

ANNUAL REPORT 2006-07

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Government of South Australia

Department of Water, Land and
Biodiversity Conservation

Copies of the annual report are available from the Department website at
www.dwlbc.sa.gov.au

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contacting the Strategic Communications and Marketing Unit:

Department of Water, Land and Biodiversity Conservation
GPO Box 2834
Adelaide SA 5001
Telephone: (08) 8463 7915

ABN: 27 804 759 969

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Introduction

The Department of Water, Land and Biodiversity Conservation has pleasure in submitting to the Minister for the River Murray and the Minister for Environment and Conservation its Annual Report covering the financial year ending 30 June 2007.

A handwritten signature in black ink on a light grey background. The signature reads "Rob Freeman" in a cursive, slightly slanted script.

Rob Freeman
Chief Executive

Chief Executive's Overview

The Department of Water, Land and Biodiversity Conservation (DWLBC) has experienced an increased demand for its services as it strives to achieve sustainable natural resource management as framed by South Australia's Strategic Plan and the State Natural Resources Management (NRM) Plan. Like every challenge there are opportunities, however demands related to the drought and to growing community expectations regarding natural resources management, are greater than at any time since the Department's inception some five years ago.

I commend the professionalism, innovation and dedication of DWLBC's staff that has enabled us to meet these demands and to continue to make significant progress this year towards sustainable natural resources management across the State.

In 2006-07, DWLBC provided critical scientific, technical and administrative support to the range of emergency management and drought relief initiatives undertaken by the Government as part of its emergency response to the current drought. The Department's drought response team managed a comprehensive program to ensure timely information, advice and other practical assistance to drought-affected communities and individuals along the River Murray.

The Department has also worked hard to progress longer-term water management in line with South Australia's Strategic Plan target 3.9: sustainable water supplies and the Government's integrated water strategy: *Water Proofing Adelaide: A thirst for Change 2005-2025*.

Water reforms continue to be progressed under the National Water Initiative with sound progress in all areas. Importantly arrangements were implemented to enable expansion of water trade in the southern Murray-Darling Basin and the *Natural Resources Management Act 2004* was amended to support more effective water markets.

Despite unfavourable climatic conditions, initiatives were progressed to address the declining health of the River Murray, including recovery of 13 GL of water under the Living Murray Initiative, progress on the completion of the Bookpurnong Salt Interception Scheme, and environmental management, monitoring and watering projects at the Chowilla and Lower Lakes, Coorong and Murray Mouth Icon sites.

The State NRM Council and the NRM Boards are now well-established and working closely with regional communities for sustainability of natural resources across the State. A State NRM Volunteer committee was established to provide strategic direction and support to NRM volunteer groups. One of its first actions was to establish the Premier's NRM Awards to recognise the significant efforts made by NRM volunteers. The Department also supported the Boards in developing regional plans and investment strategies which attracted around \$54 million from the Natural Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) programs for investment in NRM projects across the State.

Significant work was undertaken to review NRM legislation to ensure a contemporary and integrated framework for NRM. The statutory review of the NRM Act was completed. Reviews of the *Native Vegetation Act 1991*, *South Eastern Water Conservation and Drainage Act 1992*, *the Irrigation Act 1994* and *the Renmark Irrigation Trust Act 1936* were commenced or well progressed.

Complementing the review of the Native Vegetation Act were a number of initiatives to reduce red tape and improve the administrative process surrounding native vegetation management, including processes to streamline approval for bushfire management plans and fire prevention matters.

Good science is necessary to underpin sound NRM decision-making and in 2006-07 the Department was a partner in the successful development of the new Future Farm Industries Cooperative Research Centre (CRC) as well as continuing its involvement in five other CRCs.

Taking a more internal focus I wish to acknowledge the work undertaken by staff participating in self-managing 'action learning' teams to initiate a significant cultural change program across the agency. The action learning teams have worked together to identify actions and strategies that would lead to creating our desired culture. These will be embed into day to day practice our corporate values of unity, responsiveness, collaboration, a focus on outcomes, respect, diversity, innovation and accountability and ethical conduct.

The agency also continues to build towards its goal of an inclusive workplace that is supportive of cultural diversity and has implemented a plan that promotes the recruitment and development of indigenous staff and cultural training across the Department.

This year has also been one where the importance of connected government and effective partnerships has been emphasised. DWLBC has worked closely with other agencies and NRM Boards to tackle a range of issues such as water security, salinity, native vegetation management, mining and water resources development and drought management.

In the year ahead I look forward to continuing to build on our successes and our partnerships to improve the delivery of sustainable natural resources management across South Australia.

Rob Freeman
Chief Executive
Department of Water, Land and Biodiversity Conservation

Highlights of 2006-07

Completion of Statutory Review

In accordance with statutory requirements, a review of the operation of the *Natural Resources Management Act 2004* was undertaken and forwarded to the Minister for Environment and Conservation. The review, which included a targeted consultation process, made 63 specific recommendations to improve the operation of the act and its administration.

Further details on page 18

Investing in Natural Resources Management

In July 2006, the Australian and State Governments approved the allocation of Natural Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) funds for 2006-07, and pre-approved 70% of the funding for 2007-08. Over \$54 million has been approved for these two years, including \$36.5 million for 2006-07.

Further details on page 19

Information Management, Monitoring, Evaluation and Reporting

DWLBC has taken the lead in developing further the State NRM Plan's Monitoring and Evaluation Framework on the condition of South Australia's natural resources. Reviews of water and land monitoring in South Australia have been completed and a database of over 160 NRM reporting and monitoring obligations has been developed, opening the way for integration, rationalisation and greater efficiency in reporting evaluation and monitoring activities.

Further details on page 28

Streamlining Native Vegetation Management

During 2006-07 a review of the administration and a consultation on various miscellaneous amendments to the *Native Vegetation Act 1991* commenced.

During the year 157 reports of illegal clearing were received. Where clearance incidents were assessed as minor, twelve expiation notices and seven administrative orders directing 'make-good' actions were issued. There are currently 15 ongoing investigations where clearance has been assessed to be more significant. This includes six matters detected via satellite analysis. There have been five convictions and several other completed briefs are with the Crown Solicitor's Office awaiting advice on evidence.

Further details on page 20

Water Resources in the Mount Lofty Ranges

Prescription of water resources in the Mount Lofty Ranges followed extensive consultation with the community and industry groups including public meetings, open house forums, industry meetings and information packages.

The allocation, transfer and management of water will be guided by water allocation plans being developed in the Western Mount Lofty Ranges by the Adelaide and Mount Lofty Ranges NRM Board and in the Eastern Mount Lofty Ranges by the South Australian Murray-Darling Basin NRM Board. Further extensive consultation is being undertaken during the development of the water allocation plans.

Further details on page 21

Waterproofing Adelaide

The Water Proofing Adelaide, A Thirst for Change 2005-2025 strategy released in July 2005 included 63 strategies for the management, conservation and development of Adelaide's water resources to 2025.

Strategies are being implemented through various activities. Some of these include progressing the Water Allocation Plan for the Western Mt Lofty Ranges, implementing policy on rainwater tanks and the *Water Efficiency Standards and Labelling Act 2006*.

Further details on page 23

Lake Eyre Basin Intergovernmental Agreement

A review of the Lake Eyre Basin Intergovernmental Agreement has commenced and will measure the extent to which the objectives of the Agreement have been achieved.

Further details on page 24

Cooperative Research Centres

The Department was a partner in the successful development of the new Future Farm Industries (FFI) Cooperative Research Centre (CRC). The aim of the FFI CRC is to develop innovative farming systems and new regional industries that reduce salinity and soil erosion, conserve biodiversity and water resources, and contribute to landscape resilience to drought and climate change.

Further details on page 25

Upper South East Dryland Salinity and Flood Management Program

Wongawilli Drain was completed along with refurbishment of the existing section of the Didicoolum Drain, which was undertaken as part of the Upper South East Dryland Salinity and Flood Management Program. The Rosemary Downs Drain was commenced in February and completed in May 2007. Initial construction work for the new section of Didicoolum Drain was commenced in late April 2007 after interruptions due to legal challenges.

Further details on page 30

Murray-Darling Basin Initiative

The Murray-Darling Basin Initiative is a unique partnership involving the Australian, New South Wales, Victorian, South Australian, Queensland and Australian Capital Territory governments in partnership with the community to achieve an equitable, efficient and sustainable Murray-Darling Basin. Through the Murray-Darling Basin Initiative, South Australia continued to push a strategic Basin-wide approach, taking a leading role in whole of Basin issues that included:

- Water recovery
- the need to re-assess how unregulated river flows should be used for improved environmental outcomes within the Basin; and
- the need to urgently address the emerging risks to water sharing across the Basin through the Risk to Shared Water Resources Program.

Further details on page 31

River Murray Environmental Manager (RMEM)

During 2006-07 the Department finalised the role and responsibilities of the River Murray Environmental Manager (RMEM) and formally transferred the RMEM functions to the South Australian Murray-Darling Basin Natural Resources Management Board (SA MDB NRM Board).

The SA MDB NRM Board will, through the RMEM, provide clear accountability for delivering environmental flow outcomes for the River Murray in South Australia.

Further details on page 31

Implementing the Living Murray Icon Site Environmental Management Plans

The Living Murray Initiative established a number of icon sites along the river, including Chowilla and the Lower Lakes, Coorong and Murray Mouth.

Although the current drought is causing significant stress to the floodplain environment, significant progress has been made at Chowilla over the past year. This has included watering 11 high priority Red Gum and Black Box sites, approval for works and/or detailed design at a number of existing regulator sites. The new works will improve flow management and fish passage.

Developments at the Lower Lakes, Coorong and Murray Mouth have included:

- production and implementation of an ecological monitoring framework according to Living Murray targets; and
- completion of studies into barrage flow releases and also into the movement of migratory fish in response to fishway flows.

Further details on page 32

Salt Interception Schemes

South Australia continued the program of reducing salinity impacts on the River Murray through Salt Interception Schemes (SIS). Achievements include:

- Bookpurnong Salt Interception Scheme (SIS) commissioned in September 2006. The project will intercept up to approximately 120 tonnes of salt per day;

- Murtho SIS investigations were concluded and an approval submission was presented to the Murray-Darling Basin Commission (MDBC). The Commission granted conditional approval to progress the project to a “construction ready phase”;
- construction of the Loxton SIS project has continued with the completion of the disposal main pipeline and Floodplain Interception bores; and
- salt interception investigations have continued at Pike, Chowilla, Salt Creek, Woolpunda and Waikerie.

Further details on page 38

Water Security Task Force and Water Security Advisory Group

In October 2006, the Government established its high level Water Security Advisory Group supported by the Water Security Task Force comprised of Chief Executives from across Government to analyse likely water availability scenarios and identify contingency options. The Department provided critical scientific, technical and administrative support to the Water Security Taskforce.

Further details on page 33

Drought

In 2006-07, the River Murray and wider Murray-Darling Basin experienced the lowest inflows in recorded history, with serious implications for many River Murray water users in South Australia and upstream states. This led to significant water management problems for South Australia and unique challenges for the Department in managing the river.

In order to best manage the River Murray and related issues through these unprecedented conditions, the Department established a River Murray Drought Team.

The team provided information, advice and other practical assistance to drought-affected communities and individuals. It also provided technical support and advice to the Minister for the River Murray and Minister for Water Security, the State Government’s Water Security Task Force, and other government departments.

During 2006-07 the Department also provided critical scientific, technical and administrative support to a range of measures and investigations as part of its emergency response to the drought. These efforts included:

- enabling licensed River Murray water users to carryover into 2007-08 up to 50% of their restricted volume for 2006-07 that was unused;
- requesting the Murray-Darling Basin Commission to adjust River Murray flows to South Australia to maintain the water level as high as possible in the Lower Lakes during the main irrigation season;
- closing off 27 regulated wetlands temporarily from the main river channel;
- streamlining the approval process for applications to undertake emergency dredging to lengthen or deepen existing water supply channels;
- providing ex-gratia relief payments to water licence holders in the SA Murray-Darling Basin NRM region equivalent to 40% of the water levy payable by each licence holder; and

- waiving fees normally attached to the transfer of water purchased by licensed water users.

Further details on page 34

National Water Initiative in South Australia

In June 2006, the National Water Commission (NWC) accredited South Australia's National Water Initiative Implementation Plan with a funding Agreement signed between South Australia and the National Water Commission for the \$26 million *Implementing the National Water Initiative in South Australia project*. During the year another three South Australian projects were successful in securing funding commitments from the Water Smart Australia program.

Further details on page 18

Interstate Water Trading

The National Water Initiative identified expanded interstate and intrastate trade in water entitlements as a key initiative to improve water resources management across the country.

In order to progress this issue on an interim basis while the necessary legislative and administrative changes are negotiated and implemented, the relevant Ministers from New South Wales, Victoria and South Australia agreed in May 2006 to implement a Pilot Tagged Trade program.

The necessary legislative changes to permit expanded permanent interstate trade in water entitlements as required under the National Water Initiative have been passed in South Australia and ongoing administrative arrangements to facilitate this trade will be implemented as soon as possible.

Further details on page 37

Role, Legislation and Structure

Our Vision

Natural resources used sustainably to enhance quality of life.

Our Mission

To provide leadership in natural resource management (NRM) and enable industry, community and government to develop and manage our land, water and biodiversity resources in a way that balances economic, social and environmental outcomes.

Our Role

The Department has three overarching roles, which are:

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

The Department's planned outcomes and strategies align with the objectives and targets of *South Australia's Strategic Plan* and the goals and strategies as set out in the *State Natural Resources Management Plan 2006*. Key strategies and targets include:

- ***Growing Prosperity***
 - Communities and industries using and managing natural resources within ecologically sustainable limits.
 - Improving the health and productivity of our water, land, biodiversity and marine resources.
 - An organisation that is acknowledged for excellence in public administration.
- ***Improving Wellbeing***
 - Integrated management of threats to minimise risks to natural systems, communities and industries.
 - A departmental culture, which takes measured risks, asks questions, creates ideas, learns from mistakes and strives to be better.
- ***Attaining Sustainability***
 - Landscape scale management that maintains healthy natural systems and is adaptive to climate change.
 - Natural resources being managed in an integrated and holistic way.

- ***Fostering Creativity***
 - Acquiring and sharing the information and knowledge necessary to use natural resources, in both traditional and innovative ways.

- ***Building Communities and Expanding Opportunities***
 - Communities, governments and industries having the capability, commitment and connections to manage natural resources in an integrated way.

Details of the Department's corporate plan are available from its website, which is located at www.dwlbc.sa.gov.au.

Legislation

Minister for Environment and Conservation

The administration of the following Acts is committed to the Minister for Environment and Conservation. DWLBC assists the Minister in the administration of these Acts.

Dog Fence Act 1946

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

Groundwater (Border Agreement) Act 1985

An Act to approve and provide for carrying out an Agreement for the management of groundwater adjacent to the border of South Australia and Victoria; and for other purposes.

Lake Eyre Basin (Intergovernmental Agreement) Act 2001

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

Native Vegetation Act 1991

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

Natural Resources Management Act 2004

An Act to promote sustainable and integrated management of the State's natural resources; and to make provision for the protection of the State's natural resources. *(Note: Specific provisions of this Act relating to the SA Murray-Darling Basin NRM Board have been conferred on the Minister for the River Murray).*

Pastoral Land Management and Conservation Act 1989

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

South Eastern Water Conservation and Drainage Act 1992

An Act to provide for the conservation and management of water and the prevention of flooding of rural land in the South East of the State; and for other related purposes.

Upper South East Dryland Salinity and Flood Management Act 2002

An Act to provide for a scheme to protect and improve the environment and agricultural production in the Upper South East through the proper conservation and management of water and the initiation or implementation by the Government of the State, or works and environmental management programs and other initiatives; and for other purposes.

Minister for River Murray

The administration of the following Acts is committed to the Minister for the River Murray. DWLBC assists the Minister in the administration of these Acts.

Groundwater Water (Qualco-Sunlands) Control Act 2000

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

Irrigation Act 1994

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

Murray-Darling Basin Act 1993

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

Natural Resources Management Act 2004

An Act to promote sustainable and integrated management of the State's natural resources; and to make provision for the protection of the State's natural resources. *(Note: Specific provisions of this Act relating to the SA Murray-Darling Basin NRM Board have been conferred on the Minister for the River Murray).*

Renmark Irrigation Trust Act 1936

An Act relating to the Renmark Irrigation Trust.

River Murray Act 2003

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

River Murray Waters Agreement Supplemental Agreement Act 1963

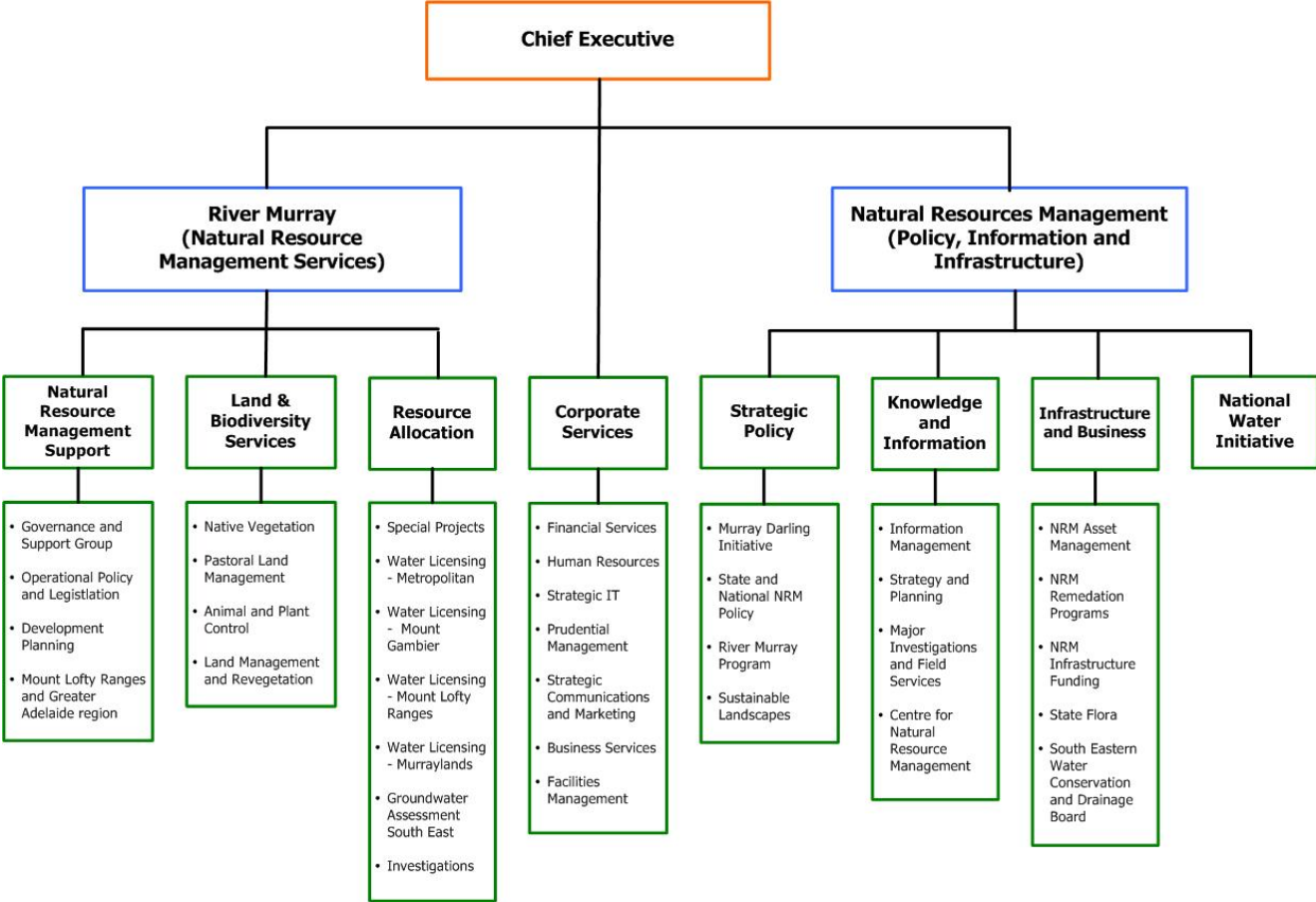
An Act to ratify and approve an agreement entered into between the Prime Minister of the Australian Government and the Premiers of the States of New South Wales, Victoria, and South Australia respecting the waters of the Darling River stored at Menindee in the State of New South Wales in the connected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

River Murray Waters (Dartmouth Reservoir) Act 1971

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

In addition, specific provisions of the *Natural Resources Management Act 2004* relating to the SA Murray-Darling Basin NRM Board have been conferred on the Minister for the River Murray. DWLBC assists the Minister in the administration of these conferred powers.

Organisation of the Agency



Relationship to Other Agencies

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

The Department works closely with the NRM Council and eight regional NRM boards established under the *Natural Resources Management Act 2004* to improve sustainability and achieve improved health and productivity of our natural resources. The Department provides certain business support functions and acts as a conduit of State and Australian Government NRM policy to the boards. The Department has worked with the boards, plus other agencies and community and non-government organisations, to determine their commitment to the priorities in the *State Natural Resources Management Plan 2006*.

The Department is the joint owner with Primary Industries and Resources SA (PIRSA) of a service delivery agency Rural Solutions SA. The Department is also the largest purchaser of services from Rural Solutions SA and plays an active role in its management and governance.

In performing its roles the Department works closely with other agencies including DEH, EPA, PIRSA, the Department of the Premier and Cabinet, Department of Trade and Economic Development, Department of Further Education, Employment, Science and Technology, SA Water (a government business enterprise) and the Department for Transport, Energy and Infrastructure.

The Department has extensive shared programs with the Australian Government through the Commonwealth Department of Agriculture, Fisheries and Forestry, Commonwealth Department of the Environment and Water Resources, and the National Water Commission. It also has a number of significant programs with Local Government.

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

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

Plans and Objectives

The Department is the lead agency with responsibility for four targets identified in *South Australia's Strategic Plan* namely:

- T3.3 — By 2014 achieve a 20% increase in South Australia's agricultural cropping land that is adequately protected from erosion;
- T3.9 — Water Resources are managed within sustainable limits by 2018;
- T3.10 — Increase Environmental Flows in the River Murray as a first step of 500 gigalitres by 2009 and a long term target of 1500 gigalitres by 2018; and
- T3.11 — South Australia maintains a positive balance on the Murray-Darling Basin Salinity Register.

The Department makes a significant contribution to related targets for which the Department for Environment and Heritage has lead agency responsibility. These are:

- T3.1 — Lose no known native species as a result of human Impact; and
- T3.2 — By 2010 have five well established biodiversity corridors aimed at maximising ecological outcomes, particularly in the face of climate change.

There are a number of targets for which every agency has a contributing responsibility. DWLBC has developed implementation plans outlining strategies and actions, which will assist in meeting these government objectives.

The Department's work is much more comprehensive than that expressed in the targets within *South Australia's Strategic Plan*. The Department's corporate plan therefore also recognises its role in the provision of advice and regulatory support to Government and the community, and in the facilitation of sustainable allocation and use of the State's natural resources.

The Operations and Initiatives section identifies the programs of the agency that are aligned with *South Australia's Strategic Plan*.

Operations and Initiatives in 2006-07

The Department of Water, Land and Biodiversity Conservation had responsibility for the implementation of two programs during the 2006-07 year:

Program 1: Natural Resources Management

Program 2: Natural Resources Management (River Murray)

The Natural Resources Management Program incorporates three sub-programs:

1.1 Natural Resources Management Services

1.2 Policy, Science and Information

1.3 Infrastructure Services

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

2.1 Natural Resources Management Services (River Murray)

2.2 Policy, Science and Information (River Murray)

2.3 Infrastructure Services (River Murray)

The following pages provide detail of the Department's achievements during 2006-07 under these programs. A 'statistics' section provides key operational statistics from 2006-07.

Program 1: Natural Resources Management (NRM)

Objective: The management of natural resources in South Australia, including the provision of advice and regulatory support for Government and community, and facilitating the allocation and sustainable use of natural resources.

1.1 Natural Resources Management Services

Progress on the National Water Initiative

DWLBC continued to progress implementation of National Water Initiative (NWI) commitments throughout 2006-07. In June 2006, the National Water Commission (NWC) accredited South Australia's NWI Implementation Plan.

Interstate water trading arrangements were agreed with New South Wales and Victoria that will enable an expansion of water trade in the southern Murray-Darling Basin. To support expanded interstate water trading arrangements the South Australian Parliament passed legislation in June 2007 to amend the *Natural Resources Management Act 2004* (the NRM Act) to further separate water rights.

Another three South Australian projects (Water Proofing Northern Adelaide; Water Proofing the South; and the state-wide wastewater recycling project) were successful in securing funding from the Water Smart Australia program.

Overall, South Australia has attracted \$150 million from the Australian Government Water Fund for thirteen major projects. When combined with matching State funding and other private contributions, these projects represent \$420 million worth of investment in South Australia.

Through DWLBC South Australia contributed to the development of the new National Framework for Reporting on Performance of Urban Water Delivery and reported against the framework for the first time. The first report, for performance of urban water utilities was published in May 2007.

Completed the statutory review of the *Natural Resources Management Act 2004*

In accordance with statutory requirements, a review of the operation of the *Natural Resources Management Act 2004* was undertaken and forwarded to the Minister for Environment and Conservation. The review, which included a targeted consultation process, made 63 specific recommendations to improve the operation of the act and its administration. The report will be tabled in Parliament in August 2007.

Implementing the State NRM Plan

During the course of the 2006-07 financial year a great deal of work was undertaken to develop and progress the implementation strategy for the *State Natural Resources Management Plan 2006*.

A major survey across all organisations with links to natural resource management was undertaken in the last quarter of 2006 to collect information on roles, priorities and barriers. This base information was revised and confirmed with each

organisation to eliminate duplication, address any gaps and provide a clear understanding of the roles and responsibilities for progressing the strategies and milestones defined in the *State Natural Resources Management Plan 2006*.

The first six-monthly progress report will be completed in August 2007.

Investing in NRM

In July 2006, the Australian Government and State Governments approved the allocation of Natural Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP) funds for 2006-07, and pre-approved 70% of the funding for 2007-08. Over \$54 million has been approved for these two years, including \$36.5 million for 2006-07.

The funding was approved after Ministers considered the investment strategy prepared by each regional NRM board. These investment strategies were developed by the boards to assist the delivery of their regional NRM plans that had been previously accredited by both State and Australian Government Ministers.

All of the NRM regions were affected by drought to some degree and this required the boards to respond by adjusting their activities under each program during 2006-07.

Volunteers in NRM

In keeping with the *South Australia's Strategic Plan* and the *State Natural Resource Management Plan 2006*, the NRM Council established a NRM Volunteer Committee in November 2006.

The committee is skill-based with members from across the natural resources management sector. The committee is influencing and providing strategic direction for volunteer activities in natural resources management, exploring and supporting mechanisms best carried out at a state level and influencing a consistent state-wide approach in the support provided to volunteer groups.

The committee's immediate priority has been working with regional NRM boards to build a state-wide recognition scheme. It has established the Premier's NRM Awards that will run concurrently with the bi-annual State Landcare Awards and will culminate in a presentation ceremony in October 2007.

Rainwater Tank Plumbing Rebate Scheme

The Department developed and administers the Government's Rainwater Tank and Plumbing Rebate Scheme, which is provided through SA Water. Up to \$500 000 per year for four years is available under the scheme, which commenced 1 July 2006.

The initial rebate was capped at \$400 for plumbing a rainwater tank into homes built prior to 1 July 2006. The scheme complements a Water Proofing Adelaide strategy that seeks to encourage the use of rainwater within homes built after 1 July 2006.

Following an initial review of the Rainwater Tank and Plumbing Rebate Scheme, the cap was doubled to a maximum of \$800 in April 2007. The Department continues to monitor the rebate scheme to assess the level of uptake and to advise Government of any implementation issues.

Streamlining Native Vegetation Management

During 2006-07 a review of the administration of and consultation on miscellaneous amendments to the *Native Vegetation Act 1991* commenced. This included consultation with a wide range of key interest groups. Based on the initial findings of the review, the Minister for Environment and Conservation announced new directions for native vegetation. These will be progressed in the coming year.

A new exemption under the Regulations relating to clearance of native vegetation for house sites came into effect on 29 March 2007. The new exemption, Regulation 5(1)(ab), provides certainty that native vegetation may be cleared for a house site and associated structures at the land division stage. An existing Regulation 5(1)(a) provides for clearance on an allotment-by-allotment basis. The new exemption increases flexibility and allows the developer to reduce red tape by managing the native vegetation clearance approval process, in one process with the Native Vegetation Council (NVC).

To help streamline the approval of bushfire prevention plans and other fire related issues the Native Vegetation Council established a subcommittee with representation from the Council, SA Country Fire Service and the Local Government Association of South Australia. The NVC has delegated decision-making powers to the subcommittee to enable a rapid response to urgent matters.

During the year 157 reports of illegal clearing were received. Where clearance incidents were assessed as minor, twelve expiation notices and seven administrative orders directing 'make-good' actions were issued. There are currently 15 ongoing investigations where clearance has been assessed to be more significant. This includes six matters detected via satellite analysis. There have been five convictions and several other completed briefs are with the Crown Solicitor's Office awaiting advice on evidence.

River Murray Forest

The River Murray Forest is a multi-agency project that provides a strategic approach to landscape revegetation with multiple benefits to the environment. DWLBC is leading the project implementation.

Despite the drought causing delays to the implementation phase of the project, considerable progress has been achieved during 2006-07. A steering committee has been established in conjunction with the South Australian Murray-Darling Basin NRM Board and a project manager has been appointed.

An evaluation of public land for potential forest plantings has been initiated. Initial sites have been identified totalling approximately 1500 hectares and initial seed collection has been undertaken.

A tender process for stage one plantings on private land in 2008 has also been developed. This tender process has involved the development of tender specifications and associated legal arrangements to support 'Kyoto compliant' plantings that are suitable as carbon offsets. The tender was released in June 2007.

Biosecurity

Biosecurity is a cross-sectoral issue, with environmental, economic and social impacts caused by a wide range of invasive species, including weeds, vertebrate pests, insects and pathogens. A draft biosecurity strategy for South Australia has been prepared to address invasive species management issues across state government agencies, particularly DWLBC, PIRSA and DEH.

DWLBC is working with other agencies to address strategy objectives of inter-agency arrangements, risk management, capabilities, communication and awareness, monitoring and surveillance, management of data, planning processes, science-based decision making, social and community pest impacts, funding and resources. The finalisation of the strategy in 2007-08 will include consideration of the national AusBIOSEC intergovernmental arrangements currently under development.

Management of Water in the Eastern and Western Mount Lofty Ranges

Prescription of water resources in the Mount Lofty Ranges followed extensive consultation with the community and industry groups including public meetings, open house forums, industry meetings and information packages.

The allocation, transfer and management of water will be guided by water allocation plans being developed in the Western Mount Lofty Ranges by the Adelaide and Mount Lofty Ranges NRM Board and in the Eastern Mount Lofty Ranges by the South Australian Murray-Darling Basin NRM Board. Further extensive consultation is being undertaken during the development of the water allocation plans.

Concept statements for the water allocation plans for the Eastern and Western Mount Lofty Ranges have been approved. The statements set out the proposed content of each plan as well as the proposed public consultation on the draft plan.

The Boards are preparing discussion papers and draft water allocation plans for public consultation in 2007-08. The discussion papers raise issues and options relating to specific water management issues.

To link the prescription process more effectively to the community three Water Allocation Planning Advisory Committees have been established in the Western Mount Lofty Ranges and two Community Advisory Committees in the Eastern Mount Lofty Ranges. The committees include industry and community members.

At a practical level over 700 temporary water authorisations were issued for the Eastern Mount Lofty Ranges in 2006-07. Authorisations enable existing users to continue to operate during the Notice of Prohibition that remains in place until the

Minister adopts the water allocation plan. Existing users are authorised on the basis of their past irrigation activities in the three years prior to the Notice of Prohibition.

Metering Water Use

The *Murraylands Meter Implementation Plan* (MIP) identifies three priority areas to meet the objectives of the *South Australian Licensed Water Use Metering Policy*. Firstly, a schedule to offer licensees ownership of existing Government meters including an incentive scheme to maximise uptake of the offer. Secondly, metering all stock and domestic use to establish a baseline for all metering in the region and thirdly preparation for future metering scenarios.

In the South East region the *South Australian Licensed Water Use Metering Policy* has been phased in over the last four years. As at 30 June 2007, almost 3500 meters had been installed.

The inspection of all meter installations is now being finalised. This will ensure that all meter installations meet the requirements of the state metering specification.

Water Allocation Plans

On 17 February 2007, the Minister adopted the amended water allocation plan for the McLaren Vale Prescribed Wells Area.

The Tintinara – Coonalpyn Prescribed Wells Area (TCPWA) covers an area of approximately 3423 km² in the Upper South East and includes the major towns of Coonalpyn and Tintinara. As part of the five yearly review of the Water Allocation Plan, the current status of the groundwater resources was assessed and in several management areas there were no adverse trends and no changes to the current management regime are recommended. However, several years of below average rainfall and the 2006 drought have contributed to falling watertable levels in the unconfined limestone aquifer in the Tintinara area. A final recommendation on allocations will be made when the magnitude of water level recovery during the 2007 winter and spring is assessed.

1.2 Policy, Science and Information

Water Proofing Adelaide

The Water Proofing Adelaide, A Thirst for Change 2005-2025 strategy released in July 2005 includes 63 strategies for the management, conservation and development of Adelaide's water resources to 2025.

Implementation of the strategies will provide 37 gigalitres per annum from water conservation initiatives, and 33 gigalitres per annum from stormwater, roof runoff and recycled water by 2025.

The majority of strategies are being implemented through various activities, for example:

- progressing development of a Water Allocation Plan for the Western Mt Lofty Ranges. (Relates to Water Proofing Adelaide Strategy 5);
- activity leading to prescription of the Central Adelaide Plains Groundwater Area on 7 June 2007 (Relates to Water Proofing Adelaide Strategy 13);
- implementation of the State Government's rainwater tank plumbing rebate scheme in July 2006. DWLBC also investigated ways to further encourage uptake of rebates. As a result some changes were announced in April 2007 including the doubling of the maximum available rebate from \$400 to \$800. (Relates to Water Proofing Adelaide Strategy 18);
- through DWLBC's membership of the Joint Steering Committee for Water Sensitive Cities, commencement of projects to develop national guidelines for water sensitive developments, and to evaluate existing icon Australian water sensitive developments. (Relates to Water Proofing Adelaide Strategy 61).

The Department also contributed to the development of improved stormwater institutional arrangements. The *Local Government (Stormwater Management) Amendment Act 2007* passed in April 2007, established the Stormwater Management Authority, stormwater funding arrangements and encourages better stormwater planning. The Act also amends the *Natural Resources Management Act 2004* to provide greater legal certainty for stormwater access rights. (Relates to Water Proofing Adelaide Strategy 44).

Major approved 'water proofing' projects include Water Proofing Northern Adelaide (announced August 2006), and Water Proofing the South (announced June 2007), which when constructed will make significant contributions to stormwater and effluent reuse. Water Proofing Northern Adelaide is expected to provide 12.1 gigalitres per year of stormwater for mains water substitution and an additional 5 gigalitres for recharge of over-allocated aquifers. Water Proofing the South will double the use of recycled water used in the Onkaparinga region to 8.8 gigalitres per year by 2011. (Relates to Water Proofing Adelaide Strategy 52).

Water Proofing South Australia

The Government has committed to developing a broad Water Proofing South Australia strategy for regional and rural South Australia. As with Water Proofing Adelaide, this will be a long-term strategy that examines key issues, including

environmental requirements, population growth, economic development and climate change predictions.

Water Proofing South Australia will consider activities to manage the State's water resources, use available resources responsibly and promote alternative supplies. Water Proofing South Australia will be developed in conjunction with NRM Boards, regional development boards and local government.

Throughout 2006-07 work commenced on developing the proposed scope for Water Proofing South Australia. In the meantime, work has commenced on a long-term plan for Eyre Peninsula, which will consider combined water management opportunities. SA Water, the Eyre Peninsula NRM Board and DWLBC are undertaking this work jointly. Key partners also include local government and the Eyre Regional Development Board.

Lake Eyre Basin Intergovernmental Agreement

A review of the Lake Eyre Basin Intergovernmental Agreement has commenced and will measure the extent to which the objectives of the Agreement have been achieved. This review fulfils the requirement that the Agreement be reviewed after the first five years of operation. The report on the review has been completed and will be considered by Ministers at the Lake Eyre Basin Ministerial Forum.

Pastoral Land Management

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

With the technical and administrative support of DWLBC, the Pastoral Board initiated the second round of assessments in the Kingoonya district in 2005. The program of assessments continued in 2006-07, completing the pastoral leases in the Kingoonya district and expanding into the Gawler Ranges. To date a total of 31 pastoral runs comprising 54 leases have been completed. This represents an assessment of 1238 individual sites with associated data entry and the preparation of lease assessment reports for the Board's consideration. The lease assessment program forms an integral part in the Board's role of managing the tenure of leasehold land through re-issuing of leases subject to being satisfied that the land is being managed sustainably.

As at 30 June 2007, the Pastoral Board had formal de-stocking orders applying to two leases.

During the course of the year, the Board continued to develop a working relationship with the NRM Boards, particularly in relation to the management of feral animals. In partnership with the NRM Boards and DEH, work was undertaken to control feral camels in the Far North and feral goats in the Flinders and Olary Ranges.

Condition of Agricultural Land

During the year DWLBC prepared regional reports on the condition of agricultural land for the Eyre Peninsula, Northern and Yorke, South East, Kangaroo Island, SA Murray-Darling Basin and Adelaide and Mount Lofty Ranges NRM Boards. The reports include information on land management issues and potential resource condition targets that the Regional NRM Boards could consider in the development of their comprehensive Regional NRM Plans.

The Department is working in partnership with other state government agencies, NRM Boards and Groups and agricultural industry organisations to achieve the *South Australia Strategic Plan*: target 3.3

- by 2004 achieve a 20-% increase in South Australia's agricultural cropping land that is adequately protected from erosion.

The reports on land condition and the development of the comprehensive NRM Plans in the agricultural areas will directly assist with the implementation of this target.

Cooperative Research Centres (CRC's)

The Department is a partner in the following CRC's:

- Future Farm Industries (previously Plant Based Management of Dryland Salinity)
- Invasive Animals
- Australian Weed Management
- Desert Knowledge
- eWater
- Irrigation Futures

The aim of the Future Farm Industries (FFI) CRC is to develop innovative farming systems and new regional industries that reduce salinity and soil erosion, conserve biodiversity and water resources, and contribute to landscape resilience to drought and climate change.

The FFI CRC will develop new farming systems based on perennial plants, new perennial plant cultivars for existing broadacre agriculture industries as well as enabling technologies and improved supply chain pathways to create new woody crop-based industries.

The FFI CRC is an alliance of grains, wool and meat research corporations, six State Government Departments, CSIRO, four universities, the Landmark agribusiness company, the Kondinin Farm Improvement Group, and individual Catchment Management Authorities.

Through the FFI CRC the Department will continue to be a leading partner in the *FloraSearch* project that commenced under the CRC Salinity. The *FloraSearch* Project is selecting and developing native species with potential for development as broad scale commercial woody biomass crops in the lower rainfall regions of southern Australia. It has identified a number of woody perennial species and is currently undertaking detailed studies of their growth and carbon biosequestration

rates, product yields and genetic selections for improved varieties for future industries.

Old man saltbush (*Atriplex nummularia*) for livestock fodder industries is the first species to undergo detailed breeding and evaluation experiments at Monarto and other trial sites across the country. In 2006, *FloraSearch* scientists established over 20 000 individual plants at the Monarto trial site, representing 28 different provenances and 528 breeding lines.

The Invasive Animals CRC aims to counteract the impact of invasive animals through the development and application of new technologies and by integrating approaches across agencies and jurisdictions. Major activities during 2006-07 included working with the Kangaroo Island NRM Board and other partners to establish an invasive animals demonstration site with the aim of eradicating feral goats and deer, and establishing control programs for feral pigs and cats. In addition, a major new research effort into the mitigation of rabbit damage has been established to counter the recent resurgence in rabbit numbers in many parts of Australia.

Major activities of the Australian Weed Management CRC during 2006-07 were the implementation of a standard national protocol to prioritise noxious weeds for coordinated control programs and the involvement of over 50 South Australian primary schools in the national Weed Warriors program. DWLBC has been supportive in examining future alternatives to the Weeds CRC, which is due to cease activities in mid 2008.

The Department continued to host the National Bridal Creeper Management Coordinator. This position manages the implementation of the National Bridal Creeper Management Strategy under the direction of a national community lead committee. The outstanding success to date has been the introduction of three biological control agents to reduce the weed's impact and prevent spread. DWLBC developed the national management strategy, assists in the research and evaluation of the biological control agents, and provides financial and in kind support to the national coordinator.

The Desert Knowledge CRC core project, 21st Century Pastoralism, has been one focus of DWLBC's interest in the 2006-07 financial year. This project aims to create a desert pastoral research collaboration that spans desert regions, and the variety of scientific disciplines relevant to extensive pastoral production systems.

The research activities of the 21st Century Pastoralism Project aims to tackle the "big issues" that will face the industry in the next decade, and provide measurable outcomes for individual pastoral enterprises and pastoral communities. The four main research areas at present are:

1. improving economic sustainability;
2. planning for variability;
3. utilising technology; and,
4. engaging Aboriginal pastoralists.

Feral camels are a second focus for DWLBC's involvement with the CRC, with one project to provide cross-jurisdictional management of feral camels to protect NRM

and cultural values, and another to gather information on the movements of camels fitted with radio-transmitters in order to provide a more scientific basis for control efforts.

During 2006-07 the Department of Water, Land and Biodiversity Conservation invested in the eWater Cooperative Research Centre (eWater CRC) to generate knowledge and skills that will better equip South Australia to responsibly manage natural resources.

The eWater CRC was established in July 2005 and is supported by the Australian water resource management industry and research organisations, and the Australian Government's Cooperative Research Centre Program. Total funding for the eWater CRC is \$141.2 million over seven years. The key products of the eWater CRC include building and delivering the next generation of water management decision tools to effectively manage fresh water resources and environments. These products range from models for forecasting and visualising scenarios and decision support software, to databases and data collection mechanisms, management guidelines and training courses for industry professionals and postgraduates.

Centre for Natural Resource Management

The Board of the Centre for Natural Resource Management (CNRM) conducted a feasibility study on how greater collaboration could boost the economic, environmental and social outcomes of South Australia's NRM science and research capabilities.

The Natural Resource Management Research Alliance emerged as a new model for the coordination of natural resource management (NRM) science across South Australia building on the achievements of the Centre for Natural Resource Management. The Alliance comprises the users and providers of NRM research: South Australian NRM and science agencies, SA's academic institutions, CSIRO, NRM boards and NRM Council. Its scope is to:

- foster and strengthen linkages between the users and providers of NRM science, technology and innovation;
- foster and strengthen linkages between providers of NRM science, technology and innovation to increase capacity and capability;
- provide strategic advice on the adoption of NRM science, technology and innovation; and
- attract and direct investment into NRM science, technology and innovation that will support improved NRM outcomes.

Branched Broomrape Eradication Program

The Department continued to make gains in the eradication of branched broomrape, which remains a major threat to both agricultural production and export markets. The weed continues to be contained within a 1900 square kilometre area near Murray Bridge. Its containment enables continued access to valuable export markets while

also preventing spread into potentially more than one quarter of all South Australian agricultural land.

In 2006-07, good autumn rainfall allowed an early start to the fumigation program and persistent, favourable weather conditions allowed program staff to treat more than five hundred hectares of infested land.

Survey teams completed the largest market assurance and discovery survey since the program began in 1999. The surveyors covered the 193 000 hectare quarantine area as well as 148 000 hectares surrounding the quarantine area. The survey, involving more than 45 staff, is undertaken during spring when the branched broomrape plants have emerged to flower and complete their life cycle. The market assurance aspect of the survey enables the movement of clean produce onto the open market and is important in maintaining national and international confidence in the quality of South Australian produce.

Review of the South Eastern Water Conservation and Drainage Act 1992

A review of the *South Eastern Water Conservation and Drainage Act 1992* is to consider a framework for managing the total system (wetlands, drainage, and environmental assets) and to explore its relationship with the *Natural Resources Management Act 2004*. A draft Issues Paper and a draft Options for Future Management paper have been developed and released for consultation. The results of the community consultation are under consideration.

Information Management, Monitoring, Evaluation and Reporting

DWLBC has taken the lead in developing further the State NRM Plan's Monitoring and Evaluation Framework on the condition of South Australia's natural resources. Reviews of water and land monitoring in South Australia have been completed and a database of over 160 NRM reporting and monitoring obligations has been developed, opening the way for integration, rationalisation and greater efficiency in reporting, evaluation and monitoring activities. An inter-jurisdictional policy group (MER-PG) has been established to provide leadership on monitoring, evaluation, and reporting for the State NRM Plan and to support the State of Environment reporting process.

The *State Natural Resources Management Plan 2006* identifies the need for widely available natural resources information to ensure the efficient management of the State's natural resources. The Natural Resources Management Information System (NRMIS) will integrate, store and provide access to data on the State's water, land and biodiversity assets.

During 2006-07 a foundation ontology was completed for the NRMIS and the development of NRMIS - Water commenced with joint funding from the South Australian Government and the National Water Commission. Highlights of 2006-07 include the establishment of the system architecture underpinning the NRMIS.

Flood Hazard Leader

Following development of the State Emergency Plan in 2005, DWLBC took up the role of Flood Hazard Leader in the 2006–07 financial year. An extensive consultation process was pursued to understand the roles, responsibilities and resources contributed by agencies and local government. Insights on practical issues were gathered and a set of agreed priorities for action developed. This information has been incorporated in the draft Flood Hazard Plan for South Australia, delivered to the State Mitigation Advisory Group for consideration in June 2007. This first Flood Hazard Plan is to be adopted early in the 2007-08 financial year.

1.3 Infrastructure Services

Upper South East Dryland Salinity and Flood Management Program

DWLBC completed construction of the Wongawilli Drain, refurbishment of the existing section of the Didicoolum Drain, and finalised the construction of the Rosemary Downs Drain.

Construction of Wongawilli Drain (approximately 8 kilometres) commenced in August 2005 and was completed in September 2006.

Construction of the new section of Didicoolum Drain (approximately 30 kilometres) commenced in April 2007 and was 13% complete at the end of June 2007.

Refurbishment of the existing section of Didicoolum Drain (approximately 29 kilometres) commenced in September 2006 and was 95% complete at the end of June 2007.

Construction of Rosemary Downs Drain (approximately 22 kilometres) commenced in February 2007 and was completed in May 2007.

Program 2: Natural Resources Management (River Murray)

Objective: Management of natural resources in the Murray-Darling Basin in South Australia, including the provision of advice and regulatory support for Government and community; and facilitating the allocation and sustainable use of natural resources.

2.1 Natural Resources Management Services (River Murray)

Murray-Darling Basin Initiative

The Murray-Darling Basin Initiative is a unique partnership involving the Australian, New South Wales, Victorian, South Australian, Queensland and Australian Capital Territory governments in partnership with the community to promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin.

South Australia remains the only jurisdiction of the six Contracting Governments of the Murray-Darling Basin Initiative to appoint an Independent Commissioner to the Murray-Darling Basin Commission. Mr John Scanlon, the first Independent Murray-Darling Basin Commissioner representing South Australia resigned from that position in January 2007 and Mr Ian Kowalick was then appointed Independent Commissioner for a two-year term from 18 January 2007.

Through the Murray-Darling Basin Initiative, South Australia continued to push a strategic Basin-wide approach, taking a leading role in whole of Basin issues that included:

- water recovery
- the need to re-assess how unregulated river flows should be used for improved environmental outcomes within the Basin; and
- the need to urgently address the emerging risks to water sharing across the Basin through the Risk to Shared Water Resources Program.

Council/Commission decisions that will have a significant impact in a short time frame within South Australia include:

- the upgrading of several weirs, with the inclusion of fish passage, at Chowilla;
- the continuation of dredging at the Murray Mouth to ensure a hydrologic link between the Coorong and the sea;
- the continuation of the fishway construction program at the weirs on the River Murray; and
- progress the finalisation of the design of the Murtho Salt Interception Scheme.

The Living Murray Initiative

The Department has continued to work on recovering 35 gigalitres of water as part of South Australia's commitment to the Living Murray under the First Step Decision. The 500 gigalitres First Step has been reflected in *South Australia's Strategic Plan* along with an additional goal of encouraging the Basin jurisdictions to commit to recovering a further 1000 gigalitres of water for the environment by 2018. Both these targets are not achievable by South Australia alone. South Australia's strategies focus on influencing other states, both through a 'demonstration effect' of exemplary behaviour, and through maximising our influence in Basin-wide decision-making. An example is the recent decision by the Murray-Darling Basin Ministerial Council to enter the water market to purchase water from willing sellers, an initiative driven by the South Australian Government and subsequently supported by Basin jurisdictions.

South Australia has continued to implement the South Australian Water Recovery Package announced in May 2006. The State's water recovery measure 'Securing Government Held Water' was entered onto the Eligible Measures Register for The Living Murray (TLM) in February 2007. This measure will recover a long-term average of 13 gigalitres of water for the environment that has historically been used for irrigation and other consumptive uses. This measure will recover nearly 40 per cent of South Australia's current water recovery target of 35 gigalitres and was the first water to be made available for environmental watering under The Living Murray Initiative, being used at The Living Murray icon sites in 2006-07. Investment in the measure by other jurisdictions has been negotiated with investment agreements to be finalised in 2007-08.

Feasibility assessments have also been completed including considering market purchase of water from willing sellers, and investigating investment in improved on-farm infrastructure for water recovery. Work is also progressing on the measure to improved wetland management resulting in evaporative savings.

South Australia is continuing to work with our interstate partners in assessing water recovery proposals and preparation of investment agreements for interstate water recovery initiatives. The Victorian Goulburn Murray Water Recovery proposal is underway with South Australia actively involved in the investor board, which oversees the delivery of milestone payments. Work has also been undertaken with Victoria on the preparation of the Lake Mokoan investment agreement and negotiations are continuing with New South Wales for their Proposal B water recovery package for the Darling Anabranch.

River Murray Environmental Manager

During 2006-07, the role and associated responsibilities of the River Murray Environmental Manager (RMEM) were formally transferred from DWLBC to the South Australian Murray-Darling Basin Natural Resources Management Board (Board). The Board, through the RMEM, has the lead role to coordinate the delivery allocation and management of River Murray environmental water and to develop policy in relation to environmental flows. The RMEM also has ongoing responsibility for Living Murray Icon Site management and project implementation.

Key RMEM achievements during 2006-07 include:

- development of the South Australian Annual Environmental Watering Plan;
- finalisation of the Floodplain and Wetland Prioritisation Projects, which prioritise floodplain and wetland assets based on specific ecological criteria;
- ongoing development of a Floodplain Management Plan for Katarapko Floodplain, in partnership with the Department of Environment and Heritage and Banrock Station;
- Development of an ongoing partnership with the Yatco Landcare Group to develop a long-term management plan for the Yatco Lagoon that incorporates relocation of irrigation pumps to the river, to achieve water savings and improved ecology;
- With the Mid Murray Local Action Planning Group, undertaking a comprehensive baseline survey of the Markaranka Floodplain as part of the partnership with Fosters Ltd to achieve long-term environmental improvement in floodplain health;
- Contributing to the Pike Implementation Plan that addresses long-term floodplain management, sustainable irrigation and salt management;
- Further development and implementation of the Icon Site Environmental Management Plans.

Living Murray Icon Site Management

The RMEM is the Living Murray Icon Site Manager for the Lower Lakes/Coorong/Murray Mouth, Chowilla Floodplain and the SA portion of the River Murray Channel Icon Site. Icon Site Environmental Management Plans have been developed for the Icon Sites and an interim Blueprint is currently being developed for each site to ensure the water and infrastructure needs are adequately addressed and collectively contribute to achieving the environmental objectives established by Ministerial Council.

Living Murray Icon Site Project Implementation

Although the current drought is causing significant stress to the floodplain environment, progress has been made at Chowilla over the past year. Investment plans have been developed for infrastructure works, including the upgrade of Slaney and Pipeclay Weirs and Bank E at Chowilla. An investment proposal is currently being developed for construction of an environmental regulator at Chowilla Creek, to enable inundation of approximately 45% of the Chowilla floodplain. Discussions are underway with NSW and Victoria regarding an Environmental Impact Assessment of the proposal.

Other works and measures at the Chowilla Icon Site have included:

- watering 11 high priority Red Gum and Black Box sites;
- approval for works and/or detailed design at a number of existing regulator sites to improve flow management and fish passage;
- detailed Chowilla Creek regulator scenario modelling and risk assessment has been undertaken to assist in the development of operating rules; and
- detailed groundwater and salinity impact assessments have been undertaken. A pilot hole for a deep injection groundwater disposal trial report has been completed. Plans for an injection trial are in progress.

Projects are also being progressed at the Lower Lakes/Coorong/Murray Mouth Icon Site and include additional fishways at Hunter's Creek and Boundary Creek, fish ecology and movement investigations, modifications to the Tauwitchere rock ramp fishway, construction of a low flow small bodied vertical slot at Goolwa and Tauwitchere barrages and two additional small rock ramp fishways at Tauwitchere. Investigations are also underway into the potential to divert SE drainage flows to the southern lagoon to improve the ecological outcomes. Other works and measures at the Lower Lakes, Coorong and Murray Mouth Icon Site have included:

- production and implementation of an ecological monitoring framework according to Living Murray targets;
- completion of studies into barrage flow releases and also into the movement of migratory fish in response to fishway flows; and
- detailed design and approval for Hunter's Creek fish friendly regulator.

Murray Mouth Dredging

The drought conditions being experienced in the Murray-Darling Basin continued throughout 2006-07 resulting in South Australia receiving significantly reduced flow for the year. Dredging is vital for maintaining an open channel for tidal flows to help maintain the health of the Coorong. A major milestone was reached in May 2006 when the design channel cross sections were achieved for the first time since dredging commenced in October 2002 and as a result, the dredging effort was reduced in June 2006. Unfortunately, drought conditions have persisted in the Murray-Darling Basin and dredging will need to be continued until late Spring 2008 at the earliest and for a further 12 months if conditions remain dry. Sand ingress will be monitored to see if current dredging operations are sufficient to maintain an open channel.

A total of 4.8 million cubic metres of sand has been removed since the project commenced in 2002 with expenditure to 30 June 2007 of approximately \$27 million for this operation.

Access for boats to navigate through the Murray Mouth exclusion zone was maintained during the summer period from the 2006 October long weekend to the end of the April 2007 school holidays when it was closed for winter. Boat access will again be provided during the forthcoming summer.

Water Security Task Force and Water Security Advisory Group

In October 2006, the Government established the Water Security Task Force, chaired by Mr Paul Case and including the chief executives of the Department of the Premier and Cabinet, Department of Water, Land and Biodiversity Conservation, Primary Industries and Resources SA, Department for Environment and Heritage, Department for Transport, Energy and Infrastructure, Department of Treasury and Finance, Department of Trade and Economic Development and SA Water, to analyse likely water availability scenarios and identify contingency options for consideration by the Government. Since that time the Department of Health has been added to the Task Force membership.

To ensure decisions are based on the best possible information and advice, Government also has established a high level Water Security Advisory Group, chaired by the Minister for Water Security. The role of the Water Security Advisory Group has been to:

- review the work of the task force;
- suggest additional work and ideas, as required; and
- review and comment on options presented.

The Department provided critical scientific, technical, policy and administrative support to the Taskforce.

In February 2007, on the recommendation of the Water Security Task Force and Water Security Advisory Group, the Government approved a strategy designed to ensure critical water needs would be met in 2007/08, given the record drought conditions in 2006/07. In summary, that strategy included the following key projects:

- Temporary disconnection of selected wetlands to yield 30 GL in water savings;
- Modifying the major pump stations below Lock 1 to enable them to operate as the river level falls;
- Preparations to construct a temporary weir below Wellington, if necessary as a measure of last resort;
- Pumping additional River Murray water into storages during 2006/07 to increase water in storage at the beginning of the 2007/08 year;
- Fast-tracking water filtration facilities for 15 communities that presently receive unfiltered River Murray water; and
- Alternative water supplies, such as a pipeline to Clayton, standpipes at Meningie, Hindmarsh Island, Milang and Goolwa North and a pump from the lake at Narrung.

River Murray Drought Team

In 2006-07, the River Murray and wider Murray-Darling Basin experienced the lowest inflows in recorded history, with serious implications for many River Murray water users in South Australia and upstream states. This led to significant water management problems for South Australia and unique challenges for the Department in managing the river.

In order to best manage the River Murray and related issues through these unprecedented conditions, the Department established a River Murray Drought Team. This team consisted of personnel with expertise in the areas of River Murray

water resources management, licensing, water trading, media and communications and natural resources management law.

The team provided information, advice and other practical assistance to drought-affected communities and individuals. It also provided technical support and advice to the Minister for the River Murray and Minister for Water Security, the State Government's Water Security Task Force, and other government departments.

The River Murray Drought Team facilitated communications and community engagement programs on the River Murray drought. As part of these programs, the Government appointed the Hon Dean Brown and Hon Neil Andrew as Community Liaison Managers to provide a conduit between the Government and communities along the River Murray and Lower Lakes during the drought. The Team provided technical support and advice to these managers.

The reduced amount of water available in the River Murray during 2006-07 led to strong demand for regular information for all sectors of River Murray users and other affected stakeholders. The Department's River Murray Drought Team developed and executed an extensive communication program to meet this demand for information.

This communication program included: briefings and meetings with stakeholder and community groups; production and distribution via email networks and public meetings of frequently asked questions and answer documents on key issues (including water restrictions, a proposed temporary weir near Wellington and temporary closures of wetlands); print and radio advertising; regular articles posted on the Drought Link website and SA Drought E-Newsletter; information about the River Murray available via the SA Government Drought Hotline 180 20 20; and contributions to two series of public meetings hosted by the SA Murray-Darling Basin NRM Board (in River Murray towns in November 2006 and June 2007).

River Murray drought pages on the Department's website were also kept up to date with the latest information.

During 2006-07 the Department also provided critical scientific, technical and administrative support to a range of measures and investigations undertaken by the government as part of its short-term emergency response to the drought. These efforts included:

- enabling licensed River Murray water users to carryover into 2007-08 up to 50% of their restricted volume for 2006-07 that was unused;
- requesting River Murray Water (in the Murray-Darling Basin Commission) to adjust River Murray flows to South Australia across the period February to May 2007 inclusive primarily to maintain the water level as high as possible in the weir pools during the main irrigation season;
- temporarily closing off 27 regulated wetlands from the main river channel to reduce both the water lost through evaporation and the risk of water quality issues from highly saline and nutrient-rich water from these wetlands draining back into the river. Another eight unregulated water bodies, including Lake Bonney, have been, or are to be, temporarily disconnected;
- streamlining the approval process for applications to undertake emergency dredging to lengthen or deepen existing water supply channels or commercial

ramps and jetties (in partnership with local councils and Aboriginal communities);

- providing ex-gratia relief payments to water licence holders in the SA Murray-Darling Basin NRM region equivalent to 40% of the water levy payable by each licence holder;
- waiving fees normally attached to the transfer of water purchased by licensed water users to top up restricted use to 100% of their entitlement;
- revising water level and salinity models for the River Murray and Lower Lakes in partnership with the Murray-Darling Basin Commission; and
- providing additional compliance and enforcement effort along the River Murray.

2.2 Policy, Science and Information (River Murray)

Review of Irrigation Legislation

A review of the *Irrigation Act 1994* and the *Renmark Irrigation Trust Act 1936* is being undertaken to assess the Acts against contemporary water resources management objectives and to ensure full compliance with the National Water Initiative. A Discussion Paper was released for targeted consultation and an Options Paper developed on the basis of the issues identified during the consultation.

Interstate Water Trading

South Australia has had effective intrastate water entitlement trade in place since 1983 however interstate trade has been limited to a trial project, beginning in 1998, along the main stem of the River Murray conducted under the provisions of the Murray-Darling Basin Agreement.

The expansion of interstate trade in water entitlements beyond this trial has been limited by the existing legislative requirements in each of the states and it was not possible to meet the deadline set out in the National Water Initiative. The southern Murray-Darling Basin states agreed to implement revised compatible legislation that would permit this proposed expansion of trade but it was clear that this could not be put in place before 1 July 2007 at the earliest.

In order to progress this issue on an interim basis while the necessary legislative and administrative changes were negotiated and implemented, the relevant Ministers from NSW, Victoria and South Australia agreed in May 2006 to implement a Pilot Tagged Trade program. It was agreed that this program would allow licensees to 'permanently' trade water entitlements using an automatic ongoing temporary trade process. Because of the different legislation in each jurisdiction, this could only be achieved through a series of bilateral agreements between the states.

A bilateral agreement was signed between South Australia and NSW in November 2006 and between South Australia and Victoria in April 2007. These agreements required very minor changes in regulations under the *Natural Resources Management Act (2004)*, which have also been gazetted. A similar agreement was also negotiated between NSW and Victoria.

The necessary legislative changes to permit expanded permanent interstate trade in water entitlements as required under the National Water Initiative have been passed in South Australia and ongoing administrative arrangements to facilitate this trade will be implemented as soon as practical.

2.3 Infrastructure Services (River Murray)

Lower Murray Reclaimed Irrigation Area (LMRIA)

The Department made significant progress in 2006-07. Achievements included:

- all irrigation areas are now privately operated with five former government districts converting during the year;
- 23 of the 24 irrigation districts/private irrigators signed their Rehabilitation Funding Deed with the Minister for the River Murray for their on-ground works;
- 99% of meters had been installed by 1 July 2007;
- an equivalent of 1200 ha out of a total of 4051 ha was rehabilitated during 2006-07, with irrigators programming their drainage works for completion by 30 June 2008;
- a Water Quality report showing a marked reduction in pollutants entering the River to date;
- on-farm Environmental Improvement Management Plans (EIMP) instituted, 99% of exits and land purchase assistance completed; and
- the permanent closure of 50 redundant levee bank sluices (out of an estimated 100).

Salt Interception Schemes

South Australia has continued to reduce salinity impacts on the River Murray in line with *South Australia's Strategic Plan* Objective 3: Attaining Sustainability. Reducing the inflow of saline groundwater into the River Murray provides environmental benefits and underpins sustainable irrigation development. Significant progress in 2006-07 includes:

- Bookpurnong Salt Interception Scheme (SIS) was commissioned in September 2006. The project will intercept up to approximately 120 tonnes of salt per day, preventing it from returning to the River;
- Murtho SIS investigations were concluded and presented to the Murray-Darling Basin Commission (MDBC). The Commission granted conditional approval to progress the project to a "construction ready phase". Most of the conditions have now been completed with the last due in August 2007. Design Consultancy contracts are ready for tendering. South Australia will request final approval as soon as all conditions are completed;
- construction of the Loxton SIS project has continued with the completion of the disposal main pipeline and Floodplain Interception bores. The trial of a directional bore on the highland has continued and a new cliff toe-drain proposal is being investigated to intercept highland salt. The project is due for completion in 2009; and
- salt interception investigations have continued at Pike, Chowilla, Salt Creek, Woolpunda and Waikerie.

Statistics

Development Planning

The Development Planning Group (DPG) within the Department advises on all planning related matters. DPG coordinates Departmental advice on statutory instruments stemming from the *Development Act 1993*. These are items such as the State Planning Strategy, amendments to local development plans (PAR's), formal reviews of local development plans (Section 30), and other proposed planning related policy or initiatives such as declared Major Developments.

In 2006-07 114 such items were processed by DPG with responses provided in a timely fashion:

	2006-07	2005-06
• PAR's and SOI's	88	81
• Other planning policy	19	15
• Section 30 Reviews	6	0
• State Planning Strategy	1	1

109 non-statutory items (not legally required)

Act	No. 2006-07 Referrals	2005-06
River Murray Act 2003	660	609
NRM Act 2004	82	46
Mining Act 1971	39	28
Commonwealth EPBC Act 1999	5	2
Petroleum Act 2000	4	2
Harbors and Navigation Act 1993	0	1

Native Vegetation Clearance Approvals

Clearance						
Financial Year	Clearance Applications (under Section 28 of Native Vegetation Act)				Mining/DTEI/Regulations (ha)	Total Clearance Area (ha)
	Area of degraded scrub (ha)	Scattered Trees	Canopy of Trees	Total (ha)		
2001-02	148	933	18.7	167	0	167
2002-03	386	241	4.8	391	0	391
2003-04	254	271	5.4	259	7.2	267
2004-05	296	379	7.6	304	495	799
2005-06	930*	413	8.3	938	56.1	995
2006-07	504	375	7.5	512	1880	2390

*Includes 891 ha of previously cleared regrowth.

Significant Environmental Benefits

Significant Environmental Benefit				
Financial Year	Clearance Applications (ha)	Mining/DTEI/Regulations (ha)	Total Benefit Area (ha)	Financial Off-set \$
2001-02	1120	0	1120	0
2002-03	739	0	739	0
2003-04	944	36	980	10 100
2004-05	508	4442.8	4940	26 300
2005-06	1500	288*	1790**	217 000
2006-07	1050	1300	2350	323 000

These figures do not include approvals where the vegetation is expected to regenerate: eg brush cutting or ecological burns. Tree area was generated by multiplying tree numbers by the average canopy area of 0.02 hectares.

Numbers rounded to three significant figures

*This figure was incorrectly reported in the 05-06 annual report as 57.3 ha

**This figure was incorrectly reported in the 05-06 annual report as 1554.5 ha

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Appendix A – Management of Human Resources

Employee Numbers, Gender and Status

Total Number of Employees	
Persons	572
FTEs	540.8

Gender	% Persons	%FTEs
Male	58.39	59.5
Female	41.61	40.5

Number of Persons During the 06-07 Financial Year	
Separated from the agency	106
Recruited to the agency	132

Number of Persons at 30 June 2007	
On Leave without Pay	22

Number of employees by salary bracket

Salary Bracket	Male	Female	Total
\$0 - \$40 399	60	55	115
\$44 000 - \$56 999	65	99	164
\$57 000 - \$72 999	121	56	177
\$73 000 - \$91 999	74	27	101
\$92 000+	14	1	15
Total	334	238	572

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

Please note that all following tables refer only to employees who were 'active' or on leave with pay with the agency as at the end of the last pay period in the 2006-07 financial year. The tables include executives.

Status of employees in current position

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	177.1	23	104.3	17.34	321.74
Female	124.09	39.9	48.57	6.47	219.03
Total	301.19	62.9	152.87	23.81	540.77

Persons	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	180	23	105	26	334
Female	134	41	51	12	238
Total	314	64	156	38	572

Executives by gender, classification and status

Classification	Ongoing		Contract Tenured		Contract Untenured		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
EXEC A					5	1	5	1
EXEC B					5		5	
EXEC C					2		2	
EXEC E					1		1	
Total					13	1	13	1

Leave Management

Average days leave taken per full time equivalent employee

Leave Type	2003-04	2004-05	2005-06	2006-07
Sick leave	5.07	4.81	5.49	5.67
Family Carer's Leave	0.47	0.41	0.56	0.79
Miscellaneous Special Leave with Pay	0.46	0.54	0.64	0.61

Voluntary Flexible Working Arrangements

Number of employees using voluntary flexible working arrangements by gender

	Male	Female	Total
Purchased leave	1	1	2
Flexitime	281	212	493
Compressed weeks	2	1	3
Part-time job share	10	40	50
Working from home	0	1	1

Workforce Diversity

Age Profile - number of employees by age bracket by gender

Age Bracket	Male	Female	Total	% of Total	Workforce Benchmark*
15-19	0	1	1	0.17	6.7
20-24	7	15	22	3.85	10.5
25-29	31	50	81	14.16	10.2
30-34	32	38	70	12.24	9.9
35-39	35	33	68	11.89	11.2
40-44	46	22	68	11.89	11.9
45-49	46	36	82	14.34	12.3
50-54	63	23	86	15.03	11.3
55-59	53	13	66	11.54	8.6
60-64	18	7	25	4.37	5
65+	3	0	3	0.52	2.4
TOTAL	334	238	572	100	100.0

* Source: Australian Bureau of Statistics Australian Demographic Statistics, Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from February 1978 Supertable, South Australia at March 2007.

Indigenous Employees

An Aboriginal and/or Torres Strait Islander person is someone who:

- is of Australian Aboriginal and/or Torres Strait Islander descent; and
- identifies as Aboriginal and/or Torres Strait Islander; and
- is accepted as such by the community in which he/she lives or has lived in.

Aboriginal and/or Torres Strait Islander employees

Male	Female	Total	% of Agency	Target*
1	8	9	1.57	2%

*Target from South Australia's Strategic Plan

Cultural and Linguistic Diversity

It is recognised that there are a number of indicators of cultural and linguistic diversity. For the purposes of annual reporting agencies are only required to report on:

- Employees born overseas; and
- Employees who speak languages other than English at home.

	Male	Female	Total	% Agency	SA Community*
Number of employees born overseas	24	21	45	7.87	20.3
Number of employees who speak language(s) other than English at home	10	7	17	2.97	15.5

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

Disability

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

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

Number of employees with ongoing disabilities requiring workplace adaptation

Male	Female	Total	% Agency
8	6	14	2.44%

Performance Development

Documented review of individual performance development plan

Employees with ...	% Total Workforce
A plan reviewed within the past 12 months	32.87
A plan older than 12 months	26.22
No plan	40.91

Leadership and management training expenditure

Training and Development	Total Cost
Total training and development expenditure	\$470 928
Total leadership and management development	\$111 977

Accredited training packages by classification

Classification	Number Accredited Training Package
ASO1	1
ASO2	4
ASO3	10
ASO4	8
ASO5	6
ASO6	12
ASO7	7
ASO8	2
OPS1	1
OPS2	4
OPS5	2
TGO0	2
TGO2	3
TGO4	1

PO1	13
PO2	7
PO3	5
PO4	2
MAS2	1
MAS3	3
EXEC B	2

Equal Employment Opportunity Programs

The Department of Water, Land and Biodiversity Conservation does not manage any public sector wide equal opportunity employment programs on behalf of the public sector.

The Department recruited one employee from the Disability Register and 14 employees have self-identified as having a disability. Nine employees identify as being of Aboriginal or Torres Strait Islander (ATSI) descent.

Aboriginal Employment Strategic Plan

In support of staff of ATSI descent the Department has implemented an Aboriginal Employment Strategic Plan to ensure the recruitment and development of Aboriginal staff and subsequent cultural training across the Department. Aboriginal Cultural Awareness Training for Executives, Managers and key staff will commence in July 2007. All ATSI employees are included in a tailored development program and have access to a mentor. One Aboriginal employee has been trained as a Bullying and Harassment Contact Officer.

Disability Action Plan

The Department has continued to support the Disability Action Plan through the implementation of the Departmental Disability Action Plan. This plan is actioned by the Department's Disability Steering Committee, to ensure workplaces are flexible and meet the needs of people with disabilities, particularly in relation to accessing information, facilities or liaising with employees.

The Trainee Register and all other equal employment programs have been actively promoted through the Department's updated recruitment and selection policy.

Commitment to Customer Service

Positions with customer service reflective in job and person specifications

Positions	%
% of positions with Customer Service reflected in the job and person specification	38 %
% of positions without Customer Service reflected in the job and person specification	62 %

Occupational Health, Safety and Injury Management (OHSW and IM)

Current and planned policy

The DWLBC OHSW and IM Management Systems are complete with seven policy areas documented and the seventh in the process of being implemented. They are:

1. Consultation
2. Hazard Management
3. Injury Management
4. Emergency Preparedness
5. Procurement and Purchasing
6. Training
7. Monitoring, evaluation, reporting and planning

Recently identified OHSW and IM issues

- Threats to employees in the work environment in relation to drought impact
- Consistent standard for the use of boats across the agency

Public Sector Safety Management Strategy 2004-06

Of the 40 plus actions in the strategy, DWLBC succeeded in implementing all but one, namely, the inclusion of OHSW performance in senior management performance discussions and job and person specifications.

DWLBC successfully met 8 of 10 targets for the 2004-06 strategy. Failure to meet the targets around early notification (80% notified within less than 2 days) and early claims determination (75% determined within 10 days of claim) is being investigated with the Injury Management team at the Department of Premier and Cabinet with strategies for meeting these targets to be implemented in the new Implementation Plan.

Major claims

One long-term claim is being slowly brought to closure with an anticipated full return to work in the near future. Of the 13 new claims for 2006-07, one related to an asbestosis claim for a public sector employee who suffered the illness when working on weirs on the Murray between 1950 and 1970. Crown advice linked DWLBC to the claim as the plant and operations would now reside through changes to legislation to the Minister for the Murray. DWLBC, on Crown advice, settled the claim on behalf of the Crown. This redemption accounted for the majority of the section 42 redemptions of \$153 000 paid by the agency.

Reporting and claims management

There were 82 incident reports received this year, 39 of which were for injuries ranging from minor to lost time and three of these (7.6%) were not reported within 24 hours. All of the 36 injury reports received within 24 hours were immediately reported through to the DPC Injury Management team. However, only five of 13 claims were acted on for initial rehabilitation assessments within 48 hours. Similarly, only six of the 13 claims were accepted within 10 working days. Reasons for the delays are being investigated to ensure earlier assessment and acceptance timeframes. It is, however, pleasing to report that 100% of claims requiring rehabilitation were provided within five days.

Risk Management Program

The OHSW Risk Registers are being reviewed within each division to identify those mitigation strategies that each will develop and implement for their remaining high risk activities as part of their OHSW action plan for 2007-08. Budgets for delivery of the program are also prepared at this time.

Injury - analysis of statistics

Falls, trips and slips and vehicle accidents were the main cause of injury this financial year. Of the thirteen claims, four related to each of these areas. The four slips, trips or falls resulted in various injuries the most serious resulting in a fractured wrist and a sprained ankle.

OHSW Committee

The OHSW Committee has conducted a review program of all current policies and procedures since June last year. Relevant groups in the agency who were affected by them were consulted on relevance (intent) and detail of the content to meet operational and system requirements. All documents were referred for final review to the OHSW Committee.

Health Promotions

The agency provides a health promotions program which has included a free flu vaccination program, free health checks and support in funding staff recreational programs as well as a free fresh fruit promotion. The agency provides a free Employee Assistance Program with both face-to-face contact and online support. There have been 124 people contact the service for information on various issues on-line (96 people) and 28 people who sought face-to-face counselling services with 62.5 hours of counselling provided.

Occupational Health, Safety and Injury Management

Requirement	2006-07	2005-06	2004-05
1 OHS legislative requirements			
Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	2	6	4
Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	0	0	1
Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)	0	1	0
2 Injury management legislative requirements			
Total number of employees who participated in the rehabilitation program	0	8	4
Total number of employees rehabilitated and reassigned to alternative duties	0	5	0
Total number of employees rehabilitated back to their original work	0	7	1

Number of open claims as at 30 June	12	13	6
Percentage of workers compensation expenditure over gross annual remuneration	0.59%	0.68%	1.54%
3 Number of claims			
Number of new workers compensation claims in the financial year	13 (1 rejected)	21 (1 rejected)	11
Number of fatalities, lost time (F)	0	0	0
injuries, medical treatment only (LTI)	4	7	6
(MTO)	9	13	5
Total number of whole working days lost	370	561	1638
4 Cost of workers compensation			
Cost of new claims for financial year	130 472	13 829	12 442
Cost of all claims excluding lump sum payments	105 722	230 722	404 446
Amount paid for lump sum payments on the settlement of a claim (under the WRC Act)	s42 s43 s44	153 000 0 0	70 000 9 240 0
Total amount recovered from external sources (WRC Act s54) including from a negligent third party	0	12 432	0
Budget allocation for workers compensation	\$138 059	\$310 000	\$463 209
5 Trends			
Injury frequency rate for new lost-time injury/disease for each million hours worked	4.8	8.4	7.1
Most frequent cause (mechanism) of injury	Falls, trips and slips	Body stressing/ falls, trips and slips/ chemicals	Being hit by moving objects
Most expensive cause (mechanism) of injury	Falls, trips and slips	Falls, trips and slips/ body stressing	Falls, trips and slips
6 Meeting the organisation's strategic targets			
Compensable injury frequency rate for all new lost time and medically treated injuries for each million hours worked.	14.5	24.1	14.2
Total new claims as a percentage of FTE	2.58%	3.98%	2.26%
Prevention key performance indicators			
Percentage of investigation reports signed off by the Health & Safety Representative – involvement	87%	86%	64%
% Attendance of management representatives at OHS&W committee meetings -commitment	81%	78%	68%
% Attendance of health and safety representatives at OHS&W committee meetings-commitment	91%	75%	64%
Average time taken for Incident Reports to	1.9 hours	8 hours	32 hours

be received by management after the event.			
% of actions from OHSW Committee completed within two meetings	95%	82%	N/A
Injury management targets			
4a) Rehabilitation assessment conducted within 2 days of notice of injury to employer	38.5%	71%	0%
4b) Rehabilitation intervention within 5 days of injury notification	100%	100%	100%
5a) Claims determined within 10 days of receipt of claim	42.6%	76%	81%
5b) Claims not determined within 3 months of claim lodgement	0%	0%	0%
6 Average Days Lost for each new Lost time Injury	2.0	2.1	3.1
7a) Injured employees returned to work within 5 days of injury	76.9%	86%	91%
7b) Injured employees not returned to work within 3 months of injury	0%	0%	0%

Appendix B – Auditor General’s Report

INDEPENDENT AUDITOR’S REPORT



Government of South Australia
Auditor-General's Department

9th Floor
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

TO THE CHIEF EXECUTIVE OFFICER DEPARTMENT OF WATER, LAND AND BIODIVERSITY CONSERVATION

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of Water, Land and Biodiversity Conservation for the financial year ended 30 June 2007. The financial report comprises:

- An Income Statement;
- A Balance Sheet;
- A Statement of Changes in Equity;
- A Cash Flow Statement;
- A Program Schedule of Income and Expenses;
- Notes to and Forming Part of the Financial Statements;
- An Administered Income Statement;
- An Administered Balance Sheet;
- A Statement of Changes in Administered Equity;
- An Administered Cash Flow Statement;
- Notes to and Forming Part of the Administered Statements;
- A Program Schedule of Administered Income and Expenses; and
- A Certificate by the Chief Executive and the Chief Finance Officer

The Responsibility of the Chief Executive for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with the Treasurer’s Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Water, Land and Biodiversity Conservation as at 30 June 2007, and 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 (including the Australian Accounting Interpretations).



S O'Neill
Auditor-General
27 September 2007

Appendix C - Financial Performance

Income Statement for the Year Ended 30 June 2007

		2007	2006
EXPENSES:	Note	\$'000	\$'000
Employee expenses	6(a)	40 099	38 013
Supplies and services	7	38 953	44 614
Depreciation and amortisation expense	8	2 581	2 184
Grants and subsidies	9	37 313	39 272
Other expenses	10	4 991	16 278
Total Expenses		123 937	140 361
INCOME:			
Fees and charges	13	13 110	13 316
Interest	14	211	520
Grant revenue	16	29 174	31 397
Net gain on disposal of non-current assets	15	29	-
Other revenue	17	1 357	2 145
Total Income		43 881	47 378
NET COST OF PROVIDING SERVICES		80 056	92 983
REVENUES FROM SA GOVERNMENT	12	93 469	85 106
NET RESULT		13 413	(7 877)

**Balance Sheet
as at 30 June 2007**

	Note	2007 \$'000	2006 \$'000
CURRENT ASSETS:			
Cash and cash equivalents	2(l), 18	27 578	11 038
Receivables	21	3 600	3 667
Inventories	2(f), 20	1 216	1 224
Other current assets	21	1 417	1 095
Non-current assets classified as held for sale	19	-	789
Total Current Assets		33 811	17 813
NON-CURRENT ASSETS:			
Property, plant and equipment	22	67 372	68 183
Intangible assets	23	5 299	5 641
Total Non-Current Assets		72 671	73 824
Total Assets		106 482	91 637
CURRENT LIABILITIES:			
Payables	24	4 527	4 112
Employee benefits	25	3 600	3 298
Provisions	26	133	183
Total Current Liabilities		8 260	7 593
NON-CURRENT LIABILITIES:			
Payables	24	903	834
Employee benefits	25	7 932	6 887
Provisions	26	370	496
Total Non-Current Liabilities		9 205	8 217
Total Liabilities		17 465	15 810
NET ASSETS		89 017	75 827
EQUITY:			
Contributed capital		8 164	8 164
Retained earnings		56 573	43 595
Asset revaluation reserve		24 280	24 068
TOTAL EQUITY		89 017	75 827
Commitments for expenditure	27		
Contingent assets and liabilities	28		

**Statement of Changes in Equity
for the year ended 30 June 2007**

	Note	Contributed Capital \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2005		7 107	14 820	42 887	64 814
Error correction		-	-	414	414
Restated balance at 30 June 2005		7 107	14 820	43 301	65 228

Gain on revaluation of property, plant and equipment and intangibles during 2005-06	-	9 248	-	9 248
Error correction	-	-	8 171	8 171
Net income recognised directly in equity for 2005-06	-	9 248	8 171	17 419
Net result for 2005-06	-	-	(7 877)	(7 877)
Total Recognised Income and Expense for 2005-06	-	9 248	294	9 542
Equity contribution from SA Government	1 057	-	-	1 057
Balance at 30 June 2006	8 164	24 068	43 595	75 827
Gain on revaluation of property, plant and equipment and intangibles during 2006-07	-	212	-	212
Error correction	2(d)	-	(435)	(435)
Net income recognised directly in equity for 2006-07	-	212	(435)	(223)
Net result for 2006-07	-	-	13 413	13 413
Total Recognised Income and Expense for 2006-07	-	212	12 978	13 190
Balance at 30 June 2007	8 164	24 280	56 573	89 017

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

**Cash Flow Statement
for the year ended 30 June 2007**

	2007	2006
	Inflows (Outflows)	Inflows (Outflows)
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH OUTFLOWS:	Note	
Employee benefit payments	(38 928)	(38 397)
Supplies and services	(38 766)	(44 862)
Grants and subsidies	(37 313)	(39 167)
Other expenses	(4 980)	(15 312)
GST payments on purchases	(8 746)	(9 220)
GST remitted to the Australian Taxation Office	(181)	(291)
Cash used in Operating Activities	(128 914)	(147 249)
CASH INFLOWS:		
Fees and charges	13 560	13 959
Grant receipts	29 174	31 397
Interest received	200	581
Other receipts	1 357	1 407
GST receipts on sales	2 326	2 923
GST receipts from the Australian Taxation Office	6 208	7 426
Cash generated from Operating Activities	52 825	57 693
Receipts from SA Government	93 469	85 106
Cash generated from SA Government	93 469	85 106
Net Cash provided by (used in) Operating Activities	17 380	(4 450)
	29	
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH OUTFLOWS:		
Purchase of property, plant and equipment	(1 662)	(455)
Cash used in Investing Activities	(1 662)	(455)
CASH INFLOWS:		
Proceeds from sale of property, plant and equipment	822	-
Cash generated from Investing Activities	822	-
Net Cash used in Investing Activities	(840)	(455)
CASH FLOWS FROM FINANCING ACTIVITIES:		
CASH INFLOWS:		
Capital contributions from Government	-	1 057
Net Cash provided by Financing Activities	-	1 057
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16 540	(3 848)
CASH AND CASH EQUIVALENTS AT 1 JULY	11 038	14 886
CASH AND CASH EQUIVALENTS AT 30 JUNE	27 578	11 038
	18, 29	

**Program Schedule of Income and Expenses
for the year ended 30 June 2007**

	NRM (River Murray)			2007
	NRM \$'000	\$'000	General \$'000	Total \$'000
EXPENSES:				
Employee expenses	25 185	7 822	7 092	40 099
Supplies and services	22 344	9 047	7 562	38 953
Depreciation and amortisation	11	-	2 570	2 581
Grants and subsidies	8 152	29 126	35	37 313
Other expenses	38	5 525	(572)	4 991
Total Expenses	55 730	51 520	16 687	123 937
INCOME:				
Fees and charges	6 494	6 515	101	13 110
Grant revenues	21 987	7 139	48	29 174
Interest	187	17	7	211
Net gain on disposal of non-current assets	12	-	17	29
Other revenue	1 097	20	240	1 357
Total Income	29 777	13 691	413	43 881
NET COST OF PROVIDING SERVICES	25 953	37 829	16 274	80 056
REVENUES FROM SA GOVERNMENT				
Revenues from SA Government	2 572	21 113	69 784	93 469
NET RESULT	(23 381)	(16 716)	53 510	13 413

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

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

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

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

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial report is a general purpose financial report that has been prepared in accordance with the applicable Australian Accounting Standards, other mandatory professional reporting requirements in Australia, the Treasurer's Instructions and Accounting Policy Statements issued pursuant to the *Public Finance and Audit Act 1987*. The accounts are prepared on the accrual basis of accounting using historical cost accounting, except for certain classes of physical non-current assets, which are valued at fair value.

These Financial Statements have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AIFRS).

The Income Statement, Cash Flow Statement, Statement of Changes in Equity and the Program Schedule report the financial activities from 1 July 2006 to 30 June 2007. The Balance Sheet and the Schedules of Administered items report financial activity for the 12 months ending 30 June 2007.

In addition, a number of Australian Accounting Standards have been issued or amended and are applicable to the Department but are not yet effective. The Department has assessed the impact of the new and amended standards and there will be no impact on the accounting policies of the Department.

(b) The Reporting Entity

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

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

Administered Activities

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

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

(c) Income Recognition

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

(d) Non-Current Assets

The Balance Sheet includes those non-current assets where identification, ownership, control and valuations can be reliably determined.

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

All items of property, plant and equipment controlled by the Department have been brought to account at fair value, where the fair value is generally determined by its written-down current cost. Land is brought to account at market value.

Assets held for sale are separately disclosed and measured at the lower of carrying amount and fair value less cost to sell.

Intangible Assets

The internal development of software is capitalised by the Department when the expenditure meets the definition and recognition criteria of an intangible asset outlined in *AASB 138 Intangible Assets* and when the amount of expenditure is greater than or equal to \$10 000, in accordance with Accounting Policy Framework III *Asset Accounting Framework* paragraph APS 2.15. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed. Subsequent expenditure on intangible assets has not been capitalised. The Department has capitalised the internal development of software for the Water Information and Licensing and Management Application system (WILMA). In addition, certain costs have been capitalised in respect of the Natural Resources Management Information System and are included in Work in Progress.

Assets Recognised for the First Time and Asset Revaluations

- *Error Correction*

The error correction of \$435 000 disclosed in the Statement of Changes in Equity in respect of the 2006-07 financial year comprises adjustments to the carrying values of Plant and Equipment.

The error correction for 2005-06 has been retrospectively restated in accordance with the provisions of AASB 108 *'Accounting Policies, Changes in Accounting Estimates and Errors'*. The error correction of \$8 171 000 for 2005-06, disclosed in the Statement of Changes in Equity, comprises a reduction in the carrying values of Property, Plant and Equipment on account of write-downs in Work in Progress (\$1 843 000) and the Surface Water Monitoring Network (\$590 000).

The restatement of the error correction has been made to the earliest prior period presented insofar as it is determined practicable for the purposes of the AASB 108.

- *Levee Banks*

Following the conversion of Government Irrigation Districts in the Lower Murray to Private Irrigation Districts during 2004-05, all associated infrastructure, other than levee banks, was transferred to the Private Irrigation Trusts, who manage the districts. The Department has responsibility for the management of the levee bank operations and maintenance activities. The levee banks were recognised for the first time and valued by an external consultant with the assistance of technically qualified Department personnel as at 31 January 2006. Levee banks are included in the Land and Buildings asset class. Refer to note 22.

- *Intangible Assets*

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. Refer to notes 22 and 23.

- *Groundwater Monitoring Wells*

An independent revaluation of the Groundwater Monitoring Wells was undertaken by GHD Pty Ltd as at 30 June 2006. Arising from the review, additional Groundwater Monitoring Wells were recognised for the first time in 2005-06.

The valuation encompassed a desktop review of the existing asset information on the wells contained in the SA Geodata and Microfiche records maintained by the Department. The independent valuer's terms of reference included defining the ownership of wells in the monitoring network, performing a condition assessment and valuation of the wells controlled by the Department. Visual inspections of the wells were considered to be unsuitable for the purpose of valuing the wells, other than for surface structures.

The independent valuation resulted in an increment to the Asset Revaluation Reserve of \$9 248 000 and increased the value of the wells assets to \$18 365 000 at 30 June 2006.

The valuation was constrained by a number of limitations, primarily the following factors:

- replacement cost estimates were based on unit rates and not on detailed design;
- unit rates were in turn derived from comparative data, including industry data and extrapolation of closely related project data and quotations for specific items.

As a consequence, the methodology applied to the valuation has resulted in some inherent variability in the final values, which has been estimated by GHD Pty Ltd to be in the order of +/- 25 percent. This assessed level of variability is considered to have resulted in *'significant uncertainty'* in the value of the wells asset class, but not in terms of the Department's overall valuation of non-current assets.

Subsequent valuations at December 2006 were reviewed internally by the Department and found to be within the inherent variances identified above. Based on the internal assessment, no further adjustment was made to the value for this asset class. Refer to Note 22.

- *Patawalonga Seawater Circulation & Barcoo*
Patawalonga Seawater Circulation & Barcoo were independently valued by Currie and Brown (Australia) Pty Ltd as at 1 January 2005. Refer to Note 22.
- *Salinity Disposal Schemes*
The Noora Drainage Disposal Scheme was independently valued by Currie and Brown (Australia) Pty Ltd as at 30 June 2005. Refer to Note 22.
- *Surface Water Monitoring Network*
A complete assessment of the Surface Water Monitoring Network (previously referred to as Hydrometric Gauging Stations) was undertaken as at 30 June 2007. The valuation was conducted by Valcorp Pty Ltd and resulted in a revaluation of these assets to \$2 473 000 at 30 June 2007, reflecting a revaluation increment of \$211 000. Refer to Note 22.
- *Land and Buildings*
Land and Buildings were independently valued by Valcorp Pty Ltd as at 30 June 2003. The Department has commenced a cyclical valuation process for valuing all Land and Buildings. Refer to Note 22.
- *Waste Disposal Stations*
The houseboat waste disposal stations were independently valued by Valcorp Pty Ltd as at 30 June 2003. Refer to Note 22.
- *Plant and Equipment*
Plant and equipment are brought to account at cost or at officers' valuation for initial recognition purposes. Refer to Note 22.

Assets Not Recognised

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

These assets are recognised in the MDBC financial statements.

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

- *Acquisition of Water Licences for Environmental Flows*
While the Department recognises certain water licenses controlled by the Minister for the River Murray as intangible assets at 30 June 2007 (refer Note 23), the acquisition and transfer of water licenses for environmental purposes is expensed when such expenditure is incurred (refer Note 10).

The decision not to capitalise these expenditures is linked to the provisions of the Intergovernmental Agreement (the Agreement) signed in June 2004, to which the State of South Australia is a party.

The Agreement 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 is provided for under Clause 13 of the Agreement and describes how the actions and milestones in the Agreement are to be achieved.

The Department is acting to meet the agreed milestones and has acquired water licenses for transfer to the eligible measures register and subsequently to the environmental measures register, consistent with this objective.

During 2005-06, 13 GL was transferred from irrigation licences to environmental licences in order to meet the requirements of the relevant eligible measures and environmental measures registers.

The transactions pertaining to the acquisition of water licenses and subsequent application of these licenses, together with other financial investments in eligible and environmental measures, have been expensed on the basis that the future economic benefits attaching to these transactions are not expected to flow directly to the Department. Therefore, the Department treats these contributions as expenditure when such expenditure is incurred.

Expenditure in relation to commitments under related agreements include financial contributions by the State in respect of other eligible measures (e.g. Goulburn Murray Water Recovery Package in Victoria), termed 'Investment in water recovery projects' (refer Note 10).

The accounting for water licences represents an emerging set of accounting issues, including the accounting for intangible assets. These will likely be further impacted by future developments surrounding the MDBC and the impact of the recent Commonwealth legislation passed in respect of the *Water Act 2007*.

- **Upper South East Drainage Scheme**

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

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

- **Salt Interception Schemes**

The Department receives funding from the National Action Plan for Salinity and Water Quality, and contributes to the construction of the salt interception assets for the Bookpurnong and Loxton schemes. Upon completion these assets are managed and maintained by the Murray Darling Basin Commission, and the Department funds its share of these costs.

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

(e) Depreciation and Amortisation of Non-Current Assets

All non-current assets, with the exception of land and certain acquired intangible assets, have a limited useful life and are systematically depreciated/amortised in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as internally developed software, while depreciation is applied to tangible assets such as property, plant and equipment. No depreciation is applied to capital work in progress. No amortisation is applied to Water Licences (included in the acquired intangible assets) as these have been assessed as having an indefinite term of future economic benefits.

The useful lives of all major assets held by the Department are reassessed on an annual basis.

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

	Years
Buildings	10-47
Groundwater Monitoring Wells	1-100
Patawalonga Seawater Circulation and Barcoo	10-97
Surface Water Monitoring Network	1-69
Waste Disposal Stations	22
Salinity Disposal Schemes	28-86
Plant and Equipment	3-42

(f) Inventories

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

(g) Payables

Payables include creditors, accrued expenses and employment on-costs. All amounts are measured at their nominal amount and are normally settled within 30 days in accordance with Treasurer's Instruction 8 '*Financial Authorisations*' following the receipt of a valid invoice.

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

(h) Employee Benefits

(i) Sick Leave

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

(ii) Salary and Wages

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

(iii) Annual Leave

The liability for annual leave reflects the value of total annual leave entitlements of all employees as at the reporting date using the remuneration rate expected to apply at the time of settlement. The estimated rate of inflation is 4.0 percent.

(iv) Long Service Leave

The liability for long service leave is calculated by using the product of the current liability for all employees who have completed six and half or more years of service and the current rate of remuneration for each of these employees respectively. The six and half years (seven years in 2005-06) has been based on an actuarial assessment by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector. The liability is measured as the amount unpaid at the reporting date.

(v) Employment On-Costs

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

(vi) Superannuation

Contributions are made by the Department to several superannuation schemes operated by the South Australian Government. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the superannuation schemes. The only liability outstanding at balance date relates to any contribution due but not yet paid to the superannuation schemes. The Department made contributions of \$3 960 000 (\$3 566 000) for the 2006-07 financial year.

(i) Provisions

Workers Compensation

A provision is raised to reflect the liability for any outstanding (unsettled) workers compensation claims for lump sum payments, adjusted for potential recoveries from negligent third parties. The provision is based on an actuarial assessment performed for the Public Sector Workforce Division of the Department of Premier and Cabinet.

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

The whole-of-government estimate can be found in a report prepared by Taylor Fry Pty Ltd, consulting actuaries, and submitted to the Public Sector Workforce Division.

(j) Leases

The Department has entered into non-cancellable operating lease agreements for office accommodation where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating lease. Refer to Note 27 for further details.

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

The Department has not entered into any finance leases.

(k) Receivables

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

The provision for doubtful debts has been calculated based on a specific assessment of the recoverability of certain receivables.

(l) Cash

For the purpose of the Cash Flow Statement, cash includes cash deposits, which are readily convertible to cash on hand, and which are used in the cash management function on a day-to-day basis. Refer to Note 18 and 29.

(m) Taxation

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

In accordance with the requirements of Interpretation 1031 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as a part of the cost of acquisition of the asset, or as part of the expense item.

GST recoverable from the ATO is included as other current assets in the Balance Sheet.

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

(n) Comparative Figures

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

(o) Rounding

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

(p) Future developments in financial reporting

The financial report is prepared in compliance with the framework set out in note 2(a). In view of the diverse nature of the Department's activities and relatively complex funding arrangements some important areas remain under consideration. These areas are:

- Establishing the Save the River Murray Fund (STRMF) as a separate general-purpose reporting entity, where separate statements would be prepared and then consolidated with the Department (newly defined), recognising that the latter retains control. This is intended to improve the overall 'understandability', an essential qualitative characteristic of financial reporting. Recent transactions in respect of water licence transfers have further emphasised the need for separation of reporting. This reporting relationship is not provided for in existing statutory arrangements.
- The resolution of accounting treatment with respect to Murray-Darling Basin Commission (MDBC) assets and liabilities. As reported in last year's financial statements, the Department had been advised that the MDBC had agreed to develop principles for accounting for jurisdictions' interest in the assets of the Murray-Darling Basin Commission. The Federal Government introduced legislation in August 2007, which sets out its plan to control water in the Murray-Darling Basin. This has not resolved the uncertainty surrounding future accounting arrangements.
- While the Department is aware that various jurisdictions are accounting for their interests in MDBC assets at 30 June 2007, the Department considers that adopting a position interim to any final arrangements surrounding the future of the MDBC would not meet relevant qualitative characteristics of financial reports. Any future position is likely to result in a major change in the Department's assets and liabilities.
- A review of the current accounting treatment of expensing various project costs where assets are developed on behalf of/transferred to other entities. This is contingent on a more detailed review of questions surrounding questions of control. Project expenditure that will be subject to review in this area includes that associated with the Upper South East Dryland Salinity and Flood Management Program and the Salt Interception Schemes. In some instances the accounting decisions may be impacted by determinations in regard to MDBC assets.

(q) Interests in Joint Ventures

The Department participates in a number of joint ventures through its interests in Cooperative Research Centres (CRCs).

While CRCs have the characteristics of joint ventures, they are not material to the Department and no separate disclosure for 2007 has been made in accordance with the Australian Accounting Standard AASB 131 'Interests in Joint Ventures'.

A CRC is a research initiative of the Commonwealth Government established to pursue specific areas of research. One of the desired outcomes of a CRC is the creation of specific intellectual property with commercial value. There are usually a number of participants involved with CRCs, which also often have a significant research focus (e.g. CSIRO, universities and private sector bodies).

The funding of a CRC is usually co-ordinated through a Centre Agent who is appointed generally from one of the participating entities.

Transactions between the CRCs and the Department are accounted for in terms of general revenue and expenditure.

The Department participates in the following CRCs and provides both cash and in-kind contributions:

CRC for Plant Based Management of Dryland Salinity
 CRC for Irrigation Futures
 CRC for Australian Weed Management
 CRC for Invasive Animals
 CRC for Desert Knowledge
 CRC for E-Water

To support the work of the CRCs the Department provided \$800 000 in both cash and in kind contributions in 2006-07.

3. Financial Risk Management

The Department has significant non-interest bearing assets and liabilities. The Department's exposure to market risk and cash flow interest risk is minimal.

The Department has no significant concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

4. Changes in Accounting Policies

Except for the amendments to AASB 101 '*Presentation of Financial Statements*', which the Department has early-adopted, the Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the reporting period ending 30 June 2007. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial report of the Department.

5. Programs of the Department

Program 1: Natural Resource Management

Natural Resource Management is described as the management of natural resources in South Australia, including the provision of advice and regulatory support for the Government and community; and facilitating the allocation and sustainable use of natural resources.

Program 2: Natural Resource Management (River Murray)

Natural Resource Management (River Murray) is described as the management of natural resources in the Murray-Darling Basin in South Australia, including the provision of advice and regulatory support for Government and community; and facilitating the allocation and sustainable use of natural resources.

General/Not Attributable

Certain items of the Department are not allocated to programs.

6. Employee Expenses

	2007	2006
(a) Employee Expenses	\$'000	\$'000
Salaries and wages	31 544	30 305
Superannuation	3 983	3 567
Annual leave	2 804	2 626
Long service leave	1 572	1 107
Workers compensation	57	275
Board fees	139	133
Total Employee Expenses	40 099	38 013

(b) **Remuneration of Employees**

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

	2007	2006
	Number of Employees	Number of Employees
\$100 000 - \$109 999	15	12
\$110 000 - \$119 999	8	4
\$120 000 - \$129 999	4	2
\$130 000 - \$139 999	3	3
\$140 000 - \$149 999	2	1
\$150 000 - \$159 999	-	2
\$160 000 - \$169 999	3	1
\$170 000 - \$179 999	2	2
\$180 000 - \$189 999	-	-
\$190 000 - \$199 999	2	-
\$260 000 - \$269 999	-	1
\$270 000 - \$279 999	1	-
\$330 000 - \$339 999	-	1
Total Number of Employees	40	29

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

Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received or receivable by these employees for the year was \$5 174 000 (\$3 914 000).

7. Supplies and Services

Supplies and service expenses for the reporting period comprised of:	SA Govt \$'000	Non-SA Govt \$'000	2007 \$'000	2006 \$'000
Contractors	6 865	12 267	19 132	24 919
Service level agreement	3 397	95	3 492	3 506
Accommodation	2 469	292	2 761	3 105
Vehicles	1 717	332	2 049	1 715
Computing	326	746	1 072	1 380
Travel and accommodation	35	1 242	1 277	1 253
Printing, publishing and stationery	153	566	719	941
Telephones	401	244	645	549
Chemical analysis	27	1 869	1 896	302
Minor plant and equipment purchases	33	1 052	1 085	1065
Maps, photographs and plans	35	29	64	59
Consultancies	63	306	369	276
Materials and consumables	17	558	575	(433)
Equipment repairs and maintenance	55	357	412	357
Advertising, exhibition and promotion	9	533	542	426
Legal fees	234	15	249	207
Staff Development	233	565	798	1 171
Other supplies and services	302	1 514	1 816	3 816
Total Supplies and Services	16 371	22 582	38 953	44 614

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

	2007 Number	2007 \$'000	2006 \$'000
Below \$10 000	18	84	89
Between \$10 000 and \$50 000	10	219	124
Above \$50 000	1	66	63
Total Paid/Payable to the Consultants Engaged	29	369	276

8. Depreciation and Amortisation Expense

Patawalonga seawater circulation and Barcoo	351	351
Groundwater monitoring wells	892	555
Plant and equipment	479	397
Salinity disposal schemes	345	349
Surface water monitoring network*	62	87
Waste disposal stations	63	63
Buildings	47	40
Intangible assets	342	342
Total Depreciation and Amortisation Expense	2 581	2 184

* Previously referred to as Hydrometric Gauging Stations

9. Grants and Subsidies

Non-SA Government Entities:	2007 \$'000	2006 \$'000
Murray Darling Basin Commission	21 607	19 328
Department of Primary Industries and Fisheries Qld - Red Imported Fire Ants	417	1 032
Irrigators - Lower Murray Reclaimed Irrigation Areas	3 738	3 572
Agriculture, Fisheries, Forestry Australia (AFFA)	37	30
Lake Eyre Basin - Environment Australia	125	125
Department of Sustainability and Environment	179	807
Trees for Life	35	150
Murray Darling Basin Association Inc	20	253
Other grants	2 170	916
Total Grants and Subsidies - Non-SA Government Entities	28 328	26 213

SA Government Entities:

GH Michell Trade Waste Subsidy	1 844	1 798
Dept of Transport, Energy and Infrastructure – Catchment Management Subsidy Scheme	-	3 968
River Murray Improvement Program - SA Government agencies	1 435	1 840
Grant Subsidy (transferred to Administered Item - Dog Fence Board)	425	416
Dept of Transport, Energy and Infrastructure - Regional Flood Mitigation Program	-	264
Transfer to NRM Fund in respect of Appropriations allocated to the regional NRM Boards*	3 771	3 894
Other grants to regional NRM Boards in respect of animal and plant control – not transferable to NRM Fund	42	-
Primary Industries and Resources SA – Rural Finance	2	699
Onkaparinga Catchment Water Management Board	-	34

Rainwater Tank Rebate Scheme	250	-
Branched Broomrape Eradication	717	-
Minister for the River Murray infrastructure projects	400	-
Other grants	99	146
Total Grants and Subsidies - SA Government Entities	8 985	13 059
Total Grants and Subsidies	37 313	39 272

* Excludes Appropriations received by the Department under Administered Items (\$400 000) in respect of the SA Arid Lands NRM Board.

10. Other Expenses	2007	2006
Non-SA Government Entities:	\$'000	\$'000
Bad and doubtful debts	11	-
Water acquisition	-	762
Investment in water recovery projects	4 121	-
Total Other Expenses – Non-SA Government Entities	4 132	762

SA Government Entities:		
Audit fees	219	205
Water acquisition	640	15 311
Total Other Expenses – SA Government Entities	859	15 516
Total Other Expenses	4 991	16 278

11. Auditors' Remuneration		
Audit fees paid or payable to the Auditor-General's Department	219	205
Total Audit Fees	219	205

Other Services

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

12. Revenues from SA Government		
Appropriation from consolidated account pursuant to the <i>Appropriation Act</i>	93 469	85 106
Total Revenues from SA Government	93 469	85 106

The revenues from SA Government include \$21 113 000 which was paid into the Save the River Murray Fund, from the proceeds of the Save the River Murray levy which was introduced in the second quarter of the 2003-04 financial year. The Save the River Murray Fund was established under section 100 of the *Waterworks Act 1932* and monies credited to the Fund may only be applied to purposes set out in the *Waterworks Act 1932*. The total monies applied from the fund were \$15 778 000. A special purpose financial report is prepared for the Fund.

13. Fees and Charges	2007	2006
SA Government Entities:	\$'000	\$'000
Sale of goods and services	2 320	4 772
Fees, levies and licences	33	30
Service recoveries	809	-
Total Fees and Charges - SA Government Entities	3 162	4 802
Non-SA Government Entities:		
Sale of goods and services	8 155	6 020
Fees, levies and licences	1 793	2 494
Total Fees and Charges – Non-SA Government Entities	9 948	8 514
Total Fees and Charges	13 110	13 316

14. Interest		
Interest from entities within the SA Government	209	519
Other interest	2	1
Total Interest Revenue	211	520

15. Net Gain from Disposal of Assets		
Plant and Equipment:		
Proceeds from disposal	13	-
Net book value of assets disposed	-	-
Net Gain from Disposal of Plant and Equipment	13	-
Land and Buildings:		
Proceeds from disposal	809	-
Net book value of assets disposed	793	-
Net Gain from Disposal of Land and Buildings	16	-

Total Assets:		
Total proceeds from disposal	822	-
Total value of assets disposed	793	-
Total Gain from Disposal of Assets	29	-

16. Grant Revenue	2007	2006
(a) Grant Revenue Received Directly from the Commonwealth	\$'000	\$'000
Department of Agriculture Fisheries and Forestry - Branched Broomrape Eradication Program	1 154	2 106
National Water Commission – National Water Initiative – Mount Lofty Ranges	2 700	4 400
National Water Commission – National Water Initiative – Implementation	1 984	-
National Water Commission – National Water Initiative – South East	910	-
National Water Commission – National Water Initiative – Fractured Rock	363	-
Dept of Transport, Energy and Infrastructure - Regional Flood Mitigation Program	-	263
Lake Eyre Basin Rivers Assessment	420	223
Miscellaneous Grants	440	543
Total Grant Revenue Received Directly from the Commonwealth	7 971	7 535
(b) Grant Revenue Received Directly from SA Government	1 200	2 400
SA Water Corporation - Western Mount Lofty Ranges	1 200	2 400
South East Catchment Water Management Board - South East Conversion to Volumetric	30	60
Department for Environment and Heritage	-	150
Adelaide and Mount Lofty Ranges NRM Board	477	-
SA Murray Darling Basin NRM Board	358	-
South East NRM Board	211	-
River Murray Catchment Water Management Board	-	533
Torrens Catchment Water Management Board	-	400
Northern Adelaide and Barossa Catchment Water Management Board	-	182
Onkaparinga Catchment Water Management Board	-	167
Native Vegetation Fund	302	390
Other Grants	138	165
Total Grant Revenue Received Directly from SA Government	2 716	4 447
(c) Grant Revenue - NAP		
<i>Grant Revenue State NAP Unmatched</i>		
National Action Plan - Administration Contribution	650	650
National Action Plan - Regional Liaison Officers Annual Payment	-	300
Dryland Salinity	100	-
Total Grant Revenue State NAP Unmatched	750	950
<i>Grant Revenue NAP via INRM Groups, NRM Groups and NRM Boards</i>		
Lower Murray Irrigation Rehabilitation		
(INRM Group for the SA Murray Darling Basin)	-	1 138
Salinity Response Team (INRM Group for the SA Murray Darling Basin)	-	64
Salinity Response Team (SA Murray Darling Basin NRM Board)	166	-
Policy Integrated Management (SA Murray Darling Basin NRM Board)	162	-
Policy Framework - Accountability (SA Murray Darling Basin NRM Board)	124	-
Accounting for Salinity (INRM Group for the SA Murray Darling Basin)	-	75
SWA - Fleurieu Assessment (MLR and Greater Adelaide INRM Group)	-	255
Northern and Yorke Agricultural District INRM Committee	-	190
Northern and Yorke NRM Board	73	-
INRM Group for the SA Murray Darling Basin - Other	-	424
SA Murray Darling Basin NRM Board - Other	147	-
NAP via INRM Group - Other	-	66
Total Grant Revenue NAP via NRM Boards	672	2 212
<i>Grant Revenue NAP Joint Commonwealth and State Funding</i>		
Upper South East Program	7 597	6 216
Lower Murray Reclaimed Irrigation Areas	4 000	3 565
SIS Lock 4 Bookpurnong (Regional Investment Strategy)	-	1 444
SIS Regional Disposal Strategy	495	20
SIS Loxton (Regional Investment Strategy)	-	493
SIS Pike/Munro	141	125
SIS Murtho	344	100
SIS Chowilla	502	75
SIS Other	29	25
NAP Capacity Building	1 029	-
Upper South East Salinity Accession		
(Centre for Natural Resource Management)	160	395
Centre for Natural Resource Management	130	428

Other NAP	-	99
Total Grant Revenue Received NAP Joint Commonwealth and State Funding	14 427	12 985
Total NAP Grant Revenue	15 849	16 147

(d) Grant Revenue – Natural Heritage Trust

Natural Heritage Trust - Regional Liaison Officers Annual Payment	680	680
Regional NRM Condition Monitoring Review	-	60
Administration of National Landcare Community Support	60	60
Natural Heritage Trust - Other	120	-
Total Grant Revenue Received from Natural Heritage Trust	860	800

(e) Grant Revenue Received from Other Entities

Loxton District Irrigation Rehabilitation - Growers	-	742
Branched Broomrape Eradication Program (Other State Governments)	957	884
CRC Flora Search	390	247
CRC for Plant Based Management of Dryland Salinity	102	106
Sundry grants and contributions	329	489
Total Grant Revenue Received from Other Entities	1 778	2 468
Total Grant Revenue	29 174	31 397

17. Other Revenue	2007	2006
	\$'000	\$'000
Operating expenses recouped	174	596
Pastoral Leases	888	871
Recovery of bad debts written off	-	23
Other revenue	295	655
Total Other Revenue	1 357	2 145

18. Cash	2007	2006
Deposits with the Treasurer	27 529	10 989
Deposits at call	42	42
Other	7	7
Total Cash	27 578	11 038

Deposits with the Treasurer

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

Interest Rate Risk

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer earn an interest rate of 5.4%. The carrying amount of cash approximates net fair value.

19. Non-Current Assets Held for Sale		
Current		
Land and Buildings	-	789
Total Non-Current Assets classified as held for sale	-	789

The land and buildings at Pasadena were surplus to the Department's requirements and were sold in March 2007.

20. Inventory		
Current – held for distribution		
Materials at Cost	1 216	1 224
Total Current Inventory held for distribution	1 216	1 224
Total Current Inventory	1 216	1 224

21. Receivables	SA Govt	Non-SA Govt	2007	2006
Current:	\$'000	\$'000	\$'000	\$'000
Receivables	1 575	2 069	3 644	3 713
Less: Provision for doubtful debts	(15)	(70)	(85)	(74)
Accrued interest	20	-	20	9
Workers compensation recoveries	-	21	21	19
Total Current Receivables	1 580	2 020	3 600	3 667

Other Current Assets:				
GST Receivables	-	1 417	1 417	1 079
Prepayments	-	-	-	16
Total Other Current Assets	-	1 417	1 417	1 095

Interest Rate Risk and Credit Risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than recognised in the provision 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. In addition, there is no concentration of credit risk.

22. (a) Property, Plant and Equipment, and Intangibles

	2007			
	Cost	Valuation	Accumulated Depreciation/Amortisation	Written Down Value
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	4 583	185	4 398
Groundwater monitoring wells	221	17 924	672	17 473
Surface water monitoring network*	-	2 473	-	2 473
Waste disposal stations	-	1 383	252	1 131
Patawalonga seawater circulation and Barcoo	-	20 545	877	19 668
Plant and equipment	6 626	-	4 670	1 956
Salinity disposal schemes	-	20 031	697	19 334
Work in progress	939	-	-	939
Total Property, Plant and Equipment	7 786	66 939	7 353	67 372
Internally developed and acquired intangibles	3 666	2 610	977	5 299
Total Property, Plant and Equipment, and Intangibles	11 452	69 549	8 330	72 671

	2006			
	Cost	Valuation	Accumulated Depreciation/Amortisation	Written Down Value
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	4 571	138	4 433
Groundwater monitoring wells	1 417	17 924	976	18 365
Surface water monitoring network*	-	3 539	1 216	2 323
Waste disposal stations	-	1 383	189	1 194
Patawalonga seawater circulation and Barcoo	-	20 545	526	20 019
Plant and equipment	5 964	-	4 187	1 777
Salinity disposal schemes	-	20 031	352	19 679
Work in progress	393	-	-	393
Total Property, Plant and Equipment	7 774	67 993	7 584	68 183
Internally developed and acquired intangibles	3 666	2 610	635	5 641
Total Property, Plant and Equipment, and Intangibles	11 440	70 603	8 219	73 824

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

* Previously referred to as Hydrometric Gauging Stations.

(b) Property, Plant and Equipment, and Intangibles Movement Schedule

	Land and Buildings	Groundwater Monitoring Wells	Surface Water Monitoring Network	Waste Disposal Stations	Patawalonga Seawater Circulation
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Carrying Value:					
Balance as at 1 July 2006	4 571	19 341	3 539	1 383	20 545
Additions	12	-	-	-	-
Assets recognised first time (derecognised due to error)	-	(1 196)	-	-	-
Adjustments	-	-	-	-	-
Transfers between classes	-	-	-	-	-
Net revaluation increments	-	-	212	-	-
Revaluation adjustment	-	-	(1 278)	-	-
Balance as at 30 June 2007	4 583	18 145	2 473	1 383	20 545

	Land and Buildings	Groundwater Monitoring Wells	Surface Water Monitoring Network	Waste Disposal Stations	Patawalonga Seawater Circulation
	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Depreciation:					
Balance as at 1 July 2006	(138)	(976)	(1 216)	(189)	(526)
Assets derecognised due to error	-	1 196	-	-	-
Adjustments	-	-	-	-	-
Transfers between classes	-	-	-	-	-
Revaluation adjustment	-	-	1 278	-	-
Depreciation and Amortisation	(47)	(892)	(62)	(63)	(351)
Balance as at 30 June 2007	(185)	(672)	-	(252)	(877)
Net Book Value:					
As at 30 June 2007	4 398	17 473	2 473	1 131	19 668

	Plant and Equipment	Salinity Disposal Schemes	Work in Progress	Internally Developed Intangible Assets	Acquired Intangible Assets	2007 Total \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Carrying Value:						
Balance as at 1 July 2006	5 964	20 031	393	3 520	2 756	82 043
Additions	711	-	939	-	-	1 662
Assets recognised first time (derecognised due to error)	(435)	-	-	-	-	(1 631)
Adjustments	-	-	(7)	-	-	(7)
Transfers between classes	386	-	(386)	-	-	-
Net revaluation increments (decrements)	-	-	-	-	-	212
Revaluation adjustment	-	-	-	-	-	(1 278)
Balance as at 30 June 2007	6 626	20 031	939	3 520	2 756	81 001
Accumulated Depreciation:						
Balance as at 1 July 2006	(4 187)	(352)	-	(586)	(49)	(8 219)
Assets recognised first time	-	-	-	-	-	1 196
Adjustments	(4)	-	-	-	-	(4)
Transfers between classes	-	-	-	-	-	-
Revaluation adjustment	-	-	-	-	-	1 278
Depreciation and Amortisation	(479)	(345)	-	(294)	(48)	(2 581)
Balance as at 30 June 2007	(4 670)	(697)	-	(880)	(97)	(8 330)
Net Book Value:						
As at 30 June 2007	1 956	19 334	939	2 640	2 659	72 671

23. Intangible Assets	2007 \$'000	2006 \$'000
Internally Developed Intangible Assets:		
Internally developed computer software	3 520	3 520
Accumulated amortisation	880	586
Total Internally Developed Intangible Assets	2 640	2 934
Acquired Intangible Assets:		
Computer and water licences	2 756	2 756

Accumulated amortisation		97	49
Total Acquired Intangible Assets		2 659	2 707
Total Intangible Assets		5 299	5 641

24. Payables	SA Govt	Non-SA Govt	2007	2006
Current:			\$'000	\$'000
Creditors	-	-	-	6
Accrued expenses	1 166	2 553	3 719	3 339
Employment on-costs	808	-	808	767
Total Current Payables	1 974	2 553	4 527	4 112
Non-Current:				
Employment on-costs	903	-	903	834
Total Non-Current Payables	903	-	903	834
Total Payables	2 877	2 553	5 430	4 946

Interest Rate Risk and Credit Risk

Creditors and accruals are raised for amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

25. Employee Benefits				
Current:				
Annual leave			2 535	2 341
Long service leave			417	359
Accrued salaries and wages			648	598
Total Current Employee Benefits			3 600	3 298
Non-Current:				
Long service leave			7 932	6 887
Total Non-Current Employee Benefits			7 932	6 887
Total Employee Benefits			11 532	10 185

The total current and non-current employee expense (i.e. aggregate employee benefit plus related on-costs) for 2006-07 is \$4 408 000 (\$4 065 000) and \$8 835 000 (\$7 721 000) respectively.

Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability has been revised from seven to six and half years.

26. Provisions				
Current:				
Provision for workers compensation			133	183
Total Current Provisions			133	183
Non-Current:				
Provision for workers compensation			370	496
Total Non-Current Provisions			370	496
Total Provisions			503	679
Carrying amount at the beginning of the period			679	529
Additional provisions (reduction in provision) recognised			57	275
Amounts used			(233)	(125)
Carrying Amount at the End of the Period			503	679

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Division of the Department of the Premier and Cabinet.

27. Commitments for Expenditure
Operating Lease Commitments

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

	2007	2006
	\$'000	\$'000
Within one year	2 256	1 421

Later than one year but not later than five years	7 027	5 328
Later than five years	6 534	5 292
Total Operating Lease Commitments	15 817	12 041

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

Remuneration Commitments

Commitments for the payment of salaries and other remuneration under employment contracts in existence at the reporting date but not recognised as liabilities in the financial report are payable as follows:

Within one year	11 231	8 560
Later than one year but not later than five years	9 376	8 360
Total Remuneration Commitments	20 607	16 920

Amounts disclosed include commitments arising from executive and other service contracts. The Department does not offer remuneration contracts greater than 5 years.

Other Commitments

Other expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

Within one year	25 925	27 472
Later than one year but not later than five years	8 547	73 683
Total Other Commitments	34 472	101 155

The Department's other commitments are for agreements for National Red Imported Fire Ant Eradication Program, projects under the Save the River Murray Fund where funds are payable to other agencies undertaking work on behalf of the Department, Murray Darling Basin Commission, infrastructure costs associated with the Living Murray Initiative under inter-government agreements and management of biodiversity assets under the *Upper South East Dryland Salinity and Flood Management Act 2002*.

28. Contingent Assets and Liabilities

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

29. Cash Flow Reconciliation

Reconciliation of Cash - Cash at 30 June 2007 as per:	2007	2006
	\$'000	\$'000
Cash Flow Statement	27 578	11 038
Balance Sheet	27 578	11 038

Reconciliation of Net Cash used in Operating Activities to Net Cost of Services:

Net cash provided by (used in) operating activities	17 380	(4 450)
Less: Revenue from Government	(93 469)	(85 106)
Add (Less): Non-Cash Items:		
Depreciation of property, plant and equipment	(2 581)	(2 184)
Bad debts expense	(11)	-
Gain on sale of non-current assets	29	-
Changes in Assets/Liabilities:		
(Decrease) Increase in receivables	(67)	(806)
(Decrease) Increase in inventories	(8)	339
Increase in other assets	322	16
(Increase) in payables	(480)	(5)
(Increase) in employee benefits	(1 347)	(637)
Decrease (Increase) in provisions	176	(150)
Net Cost of Services from Ordinary Activities	(80 056)	(92 983)

30. Restrictions on Contributions Received

The Department received contributions from various funding sources, expressly for the purposes of undertaking specific projects. As at 30 June 2007 \$30 936 000 of contributions, which have been recognised as revenues in the Income Statement, are yet to be spent in the manner specified by the contributors.

31. Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during the 2006-07 financial year were:

USE Program Board

M Bolster J Osborne
C England G Stopp
C Johnson R Wickes*

Environmental Management Advisory Group - USE

S Vines

South Australian Landcare Committee

G Butler N Martin*
D Cooney R Najar
M Dennis* J Pedler
H MacDonald* A Piggott

Centre For Natural Resource Management Board

J Radcliffe
Y Sneddon

Natural Resource Management Council Members and Sub-Committee Members

M Ah Chee	G Gates	J McKay	F Simes
S Blencowe	T Hartman	D Mitchell	S Starick
J Burgess	D Haseldine	T Moore	M Vast
G Cooley	C Ireland*	D Mutton	F Vickery
A Crisp*	K Lester	J Pedler	D Walker
L Crocker	H Macdonald*	P Ridgway	G Webster
M Dennis*	N Martin*	V Russell	C Woolford

South Australian Dryland Salinity Board

L Broster J Darling
A Crisp* R Smyth

South East Water Conservation and Drainage Board Act Review Reference Group

F Aslin N Martin*
S Kidman B McLaren

Pastoral Board

C Ireland* M McBride
I Iwanicki A Smith
D Lillecrapp J Corin
L Litchfield R Wickes*

* Members reflected on more than one board.

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

	2007	2006
\$0 - \$9 999	53	
\$10 000 - \$19 999	1	
\$20 000 - \$29 999	-	
Total Number of Members	54	*

* First time disclosure in 2006-07 and therefore comparative figures for prior year are not available.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$121 000.

Amounts paid to a superannuation plan for board/committee members were \$8 000.

Travel allowances or reimbursements are not included as remuneration as it is considered to be a reimbursement of direct out-of-pocket expenses.

Government employees have not been included in the tables above and in accordance with the Department of Premier and Cabinet Circular 16, did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

**Administered Income Statement
for the year ended 30 June 2007**

	Note	2007 \$'000	2006 \$'000
INCOME:			
Revenues from SA Government		18 350	20 873
Fees and charges		7 121	7 616
Grant revenue		44 232	41 617
Other revenue		2 250	2 595
Total Income		71 953	72 701
EXPENSES:			
Employee expenses		237	614
Supplies and services		276	905
Grants and subsidies		57 852	57 671
Payments to consolidated account		408	607
Payments to Natural Resources Management Boards		11 496	6 115
Payments to South Eastern Water Conservation Drainage Board		1 922	1 922
Total Expenses		72 191	67 834
OPERATING (DEFICIT) SURPLUS	A1	(238)	4 867

Operating (Deficit) Surplus is attributable to SA Government as owner

**Administered Balance Sheet
as at 30 June 2007**

	Note	2007 \$'000	2006 \$'000
CURRENT ASSETS:			
Cash	A3	40 046	42 292
Receivables	A4(a)	4 460	3 044
Other current assets		224	174
Total Current Assets		44 730	45 510
NON-CURRENT ASSETS:			
Property, plant and equipment	A2(e)	32 938	32 938
Total Non-Current Assets		32 938	32 938
Total Assets		77 668	78 448
CURRENT LIABILITIES:			
Payables	A4(b)	1 898	2 422
Short-term and long-term employee benefits		1	13
Total Current Liabilities		1 899	2 435
NON-CURRENT LIABILITIES:			
Payables		-	-
Long-term employee benefits		-	6
Total Non-Current Liabilities		-	6
Total Liabilities		1 899	2 441
NET ASSETS		75 769	76 007
EQUITY:			
Contributed capital		-	-
Retained Earnings		66 414	66 652
Asset revaluation reserve		9 355	9 355
TOTAL EQUITY		75 769	76 007

**Statement of Changes in Administered Equity
for the year ended 30 June 2007**

	Asset Revaluation Reserve \$ 000	Retained Earnings \$000	Total \$000
Balance at 30 June 2005	5 017	63 348	68 365
Changes in accounting policy	-	-	-
Error correction	-	(1 535)	(1 535)
Restated Balance at 30 June 2005	5 017	61 813	66 830
Gain on revaluation of property during 2005-06	4 338	-	4 338

Net income recognised directly in equity for 2005-06	4 338	-	4 338
Net Result for 2005-06	-	4 867	4 867
Total Recognised Income for 2005-06	4 338	4 867	9 205
Funds transferred pursuant to the NRM Act 2004	-	(28)	(28)
Balance at 30 June 2006	9 355	66 652	76 007
Net Result for 2006-07	-	(238)	(238)
Total Recognised Income for 2006-07	-	(238)	(238)
Balance at 30 June 2007	9 355	66 414	75 769

All changes in Equity are attributable to the SA Government as owner

**Administered Cash Flow Statement
for the year ended 30 June 2007**

		2007	2006
		Inflows (Outflows)	Inflows (Outflows)
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH INFLOWS:	Note		
Receipts from SA Government		18 350	20 873
Fees and charges		5 287	6 420
Grant receipts		44 232	41 617
Other receipts		2 537	2 596
Total Inflows from Operating Activities		70 406	71 506
CASH OUTFLOWS:			
Employee payments		(237)	(605)
Supplies and services		(2 221)	(617)
Grants and subsidies		(56 872)	(55 594)
Payments to consolidated account		-	(607)
Payments to Natural Resources Management Boards		(11 400)	(6 115)
Payments to South Eastern Water Conservation Drainage Board		(1 922)	(1 922)
Total Outflows from Operating Activities		(72 652)	(65 460)
Net Cash (used in) provided by Operating Activities	A3	(2 246)	6 046
CASH FLOWS FROM FINANCING ACTIVITIES:			
CASH OUTFLOWS:			
Funds transferred pursuant to the NRM Act 2004		-	(28)
Net Cash used in Financing Activities		-	(28)
NET (DECREASE) INCREASE IN CASH HELD		(2 246)	6 018
CASH AT 1 JULY		42 292	36 274
CASH AT 30 JUNE	A3	40 046	42 292

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

NOTES TO AND FORMING PART OF THE ADMINISTERED STATEMENTS

A1. Program Schedule of Administered Income and Expenses

Administered Income and Expenses for the year ending 30 June 2007

(Programs refer Note A2.)	Natural Resources Mgt Boards \$'000 A2(b)	NRM FUND \$'000 A2(a)	Qualco Sunlands \$'000 A2(c)	Land Technology Alliances \$'000 A2(d)	Pastoral Board \$'000 A2(e)	National Action Plan for Salinity and Water Quality \$'000 A2(f)	Natural Heritage Trust Grants \$'000 A2(g)	Mt Lofty Ranges Catchmnt Support \$'000 A2(h)
Administered Income								
SA Government Entities:								
Revenues from SA Government	1 674	-	250	-	9	14 252	-	-
Fees and charges	2 416	9	-	-	-	-	-	(6)
Grant revenue	3 771	-	-	-	-	1 416	343	(19)
Other revenue	-	-	-	-	-	1 808	322	44
Total Administered Income - SA Government Entities	7 861	9	250	-	9	17 476	665	19
Administered Expenses								
SA Government Entities:								
Supplies and services	-	4	-	-	-	82	(168)	185
Grants and subsidies	-	-	-	-	-	28 783	22 819	309
Payments to Consolidated Account	158	-	250	-	-	-	-	-
Payments to Natural Resources Management Boards	10 972	-	-	-	-	524	-	-
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	-	-	-	-
Total Administered Expenses - SA Government Entities	11 130	4	250	-	-	29 389	22 651	494
Administered Income								
Non-SA Government Entities:								
Fees and charges	4 483	-	215	-	-	-	-	-
Grant revenue	9	-	-	-	-	13 780	21 143	120
Other revenue	(1)	-	-	-	-	-	71	6
Total Administered Income - Non-SA Government Entities	4 491	-	215	-	-	13 780	21 214	126
Administered Expenses								
Non-SA Government Entities:								
Employee expenses	-	-	-	-	-	-	-	(7)
Supplies and services	-	65	-	20	-	-	-	83
Grants and subsidies	-	-	215	-	-	171	634	126
Total Administered Expenses - Non-SA Government Entities	-	65	215	20	-	171	634	202
Operating Surplus (Deficit)	1 222	(60)	-	(20)	9	1 696	(1 406)	(551)

(Programs refer Note A2.)	Centre for Natural Resource Mgmt \$'000 A2(i)	DWLBC Corporate Admin Items \$'000 A2(j)	2007 Total \$'000
Administered Income			
SA Government Entities:			
Revenues from SA Government	-	2 165	18 350
Fees and charges	-	7	2 426
Grant revenue	1 834	-	7 345
Other revenue	-	-	2 174
Total Administered Income - SA Government Entities	1 834	2 172	30 295
Administered Expenses			
SA Government Entities:			
Supplies and services	-	5	108
Grants and subsidies	2 190	-	54 101
Payments to Consolidated Account	-	-	408
Payments to Natural Resources Management Boards	-	-	11 496
Payments to South Eastern Water Conservation and Drainage Board	-	1 922	1 922
Total Administered Expenses - SA Government Entities	2 190	1 927	68 035

Administered Income and Expenses for the year ending 30 June 2007 (continued)

	Centre for Natural Resource Mgmt \$'000 A2(i)	DWLBC Corporate Admin Items \$'000 A2(j)	2007 Total \$'000
Administered Income			
Non-SA Government Entities:			
Fees and charges	-	(3)	4 695
Grant revenue	1 835	-	36 887
Other revenue	-	-	76
Total Administered Income - Non-SA Government Entities	1 835	(3)	41 658
Administered Expenses			
Non-SA Government Entities:			
Employee expenses	-	244	237
Supplies and services	-	-	168
Grants and subsidies	1 824	781	3 751
Total Administered Expenses - Non-SA Government Entities	1 824	1 025	4 156
Operating Surplus (Deficit)	(345)	(783)	(238)

Administered Income and Expenses for the year ending 30 June 2006

	Natural Resources Mgt Boards \$'000 A2(b)	NRM Fund \$'000 A2(a)	Qualco Sunlands \$'000 A2(c)	Land Technology Alliances \$'000 A2(d)	Pastoral Board \$'000 A2(e)	National Action Plan for Salinity and Water Quality \$'000 A2(f)	Natural Heritage Trust Grants \$'000 A2(g)	Mt Lofty Ranges Catchmnt Support \$'000 A2(h)
Administered Income								
SA Government Entities:								
Revenues from SA Government	-	-	250	-	9	18 072	-	-
Fees and charges	2 349	17	-	-	-	-	-	-
Grant revenue	-	-	-	-	-	-	-	698
Other revenue	203	282	13	-	-	1 471	444	38
Total Administered Income - SA Government Entities	2 552	299	263	-	9	19 543	444	736
Administered Expenses								
SA Government Entities:								
Supplies and services	-	-	-	-	-	-	-	347
Grants and subsidies	-	-	-	-	-	12 434	18 144	1 121
Payments to Consolidated Account	-	-	229	-	-	-	-	-
Payments to Natural Resources Management Boards	6 115	-	-	-	-	-	-	-
Payments to South Eastern Water Conservation and Drainage Board	-	-	-	-	-	-	-	-
Total Administered Expenses - SA Government Entities	6 115	-	229	-	-	12 434	18 144	1 468
Administered Income								
Non-SA Government Entities:								
Fees and charges	4 105	-	230	-	-	-	-	21
Grant revenue	-	-	-	-	-	14 184	22 945	1 662
Other revenue	8	-	-	103	-	12	-	21
Total Administered Income - Non-SA Government Entities	4 113	-	230	103	-	14 196	22 945	1 704
Administered Expenses								
Non-SA Government Entities:								
Employee expenses	60	88	-	-	-	-	-	237
Supplies and services	92	36	-	-	-	12	177	241
Grants and subsidies	-	-	230	-	-	15 039	6 845	1 391
Total Administered Expenses - Non-SA Government Entities	152	124	230	-	-	15 051	7 022	1 869
Operating Surplus (Deficit)	398	175	34	103	9	6 254	(1 777)	(897)

Administered Income and Expenses for the year ending 30 June 2006 (continued)

Centre for DWLBC

(Programs refer Note A2.)	Natural Resource Mgmt \$'000 A2(i)	Corporate Admin Items \$'000 A2(j)	2006 Total \$'000
Administered Income			
SA Government Entities:			
Revenues from SA Government	-	2 542	20 873
Fees and charges	-	-	2 366
Grant revenue	1 064	-	1 762
Other revenue	-	-	2 451
Total Administered Income - SA Government Entities	1 064	2 542	27 452
Administered Expenses			
SA Government Entities:			
Supplies and services	-	-	347
Grants and subsidies	1 270	288	33 257
Payments to Consolidated Account	-	378	607
Payments to Natural Resources Management Boards	-	-	6115
Payments to South Eastern Water Conservation and Drainage Board	-	1 922	1922
Total Administered Expenses - SA Government Entities	1 270	2 588	42 248
Administered Income			
Non-SA Government Entities:			
Fees and charges	-	894	5 250
Grant revenue	1 064	-	39 855
Other revenue	-	-	144
Total Administered Income - Non-SA Government Entities	1 064	894	45 249
Administered Expenses			
Non-SA Government Entities:			
Employee expenses	-	229	614
Supplies and services	-	-	558
Grants and subsidies	909	-	24 414
Total Administered Expenses - Non-SA Government Entities	909	229	25 586
Operating Surplus (Deficit)	(51)	619	4 867

A2. Summary of Significant Administered Schedule Accounting Policies

The Department's accounting policies are outlined in Note 2 'Summary of Significant Accounting Policies'. The policies outlined in Note 2 apply to both the Department's Controlled and Administered Items, unless otherwise noted below.

The Administered Items reflect an accumulation of the balances of each of the individual Administered Items. Transactions between individual Administered Items are not eliminated from the Administered Statements.

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

Specific provisions of the *Natural Resources Management Act 2004* (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.

During 2006-07, not all revenues were initially paid into the NRM Fund, prior to being applied for the purposes of the NRM Act. Notwithstanding, the revenues were applied consistent with the provisions of the NRM Act and distributed to the regional NRM Boards as intended. Revised arrangements for crediting these revenues to the NRM Fund directly have been progressively implemented for 2007-08.

For 2006-07, the revenues and expenses on these transactions are shown under *Program 2(b) Natural Resources Management Boards*. The net result is reflected in the balance of the NRM Fund, as shown under *Program 2(a) Natural Resources Management Fund*.

Further commentary regarding these requirements under the NRM Act is provided hereunder.

(a) *Natural Resources Management Fund*

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the NRM Act. The Minister for Environment and Conservation (the Minister) 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.

During 2006-07, some of these activities were transacted outside of the NRM Fund due to the transitioning in accounting system arrangements within the Department in order to meet the requirements of the NRM Act. These transactions are reflected in A2(b) '*Natural Resources Management Boards*'.

The balance of the NRM Fund of \$1 148 000 (\$175 000) at 30 June 2007 reflects the net result of the activities on A2(b), adjusted for those transactions that are non-NRM fund related.

(b) *Natural Resources Management Boards*

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

During 2006-07, some of these activities were transacted outside of the NRM Fund due to the transitioning in accounting system arrangements within the Department, as referred above.

Transactions relating to the NRM Boards are separately shown against this program description, which reflects both revenues and expenses administered by the Department in respect of the NRM Boards. These are:

(i) *Grants*

Grants include monies that had been previously distributed under the Animal Plant Control Commission and the Soil Conservation Council, for which the Department received appropriations. Grants received during 2006-07 and allocated to the Regional NRM Boards were as follows:

	2007	2006
	\$'000	\$'000
Regional NRM Board		
SA Murray-Darling Basin NRM Board	593	789
South East NRM Board	365	451
Adelaide and Mount Lofty Ranges NRM Board	315	451
Northern & Yorke NRM Board	1 036	910
Kangaroo Island NRM Board	383	269
Alinytjara Wilurara NRM Board	455	334
South Australian Arid Lands NRM Board*	200	263
Eyre Peninsula NRM Board	424	427
	3 771	3 894

- * Total payments distributed to the NRM Boards included an additional \$400 000 received by the Department, included in Revenues from Government. This represented administered appropriations received by the Department in respect of the South Australian Arid Lands NRM Board. Total payments made from these sources of income during 2006-07 were \$4 171 000. A further \$524 000 was applied under the National Action Plan Priority Rounds 1 and 2 (refer A2(f)).

(ii) *Water Levies*

Water levies are collected by the Department for prescribed water resources in regional Natural Resources Management Boards 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.

Levies raised by the Department during 2006-07 were \$6 650 000. Unpaid levies at the end of the reporting period of \$1 202 000 (\$812 000) have been recognised as current receivables. Receivables factor in adjustments in respect of financial relief provided to River Murray Water licensees, to offset 40 percent of their liability to pay the NRM water levies.

Levies received, but not yet paid to the regional NRM Boards at the end of the reporting period were \$174 000 (nil). During the reporting period the following levies were raised in respect of the regions of which the levies were declared:

	2007	2006
Regional NRM Board	\$'000	\$'000
SA Murray-Darling Basin NRM Board	4 412	4 329
South East NRM Board	1 587	1 490
Adelaide and Mount Lofty Ranges NRM Board	403	395
Eyre Peninsula NRM Board	248	240
	*6 650	6 454

- * Does not include penalties and other payments made or payable to regional NRM Boards.

(iii) *Penalties*

During 2006-07, penalties declared in relation to the unauthorised or unlawful taking or use of water were raised pursuant to section 115 of the NRM Act.

In addition, to the penalties raised and received in respect of the NRM Act, penalties were also received (though not raised) during 2006-07 under subsection 133(1)(a) of the *Water Resources Act 1997* (WR Act).

Subsection 115(5) of the NRM Act and regulation 9(d) of the *Natural Resources Management (Financial Provisions) Regulations 2005* provide that section 116 of the NRM Act applies to, and in relation to, a penalty declared under section 115 as if it were a water levy. The effect is that the penalty (and including any interest) so declared must be paid to the regional NRM Board for the region in respect of which the penalty was declared.

The levies pursuant to subsection 115(5) were paid to the regional NRM Boards, with the exception of unpaid penalty charges at the end of the reporting period of \$1 553 000 (\$1 701 000). Of this amount, \$1 412 000 related to penalties raised under the WR Act and \$141 000 under the NRM Act.

Penalties received under the NRM Act are payable to the regional NRM Boards and at 30 June 2007 the amount payable was \$96 000.

Penalties declared under subsection 133(1)(a) of the WR Act continued to be received during 2006-07, although no new penalties were raised. Penalties received under the WR Act and payable to the Treasurer's Consolidated Account at 30 June 2007 were \$158 000 (nil). During 2005-06 \$378 000 relating to such penalties was paid to the Treasurer's Consolidated Account.

(iv) *Reimbursement of Payroll Tax*

NRM Boards are compensated for the anticipated payroll tax expense they incur, with provision having been made in the Administered Items of the Department's budget on an ongoing basis since 2004-05. An appropriation of \$416 000 (\$408 000) was received to fund the payroll tax expenses of the Natural Resources Management Boards for 2006-07.

(v) *Expiation fees and other penalties under the NRM Act*

Expiation fees and penalties recovered in respect of offences against the NRM Act (e.g. for unlawful possession of animals or plants). Unlike penalties declared under section 115 of the NRM Act, they are not required to be paid to regional NRM Boards. No fees and/or penalties of this type were collected during 2006-07.

(c) **Qualco Sunlands**

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

(d) Land Technology Alliances

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

(e) Pastoral Board

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

The Pastoral Board is responsible for administering pastoral leases under the *Pastoral Land Management and Conservation Act 1989* (PLM&C Act). The land lease assets were revalued at \$32 938 000 as at 1 November 2005 by Robin Norris, Senior Valuer, Valuation SA, Land Services Group, Department for Administrative and Information Services giving rise to an asset revaluation reserve of \$9 355 000. At the end of the reporting period this amount was recorded as Property, Plant and Equipment in the Administered Balance Sheet at that value.

The revenue generated by the pastoral leases is recorded within the Department's Income Statement (Controlled items), in accordance with the PLM&C Act, to cover the costs incurred by the Department in administering the pastoral leases.

(f) National Action Plan for Salinity and Water Quality

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

During the reporting period appropriations of \$14 252 000 (\$18 072 000) were received from the SA Government and the following grants were received:

	2007 \$'000	2006 \$'000
AFFA - National Action Plan Investment Strategy	7 788	10 808
AFFA - National Action Plan Priority Rounds 1 and 2	5 579	3 045
Refunds	1 755	331
Other	74	-
	15 196	14 184

During the reporting period the following grants were paid:

	2007 \$'000	2006 \$'000
AFFA – National Action Plan Priority Rounds 1 and 2	13 400	10 278
AFFA – National Action Plan Investment Strategy	15 554	16 866
Refunds	-	329
	28 954	27 473

(g) Natural Heritage Trust and Natural Heritage Trust Extension

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

During the reporting period the following Commonwealth grants were received:

	2007 \$'000	2006 \$'000
Natural Heritage Trust Extension Program	17 685	18 774
Natural Heritage Trust National Landcare Program	3 518	3 688
Natural Heritage Trust National Landcare Program Refunds	132	-
Natural Heritage Trust Refunds	94	479
Natural Heritage Trust National Landcare Program Refunds	57	4
	21 486	22 945

During the reporting period the following grants were paid:

	2007 \$'000	2006 \$'000
Natural Heritage Trust Extension Program	19 389	18 818
Natural Heritage Trust National Landcare Program	3 822	4 090
Refunds	57	2 081
Other	185	-

(h) Mount Lofty Ranges Catchment Support

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

	2007	2006
	\$'000	\$'000
During the reporting period the following grants were received:		
Natural Heritage Trust Extension Program	80	402
National Action Plan Investment Strategy	(19)	369
National Action Plan Priority Rounds 1 and 2	-	665
Natural Heritage Trust Investment Strategy	40	923
	101	2 359
During the reporting period the following grants were paid:		
Natural Heritage Trust Extension Program	185	591
National Action Plan Priority Rounds 1 and 2	-	-
National Action Plan Investment Strategy	(49)	881
Natural Heritage Trust Investment Strategy	139	1 040
Natural Heritage Trust Extension Program Refunds	52	-
National Action Plan Investment Strategy Refunds	54	-
Natural Heritage Trust Investment Strategy Refunds	54	-
	435	2 512

(i) Centre for Natural Resource Management

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

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

During the reporting period the Centre received grant revenue of \$3 669 000 (\$2 128 000) from the National Action Plan Priority Rounds 1 and 2 and disbursed \$4 014 000 (\$2 179 000) of these funds as grants and subsidies.

(j) Changes to Administered Items and the Department's Corporate Administered Items

The changes to the Department's administered items for 2006-07 primarily reflects the revision of the grouping of certain Administered Item programs.

These include the following:

- **Natural Resources Management Boards** - refer comments under item A2(b) which reflects new composition;
- **The Department's Corporate Administered Items** – primarily comprises recoups of salaries in relation to the South Eastern Water Conservation and Drainage Board and the cost of the Minister's salary.

A3. Administered Cash Flow Reconciliation - Cash at 30 June 2007 as per:	2007	2006
	\$'000	\$'000
Natural Resources Management Boards	-	195
Natural Resources Management Fund	1 148	175
Qualco Sunlands	303	60
Land Technology Alliances	2	2
Pastoral Board	36	27
National Action Plan for Salinity and Water Quality	34 227	32 513
Natural Heritage Trust Grants	4 069	8 633
Mount Lofty Ranges Catchment support	(68)	363
Centre for Natural Resource Management	(36)	179
The Department's Corporate Admin Items	365	145
Statement of Administered Assets and Liabilities	40 046	42 292
Statement of Administered Cash Flows	40 046	42 292

Administered Cash Flow Reconciliation - Cash at 30 June 2007 (continued):	2007	2006
	\$'000	\$'000
Reconciliation of Net Cash Inflows (Outflows) from Operating Activities to Operating Surplus (Deficit):		
Net cash outflows (inflows) from operating activities	(2 246)	6 046
Changes in Assets/Liabilities:		
Increase in receivables	1 416	1 196
Increase (Decrease) in other assets	50	(1)
Decrease (Increase) in payables	524	(2 365)
Decrease (Increase) in employee benefits	18	(9)
Operating (Deficit) Surplus	(238)	4 867

A4. Administered Balance Sheet

a) Receivables

Receivables reflected as current assets at 30 June comprised the following:

	2007	2006
	\$'000	\$'000
Water Levies	1 202	811
Penalties	1 553	1 701
South Eastern Water Conservation and Drainage Board	77	77
Qualco	10	4
Land Technologies Alliance	-	20
NAP	20	34
NHT2	1 533	124
Mt Lofty Ranges Catchment Support	65	208
Regional NRM Boards	-	65
	4 460	3 044

b) Payables

Payables reflected as current liabilities at 30 June comprised the following:

Penalties - Treasurer's Consolidated Account	158	-
Penalties – Regional NRM Boards	96	-
Payroll tax – Regional NRM Boards	168	39
Qualco – Treasurer's Consolidated Account	250	-
NAP	379	330
NHT	-	1 746
NHT2	165	165
National Landcare Program	4	4
Mt Lofty Ranges Catchment Support	2	6
Centre for Natural Resource Management	130	-
Water Licences	546	132
	1 898	2 422

Certification of the Financial Report

We certify that:

- the attached general purpose financial report for the Department of Water, Land and Biodiversity Conservation presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department of Water, Land and Biodiversity Conservation as at 30 June 2007, the results of its operations and its cash flows for the year then ended;
- the attached financial statements are in accordance with the accounts and records of the department and given an accurate indication of the financial transactions of the department for the year then ended; and
- internal controls over the financial reporting have been effective throughout the reporting period.



Rob Freeman
Chief Executive
24 September 2007



George Knezevic
Chief Finance Officer
24 September 2007

Appendix D- Overseas Travel

Number of Employees	Destination/s	Reasons for travel	Cost to Agency
1	Scotland	Highlight the unique qualities of the Lake Eyre Basin and showcase SA's role in the Inter-government Agreement	\$1958.76
1	India	3 rd International Conference on Environmental cultural economic and social sustainability	\$3524.93
1	USA	Presented a paper on the Timing of Branched Broomrape Attachment and Development in Field and Glasshouse Conditions to the 9 th World Congress on Parasitic Plants	\$8188.00
1	Switzerland	Presented findings of Department for Premier and Cabinet Project to the International Disaster Reduction Conference	Nil
1	Panama and USA	Presented a United Nations Food and Agriculture (FAO) training course on post-border weed risk management Presented as an invited panellist as a USA meeting on invasive species risk assessment	Nil

Appendix E- Disability Action Plans

The SA Government policy statement *Promoting Independence – Disability Action Plans for South Australia* provides a framework for action for agencies to ensure their programs and services are inclusive of people with disabilities and hence meet the requirements of the *Commonwealth Disability Discrimination Act 1992* and the *South Australian Equal Opportunity Act 1984*.

DWLBC's progress in implementing its Disability Action Plan is described below against each of the six outcomes in the government's policy.

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

During 2006-07, DWLBC completed an initial access assessment of all sites and facilities under its access audit program. This assessment has resulted in a prioritised audit program being developed and commenced. Four sites were fully audited during 2006-07.

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

During 2006-07 an assessment of DWLBC's publications was undertaken, identifying that not having website documents available in alternate file formats was a barrier for people with disabilities. As a result, an upgrade of the internal DWLBC Intranet was undertaken and completed in 2006-07 and now 80% of documents available on the Intranet have alternative file formats.

A review of procedures for publishing information on the external DWLBC Internet website was commenced in 2006-07, with a view to developing a policy to ensure that publications are made available in multiple file formats during 2007-08.

During 2006-07, procedures for development of program Communication Strategies were reviewed and updated to include consideration of Disability Awareness and Action requirements along with the requirements of other Special Interest Groups.

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

All new staff commencing during 2006-07 were provided with relevant information about issues affecting people with disabilities through the Department's induction program.

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

DWLBC has well-established complaints and grievance mechanisms within the agency. Policies and procedures for receiving feedback and dealing with complaints from customers were implemented in 2006-07.

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

The Department's Disability Action Steering Committee meets bi-monthly to consider progress against the Disability Action Plan. Additionally an annual review of the plan is undertaken to ensure its continued relevance to meeting the outcomes of the Government's policy. The Disability Action Steering Committee endorsed an update to the plan in June 2007.

Outcome 6: The Minister for Disability has asked portfolios to explore how they can increase the rate of employment of people with a disability.

DWLBC's Strategic Disability Action Policy articulates the Department's commitment to 'employing people with disabilities and providing a workplace environment that is free from discrimination and treats all people with dignity and respect'.

DWLBC utilises the Disability Employment Register in seeking to access people with disabilities for recruitment to agency positions. Continued and expanded use of the register was promoted during 2006-07, resulting in an increase in employment of people with disabilities of almost 50% compared to 2005-06.

As part of its update to *South Australia's Strategic Plan*, the government introduced a new target 6.22 People with Disabilities: double the number of people with disabilities employed by 2014. During 2006-07, DWLBC developed its own implementation strategy to support this new government target. With the increase in employment of people with disabilities during 2006-07, DWLBC is well on the way to meeting the 2014 target.

Appendix F- Asbestos Management in Government Buildings

Site asbestos presence status	Priority for risk assessment	Number of sites in priority for assessment category	Risk Reduction Program; Activities conducted during 2006-07	Quantification of activities
Insufficient data	Urgent	0		
Unstable Inaccessible; or Unstable, Partly accessible	Urgent	0		
Unstable, Inaccessible or Unstable, Partly accessible	High	0		
Stable Accessible; or Stable, Accessible, Initial signs of decay	Medium	1	Monitoring	Minimal
Stable. Inaccessible or Stable, Partly accessible	Low	1	Monitoring	
Asbestos Free	Not Applicable	0		

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

Appendix G- Freedom of Information

Information statement

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

Agency's structure and functions

The Department of Water, Land and Biodiversity Conservation comprises seven Divisions and two offices of Executive Director, the role and functions of which are described elsewhere in this Report.

How the agency affects members of the public

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

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

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

Public participation in the formulation of the agency's policies

Senior officers from the Department are represented on various committees (described elsewhere in this Report), on which community and/or industry members also participate. An underlying philosophy in the Department's management of natural resources is the involvement of local communities in the policy formulation and decision making processes. This philosophy is supported by legislation that requires a consultative approach (eg as happens in terms of the *Natural Resources Management Act 2004*).

Documents held by the agency

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

- Departmental files – official files containing correspondence and operational records
- accounting records
- personnel files
- policy and procedure manuals
- Departmental publications, plans and reports.

Documents available for purchase

The following documents are available for purchase from the Department's Internet site www.dwlbc.sa.gov.au or from the following locations:

Manager, Soil and Land Information
Department of Water, Land and Biodiversity Conservation
Prescott Building, Waite Campus
Level 11, 25 Grenfell Street, Adelaide SA 5000
Email: DWLBC.SaLI@saugov.sa.gov.au
Telephone: 61 (08) 8303 9652
Fax: 61 (08) 8303 9320

- Regional Land Resource Information on CD
 - Central Districts
 - Eyre Peninsula
 - Murraylands
 - Northern Agricultural Districts
 - South East
- Soil Data Sheets
- State Soils Attribute Atlas
- Soils of South Australia's Agricultural Lands
- Spatial Data (Note: Spatial Data will only be supplied after authorisation of a Data Access Agreement form, which will be delivered to you after the receipt of your order for Spatial Data product/s)
 - Complete Data format
 - Derived Data format
- Land Systems of Southern South Australia
- SA Revegetation Mapping Framework on CD Training Manual (Note: this is available on CD)
 - B&W Manual
 - Colour Manual

To purchase the following documents, please contact the agency's Knowledge and Information Division on (08) 8463 6980 or from Service SA.

- *'In the Interest of the Country - A History of the Pastoral Board of South Australia 1893-1993'*
- *Field Guide to the Plants of Outback South Australia*
- *South Australian Rangelands and Aboriginal Lands Wildlife Management Manual*

Documents available free of charge

The following documents are made available free of charge from the Department by contacting the Strategic Communications and Marketing Unit on (08) 8463 7935 or from the agency's internet site www.dwlbc.sa.gov.au

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

Policy Documents

A policy register (Policy Booth) on the agency's internet site has been developed to allow easy access to policies, guidelines and similar documents pertaining to DWLBC business.

The register is updated when new or updated documents are approved or existing ones repealed.

Draft documents are also included as they are released for public comment.

None of these documents replace or interpret legislation requirements and where specific direction is required, the relevant legislation should be referred to.

Policies have been sorted by the following key themes.

- Biodiversity
- Land Management
- Licences and Permits
- Natural Resources Management
- River Murray
- Salinity and Water Quality
- Urban Issues
- Water Resources

Freedom of Information

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

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

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

Accessing agency documents

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

Making a Freedom of Information application

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

Freedom of Information Officer
Department of Water, Land and Biodiversity Conservation
GPO Box 2834
ADELAIDE SA 5001
Telephone: (08) 8463 7921

Appendix H- Energy Efficiency Action Plan Reports

Energy Efficiency Action Plan Reports

	Energy Use (GJ)	GHG Emissions (Tonnes CO2)	Business Measure (FTE's)
Base Year 2000/01*	1815	560	203.3
Base Year 2000/01 (MJ/FTE)		8,928	
2006/07	2238	690	540.8
2006/07 (MJ/FTE)		4,138	
Portfolio Target 2006/07 (MJ/FTE)		8,124	
Final Portfolio Target 2013/14 (MJ/FTE)		6,696	

* Data is for the former Department of Water Resources

In accordance with DPC annual reporting requirements, DWLBC have now adopted the new reporting format for energy efficiency reporting. The new format now incorporates Business Measures and in addition DWLBC have adjusted the Base Year (2000-01) data to include only energy usage in government buildings, previously all DWLBC energy usage has been reported.

Significant energy management achievements

The design and layout of new fit-outs of Levels two and three in 25 Grenfell Street was configured to help maximise the amount of natural daylight at each workstation providing energy savings through a reduced need for artificial light across the whole floor. The floors have been divided into zones and each zone on timers so that lighting can be operated independently.

The existing lighting has been replaced with energy efficient T5 fittings reducing the use and cost of energy. Materials and finishes were selected for their low environmental impact, recycled content and the capability to re-cycle.

Levels one and 11 in 25 Grenfell Street have been assessed and costed to install Light Eco. The savings in energy consumption has been estimated at 31% and a reduction in greenhouse emissions of 13 tonnes per annum. The project has a payback period of three years and will commence when funds become available.

Other achievements against the Energy Efficiency Action Plan

Energy audits of all owned and leased buildings will be completed and costed in 2007/08.

Appendix I- Greening of Government Operations (GoGO) Framework

Energy Management

The Department's Facilities Management Group is instrumental in all aspects of accommodation planning and fitouts, including major projects. It also conducts audits on lighting efficiency, leading to savings in energy usage and cost.

An example of such work, included the completion of fitouts for floors two and three located at the Department's head office at 25 Grenfell Street, Adelaide. These fitouts incorporated independent lighting zones fitted to timers to switch off during working hours, accompanied by individual or enclosed spaces having separate switches. The use of this technology makes it easier to light only occupied areas leading to energy and cost efficiencies.

The lighting has also been replaced with energy efficient T5 fittings.

Energy audits in respect of all areas that the Department occupies will be completed during the 2007-08 financial year.

Water Conservation

Water efficiency plans have been completed for all owned and leased office accommodation, identifying common water savings and action plans for each building and tenancy.

Built Environment (buildings and fit-out)

The Facilities Management Group has produced a green environmentally sustainable fit-out design guideline that is being used in the fit-out of all new office accommodation to meet the five star green star rating.

The fit-out of 25 Grenfell Street used recycled modular carpet tiles, which were reconditioned, cleaned and then re-patterned.

The systems furniture has worktops that emit formaldehyde well below the workplace exposure limit with the screen and upholstery fabrics selected for workstations and task chairs manufactured using a high recycled polyester content.

Audits are being conducted on all existing office accommodation with the outcome identifying options to meet the fit-out guideline.

Appendix J- Regional Impact Assessment Statements

No regional impact assessments were undertaken by the Department during the 2006-07 year.

Appendix K- Reconciliation Statement

During 2006-07, the Department developed a Reconciliation Action Plan, including DWLBC's Reconciliation Vision, which states "*Reconciliation is promoted within the Department of Water, Land and Biodiversity Conservation and within related boards and councils, contributing to the South Australia's Strategic Plan objective of improving the overall wellbeing of Aboriginal South Australians.*"

The Department also developed implementation strategies to support achievement of the *Aboriginal Wellbeing* and *Aboriginal Employment in the Public Sector* supporting the targets in *South Australia's Strategic Plan*. These strategies include a range of actions supporting Aboriginal involvement in natural resources management, specific support to the Alinytjara Wilurara Natural Resources Management Board and programs to increase Aboriginal employment and to support Aboriginal staff and their colleagues.

Appendix L- Gender Reporting

Board and Natural Resources Management Council male and female numbers

Board and NRM Council	No. female members	No. male members	Chair M/F	Any vacancies
Adelaide and Mount Lofty Ranges	4	5	F	0
Alinytjara Wilurara	2	6	M	1
Eyre Peninsula	3	6	M	0
Kangaroo Island	3	4	F	2
Northern and Yorke	2	6	M	1
SA Arid Lands	3	5	M	1
SA Murray-Darling Basin	4	4	M	1
South East	4	5	M	0
NRM Council	4	4	M	2

NRM Group and NRM Council Advisory Group information as at 30 June 2007

(Groups)	No. female members	No. male members	Chair. M/F	Any vacancies
Adelaide and Mount Lofty Ranges (4 Groups)	10	18	3M+1F	0
Eyre Peninsula (5 Groups and Advisory committees)	7	19	4M	0
Kangaroo Island (4 Committees)	10	13	4M	0
Northern and Yorke	0	0	0	0
SA Arid Lands	0	0	0	0
SA Murray-Darling Basin (4 Groups)	6	22	4M	0
South East (3 Groups)	9	12	3M	0
NRM Council (3 Groups)	13	17	1M+2F	0

Appendix M– Abbreviations and Acronyms

ASR	Aquifer Storage and Recovery
COAG	Council of Australian Governments
CRC	Cooperative Research Centres
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAIS	Department for Administrative and Information Services
DEH	Department for Environment and Heritage
DWLBC	Department of Water, Land and Biodiversity Conservation
ELMA	Environmental Land Management Allocation
EMLR	Eastern Mt Lofty Ranges
EPA	Environment Protection Authority
ERD	Environmental Resources and Development (Court)
GAB	Great Artesian Basin
GABSI	Great Artesian Basin Sustainability Initiative
GL	Gigalitre (one billion litres)
LMRIA	Lower Murray Reclaimed Irrigation Areas (Program)
MDBC	Murray-Darling Basin Commission
ML	Megalitre (one million litres)
NAP	National Action Plan for Salinity and Water Quality
NHT	Natural Heritage Trust
NLP	National Landcare Program
NRM	Natural Resources Management
NVC	Native Vegetation Council
NWC	National Water Commission
NWI	National Water Initiative
OHS&IM	Occupational Health, Safety and Injury Management
PIRSA	Primary Industries and Resources SA
PWA	Prescribed Wells Area
PWC	Prescribed Water Course
PWRA	Prescribed Water Resource Area
RA	Resource Area
SAFF	South Australian Farmers Federation
SARDI	South Australian Research and Development Institute
SEWCDB	South Eastern Water Conservation and Drainage Board
SIS	Salt Interception Scheme
USE	Upper South East Dryland Salinity and Flood Management (Program)
WAP	Water Allocation Plan
WMLR	Western Mt Lofty Ranges
WPA	Water Proofing Adelaide (Program)
WSA	Water Smart Australia (Program)

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