance at 1 July 2015</b>		<b>161 550</b>	<b>1 333 839</b>	<b>1 495 389</b>
<b>Net result for 2015-16</b>		-	7 254	7 254
Changes in property, plant and equipment asset revaluation surplus	A12	16 254	-	16 254
<b>Total comprehensive result for 2015-16</b>		<b>16 254</b>	<b>7 254</b>	<b>23 508</b>
<b>Balance at 30 June 2016</b>		<b>177 804</b>	<b>1 341 093</b>	<b>1 518 897</b>
<b>Opening balance at 30 June 2016</b>				
Error correction - Crown lands	A12	-	3 586	3 586
<b>Restated opening balance at 1 July 2016</b>		<b>177 804</b>	<b>1 344 679</b>	<b>1 522 483</b>
<b>Net result for 2016-17</b>		-	(8 471)	(8 471)
Changes in property, plant and equipment asset revaluation surplus	A12	17 988	-	17 988
<b>Total comprehensive result for 2016-17</b>		<b>17 988</b>	<b>(8 471)</b>	<b>9 517</b>
<b>Balance at 30 June 2017</b>		<b>195 792</b>	<b>1 336 208</b>	<b>1 532 000</b>

**All changes in equity are attributable to the SA Government as owner**

The above statement should be read in conjunction with the accompanying notes

**Department of Environment, Water and Natural Resources**  
**Statement of Administered Cash Flows**  
*for the year ending 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		( 350)	( 323)
Payments for supplies and services		( 432)	( 122)
Payments of grants and subsidies		(50 209)	(48 009)
<b>Cash used in operations</b>		<b>(50 991)</b>	<b>(48 454)</b>
			-
<b>Cash inflows</b>			
Fees and charges		17 736	14 605
Receipts from grants		13 611	14 250
Interest received		65	100
<b>Cash generated from operations</b>		<b>31 412</b>	<b>28 955</b>
<b>Cash flows from SA government</b>			
Receipts from SA government		19 056	19 179
Payments to SA government		(3 755)	(1 676)
<b>Cash generated from SA government</b>		<b>15 301</b>	<b>17 503</b>
<b>Net cash (used in) operating activities</b>	A10	<b>(4 278)</b>	<b>(1 996)</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of property, plant and equipment		8 204	1 925
<b>Net cash provided by investing activities</b>		<b>8 204</b>	<b>1 925</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		3 926	( 71)
<b>Cash and cash equivalents at the beginning of the period</b>		6 434	6 505
<b>Cash and cash equivalents at the end of the period</b>	A10	<b>10 360</b>	<b>6 434</b>

The above statement should be read in conjunction with the accompanying notes

**Department of Environment, Water and Natural Resources**  
**Schedule of Administered Expenses and Income Attributable to Administered Activities**  
*for the year ended 30 June 2017*

	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Expenses</b>						
Employee benefits	-	-	-	-	350	323
Supplies and services	438	122	-	-	-	-
Grants and subsidies	-	157	16 145	15 787	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total expenses</b>	<b>438</b>	<b>279</b>	<b>16 145</b>	<b>15 787</b>	<b>350</b>	<b>323</b>
<b>Income</b>						
Fees and charges	8	19	-	-	-	-
Grants	-	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assets received free of charge	706	-	-	-	-	-
Net gain from disposal of non-current assets	4 618	692	-	-	-	-
<b>Total income</b>	<b>5 332</b>	<b>711</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of / (benefit from) providing services</b>	<b>(4 894)</b>	<b>( 432)</b>	<b>16 145</b>	<b>15 787</b>	<b>350</b>	<b>323</b>
<b>Revenues from / payments to SA Government</b>						
Revenues from SA Government	-	-	16 214	15 836	350	318
Payments to SA Government	(8 361)	(1 676)	-	-	-	-
<b>Total net revenues from SA Government</b>	<b>(8 361)</b>	<b>(1 676)</b>	<b>16 214</b>	<b>15 836</b>	<b>350</b>	<b>318</b>
<b>Net result</b>	<b>(3 467)</b>	<b>(1 244)</b>	<b>69</b>	<b>49</b>	<b>-</b>	<b>( 5)</b>
<b>Other comprehensive income</b>						
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>	<b>(3 467)</b>	<b>(1 244)</b>	<b>69</b>	<b>49</b>	<b>-</b>	<b>( 5)</b>

**Department of Environment, Water and Natural Resources**  
**Schedule of Administered Expenses and Income Attributable to Administered Activities**  
*for the year ended 30 June 2017*

	National Landcare Program		Natural Heritage Trust		NRM Fund	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Expenses</b>						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	13 729	14 248	128	-	19 491	18 422
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	1 009	2 093
<b>Total expenses</b>	<b>13 729</b>	<b>14 248</b>	<b>128</b>	<b>-</b>	<b>20 500</b>	<b>20 515</b>
<b>Income</b>						
Fees and charges	-	-	-	-	17 136	14 590
Grants	13 612	14 112	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	13	11	-	-	52	88
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
<b>Total income</b>	<b>13 625</b>	<b>14 123</b>	<b>-</b>	<b>-</b>	<b>17 188</b>	<b>14 678</b>
<b>Net cost of / (benefit from) providing services</b>	<b>104</b>	<b>125</b>	<b>128</b>	<b>-</b>	<b>3 312</b>	<b>5 837</b>
<b>Revenues from / payments to SA Government</b>						
Revenues from SA Government	-	-	-	-	2 478	3 011
Payments to SA Government	-	-	-	-	-	-
<b>Total net revenues from SA Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 478</b>	<b>3 011</b>
<b>Net result</b>	<b>( 104)</b>	<b>( 125)</b>	<b>( 128)</b>	<b>-</b>	<b>( 834)</b>	<b>(2 826)</b>
<b>Other comprehensive income</b>						
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>	<b>( 104)</b>	<b>( 125)</b>	<b>( 128)</b>	<b>-</b>	<b>( 834)</b>	<b>(2 826)</b>

**Department of Environment, Water and Natural Resources**  
**Schedule of Administered Expenses and Income Attributable to Administered Activities**  
*for the year ended 30 June 2017*

	Pastoral Board		National Action Plan for Salinity and Water Quality		Qualco Sunlands	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Expenses</b>						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total expenses</b>	-	-	-	-	-	-
<b>Income</b>						
Fees and charges	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	1	-	-
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
<b>Total income</b>	-	-	-	1	-	-
<b>Net cost of / (benefit from) providing services</b>	-	-	-	(1)	-	-
<b>Revenues from / payments to SA Government</b>						
Revenues from SA Government	14	14	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
<b>Total net revenues from SA Government</b>	14	14	-	-	-	-
<b>Net result</b>	14	14	-	1	-	-
<b>Other comprehensive income</b>						
Changes in property, plant and equipment asset revaluation surplus	-	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-	-
<b>Total comprehensive result</b>	14	14	-	1	-	-

**Department of Environment, Water and Natural Resources**  
**Schedule of Administered Expenses and Income Attributable to Administered Activities**  
*for the year ended 30 June 2017*

	DEWNR Corporate		Total	
	Admin Items			
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Employee benefits	-	-	350	323
Supplies and services	-	-	438	122
Grants and subsidies	-	-	49 493	48 614
Expenses associated with joint operation	11 115	10 494	11 115	10 494
Other	-	-	1 009	2 093
<b>Total expenses</b>	<b>11 115</b>	<b>10 494</b>	<b>62 405</b>	<b>61 646</b>
<b>Income</b>				
Fees and charges	( 15)	(4)	17 129	14 605
Grants	-	-	13 612	14 112
Income associated with joint operation	7 109	21 888	7 109	21 888
Interest	-	-	65	100
Assets received free of charge	-	-	706	-
Net gain from disposal of non-current assets	-	-	4 618	692
<b>Total income</b>	<b>7 094</b>	<b>21 884</b>	<b>43 239</b>	<b>51 397</b>
<b>Net cost of / (benefit from) providing services</b>	<b>4 021</b>	<b>(11 390)</b>	<b>19 166</b>	<b>10 249</b>
<b>Revenues from / payments to SA Government</b>				
Revenues from SA Government	-	-	19 056	19 179
Payments to SA Government	-	-	(8 361)	(1 676)
<b>Total net revenues from SA Government</b>	<b>-</b>	<b>-</b>	<b>10 695</b>	<b>17 503</b>
<b>Net result</b>	<b>(4 021)</b>	<b>11 390</b>	<b>(8 471)</b>	<b>7 254</b>
<b>Other comprehensive income</b>				
Changes in property, plant and equipment asset revaluation surplus	17 988	16 254	17 988	16 254
<b>Total other comprehensive income</b>	<b>17 988</b>	<b>16 254</b>	<b>17 988</b>	<b>16 254</b>
<b>Total comprehensive result</b>	<b>13 967</b>	<b>27 644</b>	<b>9 517</b>	<b>23 508</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**Administered items of the Department of Environment, Water and Natural Resources**

**A1 Reporting entities and strategic context**

The activities of the administered items are:

**Crown Lands**

Crown Lands is comprised of an account established by the Treasurer of South Australia to record receipts and payments associated with the sale of Crown land and other surplus South Australian government land and property. The net revenues from these sales are returned to the Department of Treasury and Finance's Consolidated Account.

**Minister's other payments**

Grants and subsidies payments of \$16.145 million (2016: \$15.787 million) approved by the Minister for Sustainability, Environment and Conservation were made to community organisations, associations and local government. This includes grants made to Zoo SA \$5.604 million (2016: \$5.486 million); Adelaide City Council \$1.505 million (2016: \$1.486 million); Stormwater Management Authority \$5.120 million (2016: \$4.995 million); South Eastern Water Conservation and Drainage Board \$2.293 million (2016: \$2.237 million); Native Vegetation Fund \$1.108 million (2016: \$1.080 million); Coast Protection Fund \$0.515 million (2016: \$0.503 million).

**Special Acts Allocation**

This item comprises salary and allowance payments for the Minister for Sustainability, Environment and Conservation.

**National Landcare Program**

The National Landcare Program is administered by the Commonwealth and South Australia Governments pursuant to clause 19(2) of the *Natural Heritage Trust of Australia Act 1997* (Commonwealth) and Section 5 of the *Natural Resources Management (Financial Assistance) Act 1992* (Commonwealth).

The program is fully Commonwealth funded and disbursed based on Commonwealth approval.

**Natural Resources Management Fund**

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the *Natural Resources Management Act 2004* (NRM Act). The Minister for Sustainability, Environment and Conservation administers the NRM Fund and may apply any part of the NRM Fund in making payments to the regional NRM Boards; in paying subsidies or making grants or other payments to NRM authorities or other persons or bodies for the purposes of the NRM Act. This may also include making any payment required, or authorised by or under the NRM Act or any other law. The balance of the NRM Fund at 30 June was \$3.475 million (2016: \$2.317 million).

Some activities have been restructured to assist in the interpretation of the financial transactions relating to the NRM Fund.

**Natural Resources Management Boards**

The Natural Resources Management Boards (NRM Boards) were established pursuant to subsection 23(1) of the NRM Act. DEWNR administers various revenues and expenses on account of the NRM Boards.

Specific provisions of the NRM Act require that the following revenues be paid into the NRM Fund prior to being applied for the purposes of the NRM Act:

- government appropriations (controlled and administered allocated in respect of the regional NRM Boards)
- water levies
- penalties relating to water levies
- expiation fees and other penalties.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**A1 Reporting entities and strategic context (continued)**

(i) *Government appropriations*

DEWNR receives recurrent funding, which is administered through the NRM Fund and provided to regional NRM Boards to support business operations and the administration of the NRM Act.

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Regional NRM Board</b>		
Alinyjara Wilurara NRM Board	1 058	1 029
Kangaroo Island NRM Board	1 058	1 029
South Australian Arid Lands NRM Board	363	953
	<b>2 479</b>	<b>3 011</b>

(ii) *Water levies*

Water levies are collected for prescribed water resources under section 101 of the NRM Act. The levies are subsequently paid to the regional NRM Boards pursuant to subsection 116(1)(a)(ii)(A) of the NRM Act.

(iii) *Penalties*

Penalties declared in relation to the unauthorised or unlawful taking or use of water were raised pursuant to section 115 of the NRM Act.

(iv) *Expiation fees and other penalties*

Expiation fees and penalties are recovered in respect of offences against the NRM Act (that is for unlawful possession of animals or plants). Unlike penalties declared under section 115 of the NRM Act, they are not required to be paid to regional NRM Boards.

**Pastoral Board**

The Pastoral Board is responsible for the administration of the *Pastoral Land Management and Conservation Act 1989*. The Board provides advice to the Minister for Sustainability, Environment and Conservation on the policies that should govern the administration of pastoral land.

**National Action Plan for Salinity and Water Quality**

The National Action Plan (NAP) is a bilateral agreement between the Commonwealth and SA Governments signed in 2001 providing funds to address issues associated with salinity and water quality in priority regions in South Australia. The Commonwealth and the SA Governments make progressive contributions to a single holding account. Disbursement of funds from the account is by agreement between the parties. Funding for NAP ceased on 30 June 2008 with the majority of projects completed by 31 December 2009.

The Commonwealth requested that the Commonwealth share of unspent funds held be returned and elected to allocate remaining funds held in the NAP holding account to existing State agency and Natural Resources Management Board competitive projects approved under the Caring for our Country Program in accordance with clause 13.2c and 20.4 of the 'Transitional Arrangement and Financial Agreement between the Australian Government and State of South Australia for implementation of Caring for our Country' during 2011-12.

**Qualco Sunlands**

*The Ground Water (Qualco-Sunlands) Control Act 2000* established a scheme managed by a Trust to prevent, and reverse, the salinisation and water logging of horticultural land due to irrigation induced factors. Upon request from the Trust, DEWNR provides a temporary grant, sourced from the Department of Treasury and Finance (DTF), to carry out the specified works. The Trust facilitates the required work, and recharges irrigators for the work undertaken. Once fully collected, the Trust returns the temporary funds to DEWNR for on-passing back to DTF.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**A2 Administered item's 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*. The financial activities of Administered Items that do not have their own deposit account are conducted through the DEWNR's deposit account.

DEWNR 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 DEWNR who provide technical and administrative support including the use of plant and equipment, office accommodation and various administrative services. The cost of the services provided that can be identified with the activities of the administered items and can be measured reliably are met by the administered items. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in the Administered Financial Statements.

**A3 Administered item's summary of significant accounting policies**

The Administered Financial Statements detail the sum of the individual administered items revenues, expenses, assets, liabilities, changes in equity and cash flows. As such the principles of consolidation have not been applied in preparing the financial statements as the definition of an economic entity has not been satisfied. Accordingly, transactions between the individual administered items have not been eliminated.

In general, the administered items adopt the accounting policies of DEWNR, as detailed in note 2 of DEWNR's financial statements. Deviations from these policies are as follows:

**Property, plant and equipment**

Property, plant and equipment includes land. DEWNR is the custodian of unallotted (unalienated) Crown Land, by virtue of its responsibilities under the *Crown Land Management Act 2009*. This land is considered to be an administered asset. Land dedicated to the Minister and held by the Minister, either as freehold or reverted land, is also recognised as administered land. Administered lands may be subject to third party perpetual leases and other leases and annual licenses.

Refer to note A12 for further information on the treatment and valuation of land.

**Employee benefits**

In general, administered items utilise the services of contractors or DEWNR employees rather than recruiting and appointing employees in their own right. In the majority of cases, the services provided by DEWNR employees are provided free of charge. If, however, the services provided by DEWNR employees are directly attributable to the activities of an administered item and can be reliably measured, the services are charged to the administered item on a fee for service (cost recovery) basis. The liability for employee benefits arising from services rendered by DEWNR employees is not recognised in the administered financial statements as DEWNR is obligated to pay employees for services provided. Accordingly, employee benefits are recognised in DEWNR's financial statements.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**A4 Budgetary reporting and explanations of major variances between budget and actual amounts**

The following are brief explanations of variances between restated budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the restated budgeted amount and 5 per cent of budgeted total expenses.

	Note	Original <sup>1</sup>		Variance
		Budget 2017 \$'000	Actual 2017 \$'000	
<b>Statement of Administered Comprehensive Income</b>				
<b>Expenses</b>				
Employee benefits		357	350	( 7)
Supplies and services		629	438	( 191)
Grants and subsidies		47 187	49 493	2 306
Expenses associated with joint operation	a	-	11 115	11 115
Other	b	9 697	1 009	(8 688)
<b>Total expenses</b>		<b>57 870</b>	<b>62 405</b>	<b>4 535</b>
<b>Income</b>				
Fees and charges		14 679	17 129	2 450
Grants		13 715	13 612	( 103)
Income associated with joint operation	a	-	7 109	7 109
Interest		-	65	65
Assets received free of charge		-	706	706
Net gain from the disposal of non-current assets	c	-	4 618	4 618
Other		250	-	( 250)
<b>Total income</b>		<b>28 644</b>	<b>43 239</b>	<b>14 595</b>
<b>Net cost of providing services</b>		<b>29 226</b>	<b>19 166</b>	<b>(10 060)</b>
<b>Net revenues from / payments to SA Government</b>				
Revenues from SA government		19 550	19 056	( 494)
Payments to SA government	b	-	(8 361)	(8 361)
<b>Total net revenues from SA Government</b>		<b>19 550</b>	<b>10 695</b>	<b>(8 855)</b>
<b>Net result</b>		<b>(9 676)</b>	<b>(8 471)</b>	<b>1 205</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
Changes in property, plant and equipment asset revaluation surplus	d	-	17 988	17 988
<b>Total comprehensive income</b>		<b>-</b>	<b>17 988</b>	<b>17 988</b>
<b>Total comprehensive result</b>		<b>(9 676)</b>	<b>9 517</b>	<b>19 193</b>

<sup>1</sup> The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

- This variance is due to the non-budgeting of recognition of South Australia's share of income and expenses associated with the joint operation.
- The budget includes an amount of \$9.6 million in receipts paid to Consolidated Account. The actual figure for this item is reported under Payments to SA Government.
- The variance is due to the non-budgeting of the net gain from the disposal of Crown Land during 2016-17.
- The variance is due to the non-budgeting of South Australia's share of the gain on revaluation of joint operation property, plant and equipment.

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

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**A4 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)**

	Original <sup>1</sup>		
	Budget	Actual	Variance
	2017	2017	2017
	\$'000	\$'000	\$'000
<b>Investing expenditure summary</b>			
Total new projects	e 293	-	(293)
Total annual program	4	-	(4)
<b>Total investing expenditure</b>	<b>297</b>	<b>-</b>	<b>( 297)</b>

<sup>1</sup> The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

e. The variance was due to the postponement of the transfer of Monarto native vegetation land from PIRSA to DEWNR.

**A5 Grants and subsidies**

	2017	2016
	\$'000	\$'000
Caring for our Country	13 729	14 248
Crown Lands	-	157
Minister's Other Payments	16 145	15 787
Payments to Natural Resource Management Boards	19 491	18 422
<b>Total grants and subsidies</b>	<b>49 493</b>	<b>48 614</b>

**A6 Revenues from fees and charges**

	2017	2016
	\$'000	\$'000
Water levies received from licence holders	16 354	14 055
Penalties	782	535
Crown Lands	8	19
DEWNR Corporate Administered Items	( 15)	( 4)
<b>Total revenues from fees and charges</b>	<b>17 129</b>	<b>14 605</b>

**A7 Grants revenues**

	2017	2016
	\$'000	\$'000
National Landcare Program	13 612	14 112
<b>Total grant revenues</b>	<b>13 612</b>	<b>14 112</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**A8 Revenues from / payments to SA Government**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent Appropriations	19 056	19 179
Payments to Consolidated Account	(8 361)	(1 676)
<b>Total revenues from / payments to SA Government</b>	<b>10 695</b>	<b>17 503</b>

**A9 Net gain from the disposal of non-current assets**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Crown land</b>		
Proceeds from disposal	8 204	1 925
Less net book value of assets disposed	(3 586)	(1 233)
<b>Net gain from disposal</b>	<b>4 618</b>	<b>692</b>
<b>Total assets</b>		
Total proceeds from disposal	8 204	1 925
Less total net book value of assets disposed	(3 586)	(1 233)
<b>Total net gain from disposal of non-current assets</b>	<b>4 618</b>	<b>692</b>

**A10 Administered cash flow reconciliation**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
National Landcare Program	431	536
Crown Lands	5 140	1 192
Natural Heritage Trust	14	142
Natural Resource Management Fund	3 475	2 317
Pastoral Board	99	85
National Action Plan for Salinity and Water Quality	36	36
Adelaide Dolphin Sanctuary	1	1
The Department's Corporate Administrative Items	1 164	2 125
<b>Cash and cash equivalents disclosed in the Statement of Financial Position</b>	<b>10 360</b>	<b>6 434</b>
<b>Balance as per administered cash flows</b>	<b>10 360</b>	<b>6 434</b>
<b>Reconciliation of net cash provided by / used in operating activities to net result</b>		
Net cash used in operating activities	(4 278)	(1 996)
Less revenues from SA Government	(19 056)	(19 179)
Add payments to SA Government	8 361	1 676
<b>Add/(less) Non-cash Items</b>		
Expenses associated with joint operation	(11 115)	(10 494)
Income associated with joint operation	7 109	21 888
Assets received free of charge	706	-
Net gain from disposal of non-current assets	4 618	692
<b>Movements in assets and liabilities</b>		
(Decrease)/increase in receivables	(1 615)	(2 231)
(Increase)/decrease in payables	(3 896)	( 605)
<b>Net cost of providing services</b>	<b>(19 166)</b>	<b>(10 249)</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**A11 Receivables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Receivables reflected as current assets at 30 June comprised the following</b>		
Water levies	1 230	1 460
Penalties	4 032	4 884
Accrued interest	5	5
Other	326	740
Less Allowance for doubtful debts	( 683)	( 564)
<b>Total receivables</b>	<b>4 910</b>	<b>6 525</b>

Error correction

An error correction of \$0.044 million has been disclosed in the Statement of Changes in Equity in respect of the 2014-15 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net increase to receivables. The error correction related to historical variances in the Water Licensing subsidiary ledger (WILMA).

**A12 Property, plant and equipment**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Crown Land</b>		
Independent valuation	590 555	589 849
<b>Total Crown Land</b>	<b>590 555</b>	<b>589 849</b>
<b>Pastoral Land</b>		
Independent valuation	54 116	54 116
<b>Total Pastoral Land</b>	<b>54 116</b>	<b>54 116</b>
<b>Buildings and improvements</b>		
At cost	19	19
Accumulated depreciation	( 19)	( 19)
<b>Total buildings and improvements</b>	<b>-</b>	<b>-</b>
<b>Park infrastructure</b>		
At cost	88	88
Accumulated depreciation	( 88)	( 88)
<b>Total park infrastructure</b>	<b>-</b>	<b>-</b>
<b>Roads, tracks and trails</b>		
At cost	6	6
Accumulated depreciation	( 6)	( 6)
<b>Total roads, tracks and trails</b>	<b>-</b>	<b>-</b>
<b>Joint operation property, plant and equipment</b>		
Joint operation property, plant and equipment	724 493	714 386
<b>Total property, plant and equipment</b>	<b>1 369 164</b>	<b>1 358 351</b>

**Department of Environment, Water and Natural Resources**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**A12 Property, plant and equipment (continued)**

**Asset Revaluations**

*Crown Land*

During the previous reporting period DEWNR independently revalued its Crown Land. The independent revaluation was undertaken by Certified Practising Valuers, Mr Mark Kay, Chief Valuer, State Valuation Office and Mr Greg McCloud, Acquisition & Procurement Valuer, State Valuation Office. A market based method was used by comparing property data to that of similar sales with consideration of restrictions on use and/or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

***Movement reconciliation of property, plant and equipment***

2017	Crown Land	Pastoral Land	Joint operation	2017
			PP&E	Total
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July</b>	<b>589 849</b>	<b>54 116</b>	<b>714 386</b>	<b>1 358 351</b>
Error correction - Crown Lands	3 586	-	-	3 586
<b>Restated opening balance at 1 July</b>	<b>593 435</b>	<b>54 116</b>	<b>714 386</b>	<b>1 361 937</b>
Assets received for nil consideration	706	-	-	706
Disposals	(3 586)	-	-	(3 586)
Joint operations net additions, disposal, other movements	-	-	(7 881)	(7 881)
<b>Subtotal</b>	<b>(2 880)</b>	<b>-</b>	<b>(7 881)</b>	<b>(10 761)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>				
Net revaluation increment/(decrement)	-	-	17 988	17 988
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>17 988</b>	<b>17 988</b>
<b>Carrying amount at 30 June</b>	<b>590 555</b>	<b>54 116</b>	<b>724 493</b>	<b>1 369 164</b>
2016	Crown Land	Pastoral Land	Joint operation	2016
			PP&E	Total
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July</b>	<b>35 238</b>	<b>54 116</b>	<b>705 402</b>	<b>794 756</b>
Adjustment for Crown Lands not previously recognised	555 844	-	-	555 844
<b>Restated opening balance at 1 July</b>	<b>591 082</b>	<b>54 116</b>	<b>705 402</b>	<b>1 350 600</b>
Disposals	(1 233)	-	-	(1 233)
Joint operations net additions, disposal, other movements	-	-	(7 270)	(7 270)
<b>Subtotal</b>	<b>(1 233)</b>	<b>-</b>	<b>(7 270)</b>	<b>(8 503)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>				
Net revaluation increment/(decrement)	-	-	16 254	16 254
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>16 254</b>	<b>16 254</b>
<b>Carrying amount at 30 June</b>	<b>589 849</b>	<b>54 116</b>	<b>714 386</b>	<b>1 358 351</b>

Error correction

An error correction of \$3.586 million adjusted against retained earnings at 1 July 2016 has been disclosed in the Administered Statement of Changes in Equity. The error correction is in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises an increase in the carrying value of Crown Land assets.

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**A12 Property, plant and equipment (continued)**

The error correction was required to recognise Crown Land that had previously been under the dedication and control of other entities, including other Government agencies and holders of leases, including Pastoral leases. Information was not available to be comprehensively verified nor valued in prior reporting periods, hence DEWNR determined it was impractical to apply retrospective restatement of prior year Crown Land balances in either the Statement of Administered Financial Position or the Administered Statement of Changes in Equity.

**A13 Interest in joint operation**

The Minister, on behalf of the State of South Australia has an interest in a joint operation, the Murray-Darling Basin Authority (MDBA) represented by the River Murray Operations and the Living Murray Initiative.

On 3 July 2008, the Commonwealth Government and the Government of New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory (the participants) entered into the Intergovernmental agreement for the *Murray-Darling Basin Forms* (the Reform IGA). The Reform involved the government participants entering into a new *Murray-Darling Basin Agreement* (MDB Agreement) and the Intergovernmental Agreement on *Murray-Darling Basin Reform - referral* (the Referral IGA).

The MDB Agreement essentially dissolved the Murray-Darling Basin Commission (MDBC) and established the Murray-Darling Basin Authority (MDBA), Ministerial Council, Basin Officials Committee and the Basin Community Committee. Under the revised arrangement, the participants have a joint interest in the infrastructure assets and water rights. The state of South Australia's interest in the arrangement is 26.67 percent.

The MDBA was established under the Commonwealth *Water Act 2007* as an independent, expertise based statutory agency and are responsible for developing, implementing and monitoring the Basin Plans. The MDBA undertakes activities that support the sustainable and integrated management of the water resources of the Murray-Darling Basin in a way that meets the social, economic and environmental needs of the Basin and its communities.

Two unincorporated joint arrangements were established under the MDBA to hold assets on behalf of the participants through separate agreements called the "Asset Agreement for River Murray Operations Assets" (RMO) and the "Further Agreement on Addressing Over Allocation and Achieving Environmental Objectives in the Murray-Darling Basin - Control and Management of Living Murray Assets" (LMI). The principal place of the operation is in Australia. The participants are obliged to provide funding to the MDBA for the management of the RMO and LMI assets and operations.

The agreements in relation to the Murray Darling Basin Agreement joint arrangement require unanimous consent from all parties for all relevant activities. The participants own the infrastructure assets and water rights of the joint arrangements, which are being managed through the RMO and LMI and there are no liabilities held for either RMO and LMI. The arrangement is therefore classified as a joint operation and DEWNR recognises, on behalf of the state, its direct right to the jointly held assets, revenues and expenses based on the percentage interest as described in the table below.

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**A13 Interest in joint operation (continued)**

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2017 %	2016 %
Murray Darling Basin Authority	To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin	Australia	26.67%	26.67%

Joint operation assets, income and expenses accounted for using the proportionate consolidation method are detailed below

	2017 \$'000	2016 \$'000
<b>Murray Darling Basin Authority</b>		
<b>Non-current assets</b>		
Property, plant and equipment		
Infrastructure Assets	700 858	692 935
Work in Progress	18 224	15 970
Other property, plant and equipment assets	5 411	5 481
Intangibles - Water entitlements	151 973	148 097
<b>Total non-current assets</b>	<b>876 466</b>	<b>862 483</b>
<b>Total assets</b>	<b>876 466</b>	<b>862 483</b>
<b>Income</b>	<b>7 109</b>	<b>21 888</b>
<b>Expenses</b>	<b>11 115</b>	<b>10 494</b>

Refer note 7 of the DEWNR Controlled financial statements for details of the State's grant payment made to the MDBA.

The 2016 and 2017 figures were based on the audited RMO and LMI financial statements.

**Contingencies and commitments**

There are no contingencies or commitments arising from DEWNR's interest in the joint operation.

**A14 Payables**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Accrued expenses	6	-
Creditors	4 184	165
Other	217	345
<b>Total current payables</b>	<b>4 407</b>	<b>510</b>

Error correction

An error correction of \$3.009 million has been disclosed in the Statement of Changes in Equity in respect of the 2014-15 financial year. The error correction has been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and comprises a net decrease to payables. The error correction related to the over-accrual of payables within the NRM Fund in previous financial years.

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**A15 Contingent assets and liabilities**

A contingent asset is acknowledged whereby the Minister for Water and the River Murray has an exclusive right to access 40ML per day from the Langhorne and Currency Creek pipeline. The Minister has not exercised this right. DEWNR is not aware of the existence of any other contingent liabilities.