

# Department for Environment and Water

Financial report  
for the year ended  
30 June 2021



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## To the Chief Executive Department for Environment and Water

### Opinion

I have audited the financial report of the Department for Environment and Water for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Environment and Water as at 30 June 2021, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2021
- a Statement of Administered Financial Position as at 30 June 2021
- a Statement of Administered Cash Flows for the year ended 30 June 2021
- a Schedule of Income and Expenses attributable to administered activities for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

### Basis for opinion

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

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

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

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

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Environment and Water for the financial year ended 30 June 2021.

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

**Auditor-General**

21 September 2021

**Department for Environment and Water  
(DEW)**

**Financial Statements**

For the year ended 30 June 2021

**Department for Environment and Water**  
**Certification of Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the:

- financial statements for the Department for Environment and Water:
- are in accordance with the accounts and records of the department;
- comply with relevant Treasurer's Instructions; and
- present a true and fair view of the financial position of the department at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Department for Environment and Water for the financial year over its financial reporting and its preparation of financial statements have been effective.



John Schutz  
Chief Executive  
20 September 2021



Shaun O'Brien  
Chief Financial Officer  
20 September 2021

**Department for Environment and Water**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Appropriation	2.1	143 861	149 986
Fees and charges	2.2	2 777	2 938
Commonwealth-sourced grants and funding	2.3	28 257	74 151
SA Government grants, subsidies and transfers	2.4	30 061	28 144
Sales of goods and services	2.5	83 031	95 442
Interest	2.6	19	274
Net gain from disposal of property, plant and equipment	2.7	47	1
Resources received free of charge	2.8	5 666	9 144
Other income	2.9	18 133	11 884
<b>Total income</b>		<b>311 852</b>	<b>371 964</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	133 509	156 318
Supplies and services	4.1	87 516	77 880
Grants and subsidies	4.2	31 751	32 953
Depreciation and amortisation	4.3	31 418	26 878
Borrowing costs	4.4	93	116
Impairment loss on receivables	6.2	396	358
Assets transferred for nil consideration	4.5	1 485	8 296
Other expenses	4.6	714	12 368
<b>Total expenses</b>		<b>286 882</b>	<b>315 167</b>
<b>Net result</b>		<b>24 970</b>	<b>56 797</b>
<b>Other comprehensive income</b>			
Changes in property, plant and equipment asset revaluation surplus	5.1	(1 467)	33 764
<b>Total other comprehensive income</b>		<b>(1 467)</b>	<b>33 764</b>
<b>Total comprehensive result</b>		<b>23 503</b>	<b>90 561</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Department for Environment and Water**  
**Statement of Financial Position**  
*as at 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	203 666	184 843
Receivables	6.2	14 495	13 777
Inventories	5.4	2 012	1 868
<b>Total current assets</b>		<b>220 173</b>	<b>200 488</b>
<b>Non-current assets</b>			
Receivables	6.2	24	38
Property, plant and equipment	5.1, 5.2	841 102	829 956
Intangible assets	5.3	6 634	4 551
<b>Total non-current assets</b>		<b>847 760</b>	<b>834 545</b>
<b>Total assets</b>		<b>1 067 933</b>	<b>1 035 033</b>
<b>Current liabilities</b>			
Payables	7.1	28 516	24 289
Financial liabilities	7.2	1 578	2 122
Contract liabilities	2.3, 2.5, 2.9	13 223	7 523
Employee benefits	3.4	15 439	17 829
Provisions	7.3	551	522
Other liabilities	7.4	3 328	1 989
<b>Total current liabilities</b>		<b>62 635</b>	<b>54 274</b>
<b>Non-current liabilities</b>			
Payables	7.1	2 786	3 253
Financial liabilities	7.2	2 530	3 232
Employee benefits	3.4	29 631	35 092
Provisions	7.3	1 912	1 779
Other liabilities	7.4	14 997	17 137
<b>Total non-current liabilities</b>		<b>51 856</b>	<b>60 493</b>
<b>Total liabilities</b>		<b>114 491</b>	<b>114 767</b>
<b>Net assets</b>		<b>953 442</b>	<b>920 266</b>
<b>Equity</b>			
Contributed capital		22 612	22 612
Retained earnings		478 922	444 279
Asset revaluation surplus		451 908	453 375
<b>Total equity</b>		<b>953 442</b>	<b>920 266</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**Department for Environment and Water**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>		22 612	419 806	418 310	860 728
Changes in accounting policy on adoption of AASB 15		-	-	(1 204)	(1 204)
AASB 1058		-	-	(29 600)	(29 600)
Error correction - receivables		-	-	(219)	(219)
<b>Adjusted balance at 1 July 2019</b>		<b>22 612</b>	<b>419 806</b>	<b>387 287</b>	<b>829 705</b>
Net result for 2019-20		-	-	56 797	56 797
Equity transfer on asset disposal		-	(195)	195	-
Gain/(Loss) on revaluation of property, plant and equipment	5.1	-	33 764	-	33 764
<b>Total comprehensive result for 2019-20</b>		<b>-</b>	<b>33 569</b>	<b>56 992</b>	<b>90 561</b>
<b>Balance at 30 June 2020</b>		<b>22 612</b>	<b>453 375</b>	<b>444 279</b>	<b>920 266</b>
Error correction - property, plant and equipment	5.1	-	-	6 233	6 233
<b>Adjusted balance at 1 July 2020</b>		<b>22 612</b>	<b>453 375</b>	<b>450 512</b>	<b>926 499</b>
Net result for 2020-21		-	-	24 970	24 970
Gain/(Loss) on revaluation of property, plant and equipment	5.1	-	(1 467)	-	(1 467)
<b>Total comprehensive result for 2020-21</b>		<b>-</b>	<b>(1 467)</b>	<b>24 970</b>	<b>23 503</b>
<b>Transactions with SA Government as owner</b>					
Crown land transferred from Administered for proclamation to National Parks	5.1	-	-	3 067	3 067
Net liabilities transferred as a result of an administrative restructure	1.4	-	-	373	373
<b>Balance at 30 June 2021</b>		<b>22 612</b>	<b>451 908</b>	<b>478 922</b>	<b>953 442</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**Department for Environment and Water**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

		2021	2020
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<i>Cash inflows</i>			
Appropriation		143 861	153 893
Fees and charges		3 040	3 231
Receipts from Commonwealth-sourced grants		36 310	81 032
SA Government grants, subsidies and transfers		33 067	30 958
Sales of goods and services		87 047	78 641
Interest received		23	351
GST recovered from the Australian Taxation Office		8 822	11 754
Other receipts		12 738	5 331
<b>Cash generated from operating activities</b>		<b>324 908</b>	<b>365 191</b>
<i>Cash outflows</i>			
Employee benefits payments		(134 176)	(158 054)
Payments for supplies and services		(97 227)	(95 460)
Payments of grants and subsidies		(34 926)	(36 146)
Interest paid		(93)	(116)
Other payments		(385)	(3 498)
GST paid to the ATO		(2 823)	(1 454)
<b>Cash used in operating activities</b>		<b>(269 630)</b>	<b>(294 728)</b>
<b>Net cash provided by operating activities</b>	8.1	<b>55 278</b>	<b>70 463</b>
<b>Cash flows from investing activities</b>			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment	2.7	50	89
<b>Cash generated from investing activities</b>		<b>50</b>	<b>89</b>
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(27 318)	(70 785)
<b>Cash used in investing activities</b>		<b>(27 318)</b>	<b>(70 785)</b>
<b>Net cash (used in) investing activities</b>		<b>(27 268)</b>	<b>(70 696)</b>
<b>Cash flows from financing activities</b>			
<i>Cash outflows</i>			
Cash transferred as a result of restructuring activities	1.4	(7 313)	-
Repayment of principal portion of lease liabilities		(1 874)	(2 297)
<b>Cash used in financing activities</b>		<b>(9 187)</b>	<b>(2 297)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(9 187)</b>	<b>(2 297)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>18 823</b>	<b>(2 530)</b>
Cash and cash equivalents at the beginning of the reporting period		184 843	187 373
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>203 666</b>	<b>184 843</b>

The accompanying notes form part of these financial statements.

# Department for Environment and Water

## Notes to and forming part of the financial statements

### for the year ended 30 June 2021

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#### 1. About the Department for Environment and Water

The Department for Environment and Water (DEW) is a government department of the State of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the department.

Administered financial statements relating to administered resources are presented separately as part of this report starting from page 53.

#### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements, the department is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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

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

DEW prepares a Business Activity Statement on behalf of its controlled entities, administered items and other clients to which it provides business services under the grouping provisions of the GST legislation. Under the grouping provisions, DEW is liable for the GST payments and entitled to the GST receipts associated with these entities and items.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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## 1.2. Objectives and programs

### Objectives

DEW plays a critical role in delivering South Australia's future environmental, social and economic prosperity. DEW's management of South Australia's natural resources and places, its water and its heritage assets is vital for the prosperity and wellbeing of all South Australians. To help South Australians conserve, sustain and prosper, the department aims to deliver high quality policies, programs and assets.

To support this, the department pursues four complementary goals:

- South Australia's natural places, ecosystems and wildlife are conserved
  - Natural places, ecosystems and wildlife that are sustainably managed and climate resilient are inherently valuable and essential to the quality of life of all South Australians
- secure water for the future
  - South Australia's environment, community and economy are dependent upon reliable access to sustainable and fit for purpose water
- people access and enjoy South Australia's national parks, gardens, coasts and heritage places
  - When people value and visit our diverse natural environments and cultural assets they derive health and wellbeing benefits
- play our part in making South Australia's economy resilient and positioned for the future
  - For South Australia to prosper, we will manage land and water well, activate nature-based tourism and improve Adelaide's liveability.

### Programs

In achieving its objectives, DEW provides a range of services classified into the following programs:

#### ***National Parks and Wildlife***

The sustainable, proactive management of South Australia's natural places, parks, wildlife and heritage and cultural assets ensures the social wellbeing and environmental and economic prosperity of the state.

#### ***Water and the River Murray***

Water is managed sustainably for the benefit of the environment, community and economy.

#### ***Environment, Heritage and Sustainability***

Develop and deliver strategies, policies and projects that support sustainable development and protect and conserve the state's environment and heritage, in partnership with key bodies in the face of a changing climate.

The table on the following page presents expenses and income information attributable to each program. *AASB 1052 Disaggregated Disclosures* requires government departments to disclose the assets deployed and liabilities incurred that are reliably attributable to each of their activities. DEW cannot currently reliably attribute assets and liabilities across activities. Hence this disclosure has not been made.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

**1.2. Objectives and programs (continued)**

**Expenses and income by program**

	National Parks and Wildlife		Water and the River Murray		Environment, Heritage and Sustainability		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>								
Appropriation	72 290	80 303	38 023	31 589	33 548	38 094	143 861	149 986
Fees and charges	982	769	1 353	1 043	442	1 126	2 777	2 938
Commonwealth-sourced grants and funding	3 670	7 833	24 377	55 042	210	11 276	28 257	74 151
SA Government grants, subsidies and transfers	10 510	4 769	3 986	18 383	15 565	4 992	30 061	28 144
Sales of goods and services	25 784	22 713	45 696	37 438	11 551	35 291	83 031	95 442
Interest	1	8	18	266	-	-	19	274
Net gain from disposal of property, plant and equipment	24	1	12	-	11	-	47	1
Resources received free of charge	2 869	6 822	1 465	812	1 332	1 510	5 666	9 144
Other income	16 371	7 088	956	3 293	806	1 503	18 133	11 884
<b>Total income</b>	<b>132 501</b>	<b>130 306</b>	<b>115 886</b>	<b>147 866</b>	<b>63 465</b>	<b>93 792</b>	<b>311 852</b>	<b>371 964</b>
<b>Expenses</b>								
Employee benefits expenses	67 587	64 613	35 089	32 836	30 833	58 869	133 509	156 318
Supplies and services	41 915	32 366	23 089	20 200	22 512	25 314	87 516	77 880
Grants and subsidies	3 343	2 824	23 941	27 054	4 467	3 075	31 751	32 953
Depreciation and amortisation	14 627	11 216	13 396	10 636	3 395	5 026	31 418	26 878
Borrowing costs	47	48	24	24	22	44	93	116
Impairment loss on receivables	187	358	96	-	113	-	396	358
Assets transferred for nil consideration	216	3	959	7 120	310	1 173	1 485	8 296
Other expenses	280	7 662	432	3 205	2	1 501	714	12 368
<b>Total expenses</b>	<b>128 202</b>	<b>119 090</b>	<b>97 026</b>	<b>101 075</b>	<b>61 654</b>	<b>95 002</b>	<b>286 882</b>	<b>315 167</b>
<b>Net result</b>	<b>4 299</b>	<b>11 216</b>	<b>18 860</b>	<b>46 791</b>	<b>1 811</b>	<b>(1 210)</b>	<b>24 970</b>	<b>56 797</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1.3. Impact of COVID-19 pandemic on the department**

Impact of COVID-19 pandemic has required the agency to adjust the way of doing business where directly interacting with the public (Visitor Centres, Info Centres etc.). These changes have been implemented without significantly affecting the level of service offering.

National Parks have remained open during the pandemic to allow the community to exercise and access recreation, where safe to do so. There was an increase in visitation to some sites by South Australians, however due to the restrictions on interstate and international travel, some sites reliant on international and interstate visitors experienced a downturn in revenue.

Some project works have been delayed which is due to a number of factors including contractor availability due to an increased demand related to COVID-19.

DEW, supported by the South Australian government Business and Job Support Fund, also provided rent relief and fee waivers costing \$759 000 in 2020-21 for tourism and hospitality operators that lease sites or premises from the department or conducted commercial activities in National Parks.

During 2020-21 SAFA also paid DEW \$0.907 million settlement of COVID-19 Business Interruption claim (refer note 2.9).

**1.4. Changes to the department**

Under the *Public Sector (Reorganisation of Public Sector Operations – Department for Environment and Water) Notice 2020*:

- On 25 June 2020, by notice of the Premier in the SA Government Gazette, 264 (236.85 FTE) employees transferred from DEW to the Regional Landscape Boards pursuant to section 9 (1) of the *Public Sector Act 2009* (the PS Act), to take effect from 1 July 2020.
- On 1 April 2021, by notice of the Premier in the SA Government Gazette, a further 37 (33.6 FTE) employees transferred from DEW to the Regional Landscape Boards pursuant to section 9 (1) of the *Public Sector Act 2009* (the PS Act), to take effect from 12 April 2021.

The transfer of staff resulted in a significant change in the administration and corporate services provided by DEW to Landscape Boards (operations formerly undertaken by the Natural Resource Management Boards) with the Boards taking on the majority of those functions internally. From 1 July 2020 DEW provided significantly reduced services to the Boards. These changes for DEW caused a significant reduction of the Boards Salary Recovery income and relevant employee benefit expense and liabilities (Refer Note 2.5, 3.3 & 3.4).

**Transferred out**

The following assets and liabilities were transferred to the Landscape Boards:

<b>Effective Date</b>	<b>1 July 2020</b>
	<b>\$'000</b>
Cash	7 313
Receivables	8
<b>Total assets</b>	<b>7 321</b>
Payables	718
Employee benefits	6 595
Provisions	381
<b>Total liabilities</b>	<b>7 694</b>
<b>Total net assets/(liabilities) transferred</b>	<b>(373)</b>

Net liabilities transferred by the department because of the administrative restructure were recognised at the carrying amount. The net liabilities transferred were treated as a contribution by the government as owner.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**1.5. Budget performance**

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Original	Actual	Variance
		budget	Actual	Variance
		2021	2021	
		\$'000	\$'000	\$'000
<b>Income</b>				
Appropriation		155 405	143 861	(11 544)
Fees and charges		2 326	2 777	451
Commonwealth-sourced grants and funding		40 205	28 257	(11 948)
SA Government grants, subsidies and transfers		30 093	30 061	(32)
Sales of goods and services		84 492	83 031	(1 461)
Interest		124	19	(105)
Net gain from disposal of property, plant and equipment		-	47	47
Resources received free of charge		-	5 666	5 666
Other income	a	46 487	18 133	(28 354)
<b>Total income</b>		<b>359 132</b>	<b>311 852</b>	<b>(47 280)</b>
<b>Expenses</b>				
Employee benefits expenses		141 514	133 509	(8 005)
Supplies and services	b	111 603	87 516	(24 087)
Grants and subsidies		40 174	31 751	(8 423)
Depreciation and amortisation		27 140	31 418	4 278
Borrowing costs		106	93	(13)
Impairment loss on receivables		-	396	396
Assets transferred for nil consideration		-	1 485	1 485
Other expenses		7 019	714	(6 305)
<b>Total expenses</b>		<b>327 556</b>	<b>286 882</b>	<b>(40 674)</b>
<b>Net result</b>		<b>31 576</b>	<b>24 970</b>	<b>(6 606)</b>

Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

- a. Lower actuals primarily reflect the re-profile of insurance recoveries associated with assets damaged in the 2019-20 Kangaroo Island bushfires, now expected to settle in 2022
- b. Lower actuals primarily reflect carryovers of Commonwealth and Cabinet approved projects

Investing expenditure summary	Note	Original	Actual	Variance
		budget	Actual	Variance
		2021	2021	
		\$'000	\$'000	\$'000
Total new projects	c	43 463	10 782	(32 681)
Total existing projects		25 244	9 437	(15 807)
Total annual program		10 423	10 358	(65)
<b>Total investing expenditure</b>		<b>79 130</b>	<b>30 577</b>	<b>(48 553)</b>

- c. Lower actuals primarily reflect carryovers of Commonwealth and Cabinet approved projects.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1.6. Significant transactions with government related entities**

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- A substantial portion of accommodation expenses relate to accommodation supplied by the Department for Infrastructure and Transport
- Lease payments for vehicles supplied by Fleet SA
- Sales of Goods and Services revenue includes Board salary recoveries relating to salary recoups for DEW employees providing services to the Regional Landscape Boards and Green Adelaide
- Sales of goods and services revenue also includes service recoveries relating to water planning management cost recoveries from SA Water
- The South Australian Government Financing Authority (SAFA) are in the process of settling an insurance claim with DEW for assets damaged and destroyed by bushfires in 2019-20. An interim payment of \$7.5 million was received by DEW in 2020-21 to assist with clean up and initial works pending future full settlement of the claim. During 2020-21 SAFA also paid DEW \$0.907 million settlement of COVID-19 Business Interruption claim.

**2. Income**

**2.1. Appropriation**

	2021 \$'000	2020 \$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	143 861	141 869
Appropriation from the Governor's Appropriation Fund	-	8 117
<b>Total appropriation</b>	<b>143 861</b>	<b>149 986</b>

***Appropriation***

Appropriations are recognised upon receipt.

The total appropriations consist of \$122.544 million (2020: \$139 023 million) for operational funding and \$21.317 million (2020: \$10.963 million) for capital projects.

**2.2. Fees and charges**

	2021 \$'000	2020 \$'000
Fees, levies and licences	2 777	2 938
<b>Total revenues from fees and charges</b>	<b>2 777</b>	<b>2 938</b>

All revenue from fees and charges is revenue recognised from contracts with customers.

The major source of fees and charges revenue is from licences, permits and assessment fees. Revenue from fees and charges is recognised on receipts.

**Department for Environment and Water**  
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**2.3. Commonwealth-sourced grants and funding**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grant revenues from the Commonwealth</b>		
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	7 878	8 809
SA Riverland Floodplain Infrastructure Program	6 606	47 843
Flows for the future	2 964	5 727
Murray Futures - Water Management Solutions Project	2 250	3 600
Bushfire Wildlife and Habitat Recovery Program	1 337	-
The Living Murray - Chowilla	1 270	1 158
Adelaide City Deal - Mitcham Hills Trail and Glenthorne Loop	1 270	-
The Living Murray - Lower Lakes, Coorong and Murray Mouth	1 220	994
MDBA River Management	941	837
SDL Supply and Constraints Measures in the Murray Darling	691	482
Stormwater Capture and Reuse	427	-
Glenthorne Restoration	400	-
Implementing the Murray Darling Basin reform	-	1 486
Improving Great Artesian Basin Drought Resilience	-	848
Adelaide Desalination Plant Feasibility Study	-	387
Australian Heritage Grant Nilpena	-	180
The Living Murray - Coorong Waterbirds Monitoring	-	130
Other	1 003	1 670
<b>Total Commonwealth-sourced grants and funding</b>	<b>28 257</b>	<b>74 151</b>

Commonwealth-sourced grants and funding are recognised in accordance with AASB 1058 as income on receipt, except for the South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) where the capital component is recognised on construction of the asset and the operating component is recognised on receipt.

**Contract balances**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities	10 875	6 258

Contract liabilities relate to the multi-year advance consideration received in regard to the Sustaining Riverland Environments Program under the South Australian Riverland Floodplains Integrated Infrastructure Program (SARFIIP) funding agreement, for which revenue is recognised on construction of the asset.

**Department for Environment and Water**  
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**2.4. SA Government grants, subsidies and transfers**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>SA Government grants:</b>		
Climate change initiatives	9 027	8 358
Community Emergency Services Funding	6 035	5 952
Prescribed Burning program	3 000	-
Adelaide Living Beaches strategy	2 875	2 859
Water Infrastructure Growth Corridors	2 440	-
Native Vegetation funding	1 641	1 973
Opening Reservoirs Project	700	-
Botanic Gardens - Aquifer Storage and Recovery	655	655
State Water Demand and Supply	570	378
Greener Neighbourhoods	500	1 000
Water Industry Act	282	178
Mid Murray Council WEMWS Project	-	1 025
Other	2 336	1 859
<b>Total SA Government grants:</b>	<b>30 061</b>	<b>24 237</b>

Recovery from the Department of Treasury and Finance for Additional Expenditure	-	2 760
Recovery from the Department of Treasury and Finance for TVSPs	-	1 147
<b>Total SA Government grants subsidies and transfers</b>	<b>30 061</b>	<b>28 144</b>

SA Government grants, subsidies and transfers are recognised as income on receipt.

**Department for Environment and Water**  
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**2.5. Sales of goods and services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Water Planning and Management Cost Recovery	31 556	19 379
Corporate Services Fee	18 312	17 533
Admissions and guided tours	9 834	9 228
Sale of goods	4 777	5 202
Green Adelaide Board salary recovery	4 549	-
Property rental and related income	4 428	5 053
Sale of professional services	2 770	2 772
Provision of services	2 183	2 110
Other salary recoveries	2 089	2 492
Landscape SA Boards salary recovery	1 456	-
Water sales	472	998
Sale of spatial information	410	602
Sale of freehold titles	195	268
NRM Boards salary recovery	-	29 805
<b>Total sales of goods and services</b>	<b>83 031</b>	<b>95 442</b>

All revenue from the sales of goods and services is revenue recognised from contracts with customers.

Admissions, guided tours and property rental and related income revenue is recognised as revenue when the services have been provided to the customer. Contract balances represent unearned revenue and relate to the bookings made in advance and leases billed in advance.

***Contract balances***

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities	1 348	1 265

Water Planning and Management Cost Recovery, Corporate Services Fee, Sale of professional services, Provision of services revenue is recognised in the period in which the services are provided.

Sale of goods, Sale of Spatial information and Sale of freehold titles revenue is recognised on receipt.

**2.6. Interest**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	19	274
<b>Total interest revenues</b>	<b>19</b>	<b>274</b>

**Department for Environment and Water**  
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**2.7. Net gain from disposal of property, plant and equipment**

	2021	2020
	\$'000	\$'000
<b>Buildings and improvements</b>		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	-	(75)
<b>Net (loss) from disposal of buildings and improvements</b>	<u>-</u>	<u>(75)</u>
<b>Plant and equipment</b>		
Net proceeds from disposal	50	89
Less carrying amount of assets disposed	(3)	(13)
<b>Net gain from disposal of plant and equipment</b>	<u>47</u>	<u>76</u>
<b>Total assets</b>		
Net proceeds from disposal	50	89
Less carrying amount of assets disposed	(3)	(88)
<b>Total net gain from disposal of property, plant and equipment</b>	<u>47</u>	<u>1</u>

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

**2.8. Resources received free of charge**

	2021	2020
	\$'000	\$'000
Assets received free of charge	-	5 200
Services received free of charge - Shared Services SA	5 666	3 944
<b>Total resources received free of charge</b>	<u>5 666</u>	<u>9 144</u>

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. DEW receives Financial Accounting, Taxation, Payroll, Accounts Payable and ICT digital government services from Shared Services SA free of charge, following Cabinet's approval to cease intra-government charging.

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**2.9. Other income**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Insurance recoveries	8 412	2 714
Asset related adjustments	7 449	4 952
Reimbursement of expenses	1 396	839
Grants from private industry and local government	404	2 295
Leased Vehicle Recovery from NRM Boards	32	1 044
Sponsorships, donations, commissions and bequests	20	27
Other sundry revenue	420	13
<b>Total other income</b>	<b>18 133</b>	<b>11 884</b>

Other income is recognised on receipt, except for a local government grant for the construction of a City Wide Attraction Playground at Glenthorne National Park, where the capital component is recognised on construction of the asset and the operating component is recognised on receipt.

Insurance recoveries include \$7.5 million interim payment from SAFA as part of the insurance claim for assets damaged in the Kangaroo Island bushfires and \$0.907 million COVID-19 Business Interruption claim settlement received from SAFA.

Asset related adjustments includes \$6.348 million for assets that were not previously recognised by DEW and \$1.101 million for conditional reassessments applied to assets. These adjustments reflect updated asset information gathered during 2020-21 stocktake processes, resulting in revised asset values being recognised in the current year.

**Contract balances**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract liabilities	1 000	-

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of DEW include the Minister, the Chief Executive and the 6 members of the Executive Team who have responsibility for the strategic direction and management of the department.

The compensation detailed below excludes salaries and other benefits received by the Minister for Environment. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Minister's remuneration paid and recovered from the Consolidated Account.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Compensation</b>		
Salaries and other short term employee benefits	1 722	1 607
Post-employment benefits	184	175
<b>Total compensation</b>	<b>1 906</b>	<b>1 782</b>

DEW did not enter into any transactions with key management personnel or their close family members during the reporting period, other than those disclosed in note 1.6.

**Department for Environment and Water**  
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**3.2. Board and committee members**

Members during 2020-21 financial year were:

**Animal Welfare Advisory Committee**

M S Doroudi\* (Chair)  
G I Anderson  
R F Evers  
M Greenslade  
S J Hazel  
J A Bellamy  
P S Warren  
A M Piggott

**Arabana Parks Advisory Committee**

F J Gill\* (Chair)  
P R P Watts (Deputy Chair)  
L W Baxter\*  
M Stuart  
J Wingfield  
T B Gotch\*

**Witjira National Park Board of Management**

G A Pelton\* (Chair, Expires March 2021)  
A B Magor\*  
R Tjami  
A S McInerney\*  
B Shields  
M Doolan  
R Finn

**Kangaroo Management Reference Group**

R Borda  
N D De Preu  
L Loan\*  
S Williams  
G Mills  
J H Neal  
R Evers  
A Gyss  
C Cowin  
K Tshirner (appointed February 2021)  
C Crabbe\* (Deputy Member)  
G Coulthard\*

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

B P Gear\* (Chair)  
P J McKenzie (Deputy Chair)  
T C Coulthard  
L M Loan\*  
M McKenzie (Snr) (retired March 2021)  
T O'Loughlin\*  
B M Patterson  
S A M Paul\*

**Premier's Climate Change Council**

M K Haese (Presiding Member)  
A M Stock (appointed September 2020)  
S M J Verschoor (appointed September 2020)  
C N Wilkins (appointed September 2020)  
D J Bennett (appointed September 2020)  
M K Edge\* (appointed September 2020)  
P J Schulz (appointed September 2020)  
V T Y Tran (appointed September 2020)  
R H Turner (appointed September 2020)

**South Australian Heritage Council**

K A Conlon (Chair)  
M J H Constantine (retired April 2021)  
J D Ferguson (Deputy Chairperson)  
A G MacKinnon (retired April 2021)  
K McDougall  
M J Rolfe  
J Schulz (retired April 2021)  
D J Stevenson (retired April 2021)  
R J Taylor (retired April 2021)  
D M Lindsay (appointed April 2021)  
M S Brock (appointed April 2021)  
G J Leydon (appointed April 2021)  
S G Schrapel (appointed April 2021)  
E Walters (appointed April 2021)

**Ngaut Ngaut Conservation Park Co-Management Board**

I M Campbell (Chair)  
P G Gillen\* (Deputy Chair)  
I L Campbell  
C M Hutchinson  
J Tesoriero\*  
J Irving\*

**Department for Environment and Water**  
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**3.2. Board and committee members**  
**(continued)**

Members during 2020-21 financial year were:

**Cooperative Management Committee**

**Vulkathunha-Gammon Ranges National Park**

J Irving\* (Chair)  
 J M Coulthard (Deputy Chair)  
 A Breeding\*  
 S Coulthard  
 S Kondylas\*  
 T L Naismith  
 R W Johnson  
 V Coulthard

**DEW Risk and Performance Committee**

T Stubbs (Chair)  
 S Carruthers\*  
 M Martin\*  
 P Martin  
 S Spadavecchia  
 A Swanson\*  
 M Swart\*  
 S Paul\*

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

C L Lawrie (Chair)  
 M J Ward\* (Deputy Chair)  
 M J Anderson\*  
 L M Halliday\* (retired January 2021)  
 K D Wombat\* (formerly K Kerdel)  
 V Lawrie (retired January 2021)  
 P J Richter\*  
 A S Munday (retired January 2021)  
 K S Pobke\* (appointed March 2021)  
 C Coleman (appointed March 2021)

**YYP A Committee Coongie Lakes National Park**

J A Gates\* (Chair)  
 E S Dahl\* (retired September 2020)  
 T J Elliot (retired July 2020)  
 J L Gregg-Smith\*  
 L J Harris Snr (retired July 2020)  
 A M Paterson  
 G Rigney (retired July 2020)  
 J Fluin\* (retired July 2020)  
 R Singleton\* (appointed July 2020)  
 L Harris Jnr (appointed July 2020)  
 A Galpin\* (appointed July 2020)  
 A C Singleton (appointed July 2020)

**Yumbarra Conservation Park Co-management Board**

M J Ward\* (Deputy Chair)  
 W Miller (Chair)  
 M J Anderson\*  
 H Coleman  
 T Murragilli  
 P J Richter\*  
 W Ware  
 L M Halliday\*

**Parks and Wilderness Council**

M J Williams\* (Ex Officio)  
 R J Spencer (Presiding Member, appointed August 2020)  
 N Davis (appointed August 2020)  
 S J De Bruyn (appointed August 2020)  
 W D Mackenzie (appointed August 2020)  
 W R McIntosh (appointed August 2020)  
 A Nedosyko (appointed August 2020)  
 B Trewren (appointed August 2020)  
 K B Wanganeen (appointed August 2020)

\* In accordance with the Premier and Cabinet's Circular Number 16, government employees did not receive any remuneration for board/committee duties during the financial year.

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**3.2. Board and committee members (continued)**

***Board and committee remuneration***

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

	2021	2020
\$0 - \$19 999	115	119
\$20 000 - \$39 999	2	2
<b>Total number of members</b>	<b>117</b>	<b>121</b>

The total remuneration received or receivable by members was \$210 000 (2020: \$212 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**3.3. Employee benefits expenses**

	2021	2020
	\$'000	\$'000
Salaries and wages	104 167	120 259
Employment on-costs - superannuation	11 255	13 334
Annual leave	9 286	11 135
Employment on-costs - other	6 116	7 264
Long service leave (LSL)	(857)	1 235
Workers compensation	1 974	1 036
Skills and experience retention leave (SERL)	633	672
Targeted Voluntary Separation Packages (refer below)	358	926
Board and committees fees	448	299
Other employee related expenses	129	158
<b>Total employee benefits expenses</b>	<b>133 509</b>	<b>156 318</b>

***Employment on-costs - superannuation***

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

***Executive remuneration***

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

	2021	2020
	Number	Number
\$154 001 – \$174 000	2	4
\$174 001 – \$194 000	6	11
\$194 001 – \$214 000	9	6
\$214 001 – \$234 000	3	2
\$234 001 – \$254 000*	2	2
\$254 001 – \$274 000	-	1
\$274 001 – \$294 000*	1	1
\$294 001 – \$314 000*	1	1
\$334 001 – \$354 000*	1	-
\$394 001 – \$414 000	1	1
<b>Total</b>	<b>26</b>	<b>29</b>

**Department for Environment and Water**  
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**3.3. Employee benefits expenses (continued)**

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The total remuneration received by those employees for the year was \$5.739 million (\$6.456 million).

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid or payable in respect of those benefits.

\* This bandwidth includes payment of long service leave, annual leave and termination benefits for officers who have left the department in both 2020-21 and 2019-20.

**Targeted Voluntary Separation Packages (TVSPs)**

The number of employees who accepted a TVSP during the reporting period was 4 (2020: 12).

	2021 \$'000	2020 \$'000
Amount paid/payable to separated employees:		
TVSPs	358	926
Leave paid/payable to separated employees	211	298
Recovery from the Department of Treasury and Finance	-	(1 147)
<b>Net cost to the department</b>	<b>569</b>	<b>77</b>

**3.4. Employee benefits liability**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Annual leave	10 084	11 150
Long service leave	1 273	2 903
Accrued salaries and wages	3 246	2 912
Skills and experience retention leave	836	864
<b>Total current employee benefits</b>	<b>15 439</b>	<b>17 829</b>
<b>Non-current</b>		
Long service leave	29 631	35 092
<b>Total non-current employee benefits</b>	<b>29 631</b>	<b>35 092</b>
<b>Total employee benefits</b>	<b>45 070</b>	<b>52 921</b>

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

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

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

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

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

**Department for Environment and Water**  
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**3.4. Employee benefits liability (continued)**

***Long service leave***

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1. Supplies and services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	14 471	13 100
General administration	11 042	9 306
Information technology and communication	9 685	9 488
Fee for service - water and river murray	9 190	7 842
Fee for service - national parks and wildlife services	8 083	5 413
Sand replenishment	6 458	7 662
Minor works, maintenance and equipment	4 426	4 120
Vehicle and aircraft	3 658	3 529
Contractors	3 282	2 519
Fee for service - environment, heritage and sustainability	2 667	846
Fee for service - strategy, science and corporate services	2 373	772
Cost of goods sold	1 567	1 713
Scientific and technical services	1 334	852
Staff development	969	897
Travel and accommodation	949	1 178
Fee for service - tourism and economic development	934	268
Monitoring fees	876	628
Fee for service - climate change, coast and marine	646	466
Fee for service - other	325	34
Consultants	60	337
Transportation	49	306
Bore drilling services	-	2 365
Other	4 472	4 239
<b>Total supplies and services</b>	<b>87 516</b>	<b>77 880</b>

***Accommodation***

Most of the department's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of lease set out in AASB 16. Information about accommodation incentives relating to this arrangement is shown at note 7.4.

**Department for Environment and Water**  
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**4.1. Supplies and services (continued)**

**Consultants**

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

	2021 Number	2021 \$'000	2020 Number	2020 \$'000
Below \$10 000	1	7	4	13
\$10 000 or above	2	53	4	324
<b>Total</b>	<b>3</b>	<b>60</b>	<b>8</b>	<b>337</b>

**4.2. Grants and subsidies**

	2021 \$'000	2020 \$'000
Murray Darling Basin Authority	19 715	22 325
Healthy Coorong Healthy Basin	2 643	1 354
Administration of the Animal Welfare Act 1985	1 188	1 160
Heritage Agreement Program	1 000	-
Greener Neighbourhoods	857	643
New Life for Coastal Environment	485	1 091
Gurra Gurra construction	368	1 160
SA Riverland Floodplain Infrastructure Program	207	606
Riverine Recovery Project	-	43
Other	5 288	4 571
<b>Total grants and subsidies</b>	<b>31 751</b>	<b>32 953</b>

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

	2021 \$'000	2020 \$'000
Other	755	765
<b>Total grants and subsidies - SA Government entities</b>	<b>755</b>	<b>765</b>

**Department for Environment and Water**  
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**4.3. Depreciation and amortisation**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings and improvements	3 342	3 368
Park infrastructure	3 481	2 728
Roads, tracks and trails	5 833	4 079
Groundwater monitoring wells	4 296	4 296
Salinity disposal schemes	968	452
Patawalonga seawater circulation and Barcoo outlet	668	486
Sand pumping infrastructure	940	940
Surface water monitoring network	165	170
Waste disposal stations	294	298
Regulators and embankments	3 529	1 821
Plant and equipment	3 394	3 213
Right-of-use buildings	219	-
Right-of-use plant and equipment	288	261
Right-of-use vehicles	1 375	2 036
Leasehold improvements	1 825	1 777
Other	4	15
<b>Total depreciation</b>	<b>30 621</b>	<b>25 940</b>
<b>Amortisation</b>		
Application software - internally generated	567	770
Application software - externally purchased	208	146
Other - war services leases	22	22
<b>Total amortisation</b>	<b>797</b>	<b>938</b>
<b>Total depreciation and amortisation</b>	<b>31 418</b>	<b>26 878</b>

**Department for Environment and Water**  
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**4.3. Depreciation and amortisation (continued)**

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

**Useful life**

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
<i>Property, plant and equipment</i>	
Buildings and improvements	5-150
Groundwater monitoring wells	30-50
Regulators and embankments	10-200
Park infrastructure	3-120
Patawalonga seawater circulation and Barcoo Outlet	15-100
Plant and equipment	3-30
Right-of-use plant and equipment	4
Right-of-use vehicles	3-5
Roads, tracks and trails	4-35
Salinity disposal schemes	20-100
Surface water monitoring network	5-80
Waste disposal stations	50
Sand pumping infrastructure	10-50
Leasehold improvements	12
Other	45-99
<i>Intangible assets</i>	
Externally acquired	3-10
Internally acquired	2-12
War services leases	44

**Review of accounting estimates**

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

**4.4. Borrowing costs**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on lease liabilities	93	116
<b>Total borrowing costs</b>	<b>93</b>	<b>116</b>

**Department for Environment and Water**  
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**4.5. Assets transferred for nil consideration**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and equipment	1 297	1 028
Park infrastructure	188	209
Regulators and embankments	-	6 488
Land	-	505
Buildings and improvements	-	66
<b>Total assets transferred for nil consideration</b>	<b>1 485</b>	<b>8 296</b>

***Plant and equipment***

The department donated assets associated with the Flows for the Future project to the value of \$0.778 million (2020: \$0.635 million) to local landholders and assets to the value of \$0.297 million (2020: \$0.668 million) to the Board of the Botanic Gardens and State Herbarium.

**4.6. Other expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment write-offs	737	6 470
Audit fees	446	437
Capital project costs not capitalised	305	1 014
Settlement of legal claims	-	2 754
Impairment loss on non-financial assets	-	2 619
Movement in Inventory	(97)	(100)
Reversal of impairment loss	(683)	(815)
Other	6	(11)
<b>Total other expenses</b>	<b>714</b>	<b>12 368</b>

***Property, plant and equipment write-offs***

During 2019-20 the department incurred expenses related to asset write-off of \$4.882 million and impairment losses of \$2.619 million associated with Kangaroo Island bushfires.

***Audit fees***

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.399 million (2020: \$0.393 million). No other services were provided by the Auditor-General's Department.

**Department for Environment and Water**  
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**5. Non-financial assets**

**Property, plant and equipment by asset class**

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets. The assets presented below do not meet the definition of investment property.

**5.1. Property, plant and equipment owned by the department**

	Buildings & Land improvements \$'000	\$'000	Park Roads, tracks infrastructure \$'000	& trails \$'000	Groundwater monitoring wells \$'000	Salinity disposal schemes \$'000
<b>Carrying amount at 30 June 2020</b>	366 171	63 005	25 900	22 754	63 528	20 917
Error correction	-	-	-	6 233	-	-
<b>Carrying amount at 1 July 2020</b>	366 171	63 005	25 900	28 987	63 528	20 917
Acquisitions	966	-	-	-	-	-
Initial recognition	-	2 371	3 865	46	-	-
Transfer between classes	-	-	83	(83)	-	-
Transferred in – NPWA 1972*	3 067	-	-	-	-	-
Assets transferred for nil consideration	-	-	(188)	-	-	-
Disposals	-	-	-	-	-	-
Write-offs	-	(402)	(42)	(158)	-	-
Transfers to/(from) capital works in progress	-	398	1 352	2 647	521	17 538
Capital WIP - expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	56	1 608	(560)	-	-
Depreciation	-	(3 342)	(3 481)	(5 833)	(4 296)	(968)
Reversal of impairment loss	-	-	-	637	43	-
<b>Subtotal</b>	<b>4 033</b>	<b>(919)</b>	<b>3 197</b>	<b>(3 304)</b>	<b>(3 732)</b>	<b>16 570</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>						
Net revaluation increment/(decrement)	-	-	-	(1 467)	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 467)</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 30 June 2021</b>	<b>370 204</b>	<b>62 086</b>	<b>29 097</b>	<b>24 216</b>	<b>59 796</b>	<b>37 487</b>
<b>Gross carrying amount</b>						
Gross carrying amount	370 204	201 555	223 391	261 068	223 949	57 306
Accumulated depreciation	-	(139 469)	(194 294)	(236 852)	(164 153)	(19 819)
<b>Carrying amount at the end of the period</b>	<b>370 204</b>	<b>62 086</b>	<b>29 097</b>	<b>24 216</b>	<b>59 796</b>	<b>37 487</b>

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**5.1. Property, plant and equipment owned by the department (continued)**

	Patawalonga seawater circulation \$'000	Sand pumping infrastructure \$'000	Surface water monitoring network \$'000	Waste disposal stations \$'000	Regulators and embankments \$'000
<b>Carrying amount at 30 June 2020</b>	39 324	16 186	6 411	10 047	89 191
Error correction	-	-	-	-	-
<b>Carrying amount at 1 July 2020</b>	39 324	16 186	6 411	10 047	89 191
Acquisitions	-	-	-	-	-
Initial recognition	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Transferred in – NPWA 1972*	-	-	-	-	-
Assets transferred for nil consideration	-	-	-	-	-
Disposals	-	-	-	-	-
Write-offs	-	-	-	(105)	-
Transfers to/(from) capital works in progress	-	-	165	1 326	36 279
Capital WIP - expensed in current period	-	-	-	-	-
Other changes via profit and loss	-	-	-	-	-
Depreciation	(668)	(940)	(165)	(294)	(3 529)
Reversal of impairment loss	-	-	-	-	-
<b>Subtotal</b>	<b>(668)</b>	<b>(940)</b>	<b>-</b>	<b>927</b>	<b>32 750</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 30 June 2021</b>	<b>38 656</b>	<b>15 246</b>	<b>6 411</b>	<b>10 974</b>	<b>121 941</b>
<b>Gross carrying amount</b>					
Gross carrying amount	61 036	23 116	12 395	14 991	159 920
Accumulated depreciation	(22 380)	(7 870)	(5 984)	(4 017)	(37 979)
<b>Carrying amount at the end of the period</b>	<b>38 656</b>	<b>15 246</b>	<b>6 411</b>	<b>10 974</b>	<b>121 941</b>

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**5.1. Property, plant and equipment owned by the department (continued)**

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
<b>Carrying amount at 30 June 2020</b>	16 461	14 297	1 130	69 278	824 600
Error correction	-	-	-	-	6 233
<b>Carrying amount at 1 July 2020</b>	16 461	14 297	1 130	69 278	830 833
Acquisitions	1 933	-	-	27 657	30 556
Initial recognition	66	-	-	-	6 348
Transfer between classes	-	-	-	-	-
Transferred in – NPWA 1972*	-	-	-	-	3 067
Assets transferred for nil consideration	(1 297)	-	-	-	(1 485)
Disposals	(3)	-	-	-	(3)
Write-offs	(30)	-	-	-	(737)
Transfers to/(from) capital works in progress	2 824	-	-	(65 908)	(2 858)
Capital WIP - expensed in current period	-	-	-	(305)	(305)
Other changes via profit and loss	(2)	-	-	-	1 102
Depreciation	(3 394)	(1 825)	(4)	-	(28 739)
Reversal of impairment loss	-	-	-	-	680
<b>Subtotal</b>	<b>97</b>	<b>(1 825)</b>	<b>(4)</b>	<b>(38 556)</b>	<b>7 626</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	-	-	-	-	(1 467)
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 467)</b>
<b>Carrying amount at 30 June 2021</b>	<b>16 558</b>	<b>12 472</b>	<b>1 126</b>	<b>30 722</b>	<b>836 992</b>
<b>Gross carrying amount</b>					
Gross carrying amount	45 703	21 836	1 868	30 722	1 709 060
Accumulated depreciation	(29 145)	(9 364)	(742)	-	(872 068)
<b>Carrying amount at the end of the period</b>	<b>16 558</b>	<b>12 472</b>	<b>1 126</b>	<b>30 722</b>	<b>836 992</b>

**Department for Environment and Water**  
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**5.1. Property, plant and equipment owned by the department (continued)**

	Buildings & Land improvements	Park Roads, tracks infrastructure	& trails	Groundwater monitoring wells	Salinity disposal schemes	
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Carrying amount at 1 July 2019</b>	330 370	68 222	25 451	22 823	67 537	28 685
Acquisitions	505	20	-	-	-	-
Initial recognition	-	796	1 508	1 332	-	-
Transfer between classes	468	(206)	103	(118)	-	(172)
Assets received for nil consideration	5 200	-	-	-	-	-
Assets transferred for nil consideration	(505)	(66)	(209)	-	-	-
Disposals	-	(75)	-	-	-	-
Write-offs	-	(4 808)	(994)	(380)	-	-
Transfers to/(from) capital works in progress	-	1 610	3 212	4 069	382	-
Impairment loss	-	(85)	(433)	(1 716)	(95)	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	150	(10)	823	-	-
Depreciation	-	(3 368)	(2 728)	(4 079)	(4 296)	(452)
Reversal of impairment loss	-	815	-	-	-	-
<b>Subtotal</b>	<b>5 668</b>	<b>(5 217)</b>	<b>449</b>	<b>(69)</b>	<b>(4 009)</b>	<b>(624)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>						
Net revaluation increment/(decrement)	30 133	-	-	-	-	(7 144)
<b>Subtotal</b>	<b>30 133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7 144)</b>
<b>Carrying amount at 30 June 2020</b>	<b>366 171</b>	<b>63 005</b>	<b>25 900</b>	<b>22 754</b>	<b>63 528</b>	<b>20 917</b>
<b>Gross carrying amount</b>						
Gross carrying amount	366 171	197 874	215 596	232 124	223 278	39 768
Accumulated depreciation	-	(134 869)	(189 696)	(209 370)	(159 750)	(18 851)
<b>Carrying amount at the end of the period</b>	<b>366 171</b>	<b>63 005</b>	<b>25 900</b>	<b>22 754</b>	<b>63 528</b>	<b>20 917</b>

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**5.1. Property, plant and equipment owned by the department (continued)**

	Patawalonga seawater circulation \$'000	Sand pumping infrastructure \$'000	Surface water monitoring network \$'000	Waste disposal stations \$'000	Regulators and embankments \$'000
<b>Carrying amount at 1 July 2019</b>	29 039	17 126	6 917	10 480	64 097
Acquisitions	-	-	-	-	-
Initial recognition	18	-	-	-	-
Transfer between classes	-	-	-	-	(52)
Assets received for nil consideration	-	-	-	-	-
Assets transferred for nil consideration	-	-	-	-	(6 488)
Disposals	-	-	-	-	-
Write-offs	(22)	-	(46)	(135)	-
Transfers to/(from) capital works in progress	-	-	-	-	33 455
Impairment loss	-	-	(290)	-	-
Capital WIP - expensed in current period	-	-	-	-	-
Other changes via profit and loss	-	-	-	-	-
Depreciation	(486)	(940)	(170)	(298)	(1 821)
Reversal of impairment loss	-	-	-	-	-
<b>Subtotal</b>	<b>(490)</b>	<b>(940)</b>	<b>(506)</b>	<b>(433)</b>	<b>25 094</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	10 775	-	-	-	-
<b>Subtotal</b>	<b>10 775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount at 30 June 2020</b>	<b>39 324</b>	<b>16 186</b>	<b>6 411</b>	<b>10 047</b>	<b>89 191</b>
<b>Gross carrying amount</b>					
Gross carrying amount	61 036	23 116	12 230	14 801	123 641
Accumulated depreciation	(21 712)	(6 930)	(5 819)	(4 754)	(34 450)
<b>Carrying amount at the end of the period</b>	<b>39 324</b>	<b>16 186</b>	<b>6 411</b>	<b>10 047</b>	<b>89 191</b>

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**5.1. Property, plant and equipment owned by the department (continued)**

	Plant & equipment \$'000	Leasehold improvements \$'000	Other \$'000	Capital work in progress \$'000	Total \$'000
<b>Carrying amount at 1 July 2019</b>	16 499	16 074	1 145	62 737	767 202
Acquisitions	677	-	-	53 920	55 122
Initial recognition	336	-	-	-	3 990
Transfer between classes	(23)	-	-	-	-
Assets received for nil consideration	-	-	-	-	5 200
Assets transferred for nil consideration	(1 028)	-	-	-	(8 296)
Disposals	(13)	-	-	-	(88)
Write-offs	(85)	-	-	-	(6 470)
Transfers to/(from) capital works in progress	3 311	-	-	(46 365)	(326)
Impairment loss	-	-	-	-	(2 619)
Capital WIP - expensed in current period	-	-	-	(1 014)	(1 014)
Other changes via profit and loss	-	-	-	-	963
Depreciation	(3 213)	(1 777)	(15)	-	(23 643)
Reversal of impairment loss	-	-	-	-	815
<b>Subtotal</b>	<b>(38)</b>	<b>(1 777)</b>	<b>(15)</b>	<b>6 541</b>	<b>23 634</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>					
Net revaluation increment/(decrement)	-	-	-	-	33 764
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33 764</b>
<b>Carrying amount at 30 June 2020</b>	<b>16 461</b>	<b>14 297</b>	<b>1 130</b>	<b>69 278</b>	<b>824 600</b>
<b>Gross carrying amount</b>					
Gross carrying amount	42 732	21 836	1 868	69 278	1 645 349
Accumulated depreciation	(26 271)	(7 539)	(738)	-	(820 749)
<b>Carrying amount at the end of the period</b>	<b>16 461</b>	<b>14 297</b>	<b>1 130</b>	<b>69 278</b>	<b>824 600</b>

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about DEW's approach to fair value is set out in note 10.2.

An error correction of \$6.233 million adjusted against retained earnings at 1 July 2020 has been disclosed in the above asset movement schedule. The error correction is in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The increase of \$6.233 million in the carrying value of Roads, Tracks and Trails (RTT) assets was due to revised assessments of asset physical attributes resulting in an error correction. This correction was represented as an adjustment to the opening balance of this asset class to ensure relevant data was accurate prior to processing the revaluation of these assets as at 1 July 2020.

\* Assets to the value of \$3.067 million were transferred from the Department for Environment and Water (Administered) reporting entity following the proclamation of land parcel additions to existing National parks and reserves under the *National Parks and Wildlife Act 1972* and accounted for through equity.

**Impairment**

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

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

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

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**5.2. Property, plant and equipment leased by the department**

Property, plant and equipment leased by the department as lessee is measured at cost. The department's leased assets are detailed below.

	Right-of-use plant and equipment		Right-of-use buildings		Right-of-use vehicles		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Gross carrying amount</b>								
Gross carrying amount	980	868	975	-	5 287	6 574	7 242	7 442
Accumulated depreciation	(549)	(261)	(219)	-	(2 364)	(1 825)	(3 132)	(2 086)
<b>Carrying amount at the end of the period</b>	<b>431</b>	<b>607</b>	<b>756</b>	<b>-</b>	<b>2 923</b>	<b>4 749</b>	<b>4 110</b>	<b>5 356</b>

Net additions to leased property, plant and equipment during 2020-21 were \$2.305 million.

Short term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right of use assets.

The department has a limited number of leases:

- 241 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 7 information technology leases with the Bank of Queensland Finance Limited to lease Oracle IT equipment relating to servers, data storage and back-up equipment. All leases are for a 3 years term, non-cancellable and payments are made quarterly in arrears. End of lease options exist to either extend the lease a further 12 months at a substantial discount or return the equipment.
- 1 information technology lease with Dell financial Services to lease IT equipment relating to sever chassis. The lease is for a 4 year term, non-cancellable and payments are made quarterly in advance. The department has an option to purchase the equipment at the end of the lease.

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**5.3. Intangible assets**

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

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

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

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

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

DEW recognises the following intangible assets:

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**5.3. Intangible assets (continued)**

**Computer software**

DEW has capitalised the internal development of software for the Water Information and Licensing and Management Application system (WILMA) and Asset Register and Management Information System (ARAMIS) software systems. In addition, certain costs have been capitalised in respect of the Water Connect Portal (Natural Resources Management Information System) and other software specific to DEW's core activities. Some intangibles are currently included in work in progress. Externally acquired computer software relates to the Aquarius water monitoring software.

**Water licences**

An intangible asset for water licences has been recognised. These licences relate to environmental water holdings and are held at cost.

**Revenue stream**

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

**Intangible asset movement reconciliation schedule**

	Internally developed \$'000	Externally acquired \$'000	Revenue stream \$'000	Total \$'000
<b>Carrying amount at 1 July 2020</b>	1 155	2 713	683	4 551
Acquisitions	-	22	-	22
Transfers to/(from) capital works in progress	-	2 858	-	2 858
Amortisation	(567)	(208)	(22)	(797)
<b>Carrying amount at 30 June 2021</b>	<b>588</b>	<b>5 385</b>	<b>661</b>	<b>6 634</b>

**Gross carrying amount**

Gross carrying amount	14 337	6 562	1 000	21 899
Accumulated amortisation	(13 749)	(1 177)	(339)	(15 265)
<b>Carrying amount at the end of the period</b>	<b>588</b>	<b>5 385</b>	<b>661</b>	<b>6 634</b>

	Internally developed \$'000	Externally acquired \$'000	Revenue stream \$'000	Total \$'000
<b>Carrying amount at 1 July 2019</b>	1 599	2 846	705	5 150
Acquisitions	-	13	-	13
Transfers to/(from) capital works in progress	326	-	-	326
Amortisation	(770)	(146)	(22)	(938)
<b>Carrying amount at 30 June 2020</b>	<b>1 155</b>	<b>2 713</b>	<b>683</b>	<b>4 551</b>

**Gross carrying amount**

Gross carrying amount	14 337	3 682	1 000	19 019
Accumulated amortisation	(13 182)	(969)	(317)	(14 468)
<b>Carrying amount at the end of the period</b>	<b>1 155</b>	<b>2 713</b>	<b>683</b>	<b>4 551</b>

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**5.3. Intangible assets (continued)**

**Assets not recognised**

*Acquisition of Water Licences for Environmental Flows*

The acquisition and/or transfer of water licences for environmental purposes linked to the provisions of Intergovernmental Agreements to which South Australia is party to is generally expensed when such expenditure is incurred.

**5.4. Inventories**

	2021	2020
	\$'000	\$'000
<b>Inventories held for distribution at no or nominal amount</b>		
Inventories held for distribution - at cost	801	657
<b>Total inventories held for distribution at no or nominal amount</b>	<b>801</b>	<b>657</b>
<b>Inventories held for resale - at cost</b>		
Finished goods held for resale - at cost	1 211	1 211
<b>Total inventories held for resale - at cost</b>	<b>1 211</b>	<b>1 211</b>
<b>Total inventories</b>	<b>2 012</b>	<b>1 868</b>

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

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

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

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

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Accrual Appropriation Excess Fund	118 012	106 688
Deposits with the Treasurer	85 483	77 984
Cash on hand/imprest account	171	171
<b>Total cash</b>	<b>203 666</b>	<b>184 843</b>

**Deposits with the Treasurer**

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although the department controls the money reported above in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

**Department for Environment and Water**  
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**6.2. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
<b>Trade receivables</b>		
From government entities	4 729	3 265
From non-government entities	4 789	3 447
Less impairment loss on receivables	<u>(2 172)</u>	<u>(1 776)</u>
<b>Total trade receivables</b>	<b><u>7 346</u></b>	<b><u>4 936</u></b>
Accrued revenues	528	2 806
GST input tax recoverable	5 000	4 779
Prepayments	1 617	1 248
Workers compensation recoveries	<u>4</u>	<u>8</u>
<b>Total current receivables</b>	<b><u>14 495</u></b>	<b><u>13 777</u></b>
<b><u>Non-current</u></b>		
Workers compensation recoveries	<u>24</u>	<u>38</u>
<b>Total non-current receivables</b>	<b><u>24</u></b>	<b><u>38</u></b>
<b>Total receivables</b>	<b><u>14 519</u></b>	<b><u>13 815</u></b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 10.3 for further information on risk management.

***Impairment of receivables***

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	1 776	1 418
Increase/(decrease) in the allowance recognised in profit or loss	<u>396</u>	<u>358</u>
<b>Carrying amount at the end of the period</b>	<b><u>2 172</u></b>	<b><u>1 776</u></b>

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

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**7. Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

	2021	2020
	\$'000	\$'000
<b><u>Current</u></b>		
Trade payables	24 171	19 816
Employment on-costs	3 338	3 525
Accrued expenses	1 002	908
Paid Parental Leave Scheme payable	5	40
<b>Total current payables</b>	<b>28 516</b>	<b>24 289</b>
<b><u>Non-current</u></b>		
Employment on-costs	2 786	3 253
<b>Total non-current payables</b>	<b>2 786</b>	<b>3 253</b>
<b>Total payables</b>	<b>31 302</b>	<b>27 542</b>

Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

***Employment on-costs***

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

DEW makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the proportion of long service leave taken as leave remained unchanged from the 2020 rate of (42%). The average factor for the calculation of employer superannuation cost on-costs has increased from the 2020 rate (9.8%) to 2021 (10.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

**Department for Environment and Water**  
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**7.2. Financial liabilities**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	1 578	2 122
<b>Total current financial liabilities</b>	<b>1 578</b>	<b>2 122</b>
<b>Non-current</b>		
Lease liabilities	2 530	3 232
<b>Total non-current financial liabilities</b>	<b>2 530</b>	<b>3 232</b>
<b>Total financial liabilities</b>	<b>4 108</b>	<b>5 354</b>

The department measures financial liabilities including borrowings/debt at amortised cost.

**7.3. Provisions**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	551	522
<b>Total current provisions</b>	<b>551</b>	<b>522</b>
<b>Non-current</b>		
Provision for workers compensation	1 838	1 708
Additional provisions	74	71
<b>Total non-current provisions</b>	<b>1 912</b>	<b>1 779</b>
<b>Total provisions</b>	<b>2 463</b>	<b>2 301</b>
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Movement in provisions</b>		
Carrying amount at the beginning of the period	2 230	2 072
Reductions arising from payments	(1 194)	(1 190)
Provisions derecognised as a result of restructure activities	(381)	-
Increases resulting from remeasurement	1 734	1 348
<b>Carrying amount at the end of the period</b>	<b>2 389</b>	<b>2 230</b>
<b>Movement in additional provision</b>		
Carrying amount at the beginning of the period	71	75
Reductions resulting from remeasurement	-	(4)
Additional provisions recognised	3	-
<b>Carrying amount at the end of the period</b>	<b>74</b>	<b>71</b>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

DEW is responsible for the payment of workers' compensation claims.

**Department for Environment and Water**  
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**7.4. Other liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Accommodation incentive	2 112	1 350
Unearned revenue	787	407
Other	429	232
<b>Total current other liabilities</b>	<b>3 328</b>	<b>1 989</b>
<b><u>Non-current</u></b>		
Accommodation incentive	12 317	14 429
Deposits held	465	465
Unearned revenue	2 215	2 243
<b>Total non-current other liabilities</b>	<b>14 997</b>	<b>17 137</b>
<b>Total other liabilities</b>	<b>18 325</b>	<b>19 126</b>

Accommodation incentive is effectively amortised over the lease term in accordance with AASB 16.

Accommodation incentive liabilities relate to arrangements with the Department for Infrastructure and Transport (DIT) for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided a range of incentives including a fit-out free of charge and cash back. The benefit of this incentives is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

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**8. Other disclosures**

**8.1. Cash flow**

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

Total cash outflows for leases was \$1.729 million (2020: \$2.411 million).

**Cash flow reconciliation**

**Reconciliation of net result to cash flows from operating activities**

	2021	2020
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	203 666	184 843
Balance as per the Statement of Cash Flows	203 666	184 843
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>		
Net cash provided by operating activities	55 278	70 463
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation	(31 418)	(26 878)
Capital work-in-progress write-offs and asset write-offs	(1 042)	(7 484)
Impairment of non-current assets	683	(1 804)
Gain/(loss) on disposal of non-current assets	47	1
Assets transferred for nil consideration	(1 485)	(8 296)
Other asset related adjustments	7 449	4 952
Supplies and services not requiring cash	(5 666)	(3 944)
Resources received free of charge	5 666	9 144
Adjustments for administrative restructure	(7 686)	-
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	704	(9 170)
Increase/(decrease) in inventories	144	(358)
(Increase)/decrease in payables	(494)	34 413
Increase/(decrease) in employee benefits	7 851	2 198
Increase/(decrease) in provisions	(162)	(154)
Increase/(decrease) in contract liabilities	(5 700)	(7 523)
Increase/(decrease) in other liabilities	801	1 237
<b>Net result</b>	<b>24 970</b>	<b>56 797</b>

**Department for Environment and Water**  
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**8.2. South Australian Heritage Fund**

The South Australian Heritage Fund (formerly the "State Heritage Fund") was established under the *Heritage Places Act 1993* to conserve places of heritage value. The revenues, expenses, assets, liabilities, changes in equity and cash flows of the Fund are disclosed below. It is noted that these amounts also form part of and are incorporated within DEW's financial statements. When incorporating these amounts into DEW's financial statements all transactions between the Fund and DEW have been eliminated. No activity occurred during 2020-21 and 2019-20.

**Statement of Financial Position**

as at 30 June 2021

	2021	2020
	\$'000	\$'000
<b>Current assets</b>		
Cash and cash equivalents	348	348
<b>Total current assets</b>	<u>348</u>	<u>348</u>
<b>Total assets</b>	<u>348</u>	<u>348</u>
<b>Net assets</b>	<u>348</u>	<u>348</u>
<b>Equity</b>		
Retained earnings	348	348
<b>Total equity</b>	<u>348</u>	<u>348</u>

**Statement of Changes in Equity**

for the year ended 30 June 2021

	Retained earnings	Total equity
	\$'000	\$'000
<b>Balance at 1 July 2019</b>	348	348
Net result for 2019-20	-	-
<b>Balance at 30 June 2020</b>	<u>348</u>	<u>348</u>
Net result for 2020-21	-	-
<b>Balance at 30 June 2021</b>	<u>348</u>	<u>348</u>

**Department for Environment and Water**  
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**8.3. General Reserves Fund**

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

**Statement of Comprehensive Income**

for the year ended 30 June 2021

	2021	2020
	\$'000	\$'000
<b>Income</b>		
Fees and charges	13 256	13 299
Interest	1	7
Other income	(1)	(7)
<b>Total income</b>	<b>13 256</b>	<b>13 299</b>
<b>Expenses</b>		
Grants and subsidies	13 256	13 299
<b>Total expenses</b>	<b>13 256</b>	<b>13 299</b>
<b>Net result</b>	<b>-</b>	<b>-</b>

**Statement of Financial Position**

as at 30 June 2021

	2021	2020
	\$'000	\$'000
<b>Current assets</b>		
Cash and cash equivalents	1 060	1 363
Receivables	1 717	1 250
<b>Total current assets</b>	<b>2 777</b>	<b>2 613</b>
<b>Current liabilities</b>		
Unearned revenue	512	348
<b>Total current liabilities</b>	<b>512</b>	<b>348</b>
<b>Total liabilities</b>	<b>512</b>	<b>348</b>
<b>Net assets</b>	<b>2 265</b>	<b>2 265</b>
<b>Equity</b>		
Retained earnings	2 265	2 265
<b>Total equity</b>	<b>2 265</b>	<b>2 265</b>

**Department for Environment and Water**  
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**8.3. General Reserves Fund (continued)**

<b>Statement of Changes in Equity</b> for the year ended 30 June 2021	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2019</b>	2 265	2 265
Net result for 2019-20	-	-
<b>Balance at 30 June 2020</b>	<b>2 265</b>	<b>2 265</b>
Net result for 2020-21	-	-
<b>Balance at 30 June 2021</b>	<b>2 265</b>	<b>2 265</b>
<b>Statement of Cash Flows</b> for the year ended 30 June 2021	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Cash flows from operating activities</b>		
<i>Cash inflows</i>		
Fees and charges	12 951	13 237
Interest received	1	10
Other receipts	1	-
<b>Cash generated from operations</b>	<b>12 953</b>	<b>13 247</b>
<i>Cash outflows</i>		
Payments of grants and subsidies	(13 256)	(13 217)
<b>Cash used in operations</b>	<b>(13 256)</b>	<b>(13 217)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>(303)</b>	<b>30</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(303)</b>	<b>30</b>
Cash and cash equivalents at the beginning of the reporting period	1 363	1 333
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1 060</b>	<b>1 363</b>

**Department for Environment and Water**  
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**9. Outlook**

**9.1. Unrecognised commitments**

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

***Capital commitments***

***Capital commitments***

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	11 852	6 111
Later than one year but not longer than five years	578	-
<b>Total capital commitments</b>	<b>12 430</b>	<b>6 111</b>

The department's capital commitments are for the Water Management Solutions program, Water Infrastructure and Operations and facility upgrade and other capital works for Kangaroo Island, Flinders Ranges, the Wild South Coast Way and other departmental projects.

***Expenditure commitments***

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	33 677	29 266
Later than one year but not longer than five years	53 419	80 658
Later than five years	12 948	19 848
<b>Total expenditure commitments</b>	<b>100 044</b>	<b>129 772</b>

DEW's expenditure commitments are for:

- memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation
- contributions to the Murray-Darling Basin Authority.

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## **9.2. Contingent assets and liabilities**

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

Bushfires in 2020 caused substantial damage to assets owned by the DEW on Kangaroo Island, and an insurance claim is pending full settlement through SAFA. The final value of the claim is not quantifiable as at 30 June 2021 and is contingent on final assessment of all damaged assets. It is expected full settlement of this claim will be received in 2021-22. Interim insurance payments have been received by the department pending the full settlement, \$2.5 million was received in 2019-20, and \$7.5 million has been received in 2020-21 (refer note 2.9).

## **9.3. Impact of standards and statements not yet effective**

DEW has assessed the impact of new and changed Australian Accounting Standards and interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* will apply from 1 July 2022 and Amending Standard AASB 2021 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the department, these amending standards are not expected to have an impact on DEW's general purpose financial statements. DEW will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. DEW continues to assess liabilities e.g. LSL and whether or not DEW has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

## **9.4. COVID-19 pandemic outlook for the department**

Impact of COVID-19 pandemic has required the agency to adjust the way of doing business where directly interacting with the public (Visitor Centres, Info Centres etc). These changes have been implemented without significantly affecting the level of service offering.

DEW operates commercial sites across the State, located in and around national parks and reserves. These sites are an integral part of the State's tourism offering and as such have been impacted negatively by the drop in interstate and international visitors, but also positively by the increase in SA visitors.

Whilst National Parks revenue is forecast to improve in 2021-22, it is expected to continue to be lower than pre pandemic levels. The revenue downturn related to fees associated with national park activities is difficult to estimate and will continue to be dependent on restrictions imposed on travel, gatherings and movements in general. Restrictions at commercial sites to comply with government regulation are difficult to forecast however are expected to impact income from those sites and fees from commercial tour operators.

DEW builds (including re-builds after fire and flood) and maintains physical assets across the State, both in Parks and for purposes of managing water resources. While the agency's ability to deliver this part of its mandate has not been materially impacted by COVID, the imposition of significant restrictions could impact these activities by increasing shortages of materials and contractors to undertake works.

DEW's key initiatives in improving national parks infrastructure and amenities will continue to be delivered in 2021-22 positively impacting the economy. The *Parks 2025* plan and renewal works to replace bushfire damaged assets on Kangaroo Island will continue to provide economic stimulus to activate nature based tourism and fast-track the recovery of vital regional economies. Some project works have been delayed which is due to a number of factors including contractor availability due to an increased industry demand related to COVID-19.

Whole of state government initiatives will continue to support businesses in 2021-22 and DEW will work constructively with businesses experiencing financial difficulties managing debts owed to the department.

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**9.5. Events after the reporting period**

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

**10. Measurement and risk**

**10.1. Long service leave liability – measurement**

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance (DTF) has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 2020 (0.75%) to 2021 (1.25%).

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

Following the actuarial assessment performed by DTF the salary inflation rate remained unchanged from 2020 (2.5%) for long service leave liability. The salary inflation rate for annual leave and skills, experience and retention leave liability remained unchanged from 2020 (2.0%).

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$3.037 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

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

**10.2. Fair value**

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

***Initial recognition***

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

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

Minor assets with an individual value of less than \$10 000 are expensed in the Statement of Comprehensive Income at the time of acquisition, with the exception of network assets which includes Roads, Tracks and Trails (RTT) and Groundwater Monitoring Wells assets due to the significant number and long useful lives of these assets. These assets have been recognised in the Statement of Financial Position regardless of their initial cost of acquisition.

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**10.2. Fair value (continued)**

**Revaluation**

Property, plant and equipment, other than right-of-use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Finance Officer each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

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

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

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

An independent valuation was performed for the RTT asset class during the reporting period. RTT assets were revalued using a Data Dictionary approach. The Data Dictionary model calculates a value for an asset based on description, grade / composition, condition and size / quantity. The model value is adjusted by a locality factor to take into climatic conditions. The Data Dictionary model is contained within DEW's ARAMIS software system. The revaluation was undertaken from February - April 2021, and applied as at 1 July 2020. Asset useful lives were also reviewed. The revaluation was undertaken by a Certified Practising Valuer, Mr F Taormina, B.App.Sc (Val), AAPI, of Valcorp Australia Pty Ltd.

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

<b>Class of asset</b>	<b>Date of last independent revaluation</b>	<b>Name of Valuer</b>	<b>Fair Value Input level</b>	<b>Fair Value Approach</b>
Land	1 July 2019	State Valuation Office	3	Market
Buildings and improvements (data dictionary)	1 July 2016	Valcorp Aust. Pty Ltd	3	Cost
Buildings and improvements (unique assets)	1 July 2016	Herron Todd White and Maloney Field Services	3	Cost
Park infrastructure (data dictionary)	1 July 2016	Valcorp Aust. Pty Ltd	3	Cost
Park infrastructure (unique assets)	1 July 2016	Herron Todd White and Maloney Field Services	3	Cost
Roads, tracks and trails	1 July 2020	Valcorp Aust. Pty Ltd	3	Cost
Groundwater monitoring wells	30 June 2017	Jacobs Australia Ltd	3	Cost
Salinity disposal schemes	30 June 2020	Jones Lang LaSalle Inc.	3	Cost
Patawalonga seawater circulation and Barcoo outlet	30 June 2020	Public Private Property Pty Ltd	3	Cost
Sand pumping infrastructure	30 June 2018	Jones Lang LaSalle Inc.	3	Cost
Surface water monitoring network	30 June 2017	Valcorp Aust. Pty Ltd	3	Cost
Waste disposal stations	30 June 2018	Valcorp Aust. Pty Ltd	3	Cost
Regulators and embankments	30 June 2018	Public Private Property Pty Ltd	3	Cost

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**10.2. Fair value (continued)**

***Fair value hierarchy***

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

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

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. DEW categorises non-financial assets measured at fair value at level 3 which are all recurring. There are no non-recurring fair value measurements.

DEW's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2021, DEW had no valuations categorised into level 1 or level 2.

***Heritage assets***

In accordance with APS 101.H, heritage assets are recognised in the Statement of Financial Position as part of the aggregate value of classes of assets to which they belong. Certain heritage assets and works of art that are unique due to their historical or cultural interest are not depreciated due to their long and indeterminate useful lives. Heritage assets that provide a functional service are recorded at depreciable fair value.

***Land***

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

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

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**10.3. Financial instruments**

***Financial risk management***

Risk management is managed by DEW's corporate services section. Departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

***Liquidity risk***

DEW is funded principally from appropriations by the SA Government. DEW works with DTF to determine the cash flows associated with its government-approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 7.1 and 7.2 for further information.

***Credit risk***

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

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

***Impairment of financial assets***

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The department uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the department considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

	<b>Debtor gross carrying</b>		
	<b>amount</b>	<b>Loss %</b>	<b>Lifetime expected</b>
	<b>\$'000</b>		<b>losses \$'000</b>
Current (not past due)	1 823	0%	4
1 - 30 days past due	26	0%	-
31 - 60 days past due	36	3%	1
61 - 90 days past due	38	3%	1
More than 90 days past due	138	46%	63
<b>Loss allowance</b>	<b>2 061</b>		<b>69</b>

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**10.3. Financial instruments**

***Impairment of financial assets (continued)***

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and DEW's view of the forecast economic conditions over the expected life of the receivables.

Invoices worth \$2.103 million have not been included in the ECL model. These invoices have unique circumstances and have been impaired separately. This amount is included in impairment of receivables in note 6.2 together with the ECL calculation above.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with DEW and a failure to make contractual payments for a period of greater than 90 days past due.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Impairment losses on the department's receivables arising from the department's contracts with customers were as follows. No impairment losses were recognised in relation to contract assets during the year.

***Cash and debt investments***

DEW considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

All of DEW's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

***Market risk***

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

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

***Categorisation of financial instruments***

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

***Classification of Financial Instruments***

DEW measures all financial instruments at amortised cost.

**Department for Environment and Water**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**10.3. Financial instruments (continued)**

*Categorisation of financial instruments (continued)*

Category of financial asset and financial liability	Note	2021 Carrying amount / fair value \$'000	2021 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents		203 666	-	-	-
<b>Financial assets at amortised cost</b>					
Receivables	(1), (2)	9 491	9 491	-	-
<b>Total financial assets</b>		<b>213 157</b>	<b>9 491</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	(1)	24 747	24 747	-	-
Lease liabilities		4 108	1 578	2 530	-
<b>Total financial liabilities</b>		<b>28 855</b>	<b>26 325</b>	<b>2 530</b>	<b>-</b>

Category of financial asset and financial liability	Note	2020 Carrying amount / fair value \$'000	2020 Contractual maturities		
			< 1 year \$'000	1-5 years \$'000	< 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents		184 843	-	-	-
<b>Financial assets at amortised cost</b>					
Receivables	(1), (2)	7 740	7 740	-	-
<b>Total financial assets</b>		<b>192 583</b>	<b>7 740</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at cost</b>					
Payables	(1)	20 287	20 287	-	-
Lease liabilities		5 354	2 122	3 232	-
<b>Total financial liabilities</b>		<b>25 641</b>	<b>22 409</b>	<b>3 232</b>	<b>-</b>

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

(2) Receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

**Department of Environment and Water Administered  
(DEW)**

**Administered Financial Statements**

For the year ended 30 June 2021

**Department of Environment and Water Administered**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the:

- financial statements for the Department of Environment and Water Administered;
- are in accordance with the accounts and records of the department;
- comply with relevant Treasurer's Instructions; and
- present a true and fair view of the financial position of the department at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Department of Environment and Water Administered for the financial year over its financial reporting and its preparation of financial statements have been effective.



John Schutz  
**Chief Executive**  
20 September 2021



Shaun O'Brien  
**Chief Financial Officer**  
20 September 2021

**Department of Environment and Water Administered  
Statement of Administered Comprehensive Income  
for the year ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Administered income</b>			
Appropriation	A2.1	31 002	20 442
Fees and charges	A2.2	69 717	29 347
Grants	A2.3	6 756	28 089
Income associated with joint operation	A5.2	1 444	5 544
Interest		4	37
Assets received free of charge	A2.4	2 534	5 705
Net gain from the disposal of non-current assets	A2.5	228	10 644
Intra-government transfers	A2.6	2 800	750
Other income		40	40
<b>Total administered income</b>		<b>114 525</b>	<b>100 598</b>
<b>Administered expenses</b>			
Employee benefits		368	368
Supplies and services		806	1 238
Grants and subsidies	A3.1	22 078	41 797
Intra-government transfers	A3.2	81 055	24 816
Expenses associated with joint operation	A5.2	12 254	12 222
Donated assets	A3.3	6 319	5 200
Payments to the Consolidated account		33 302	33 674
Impairment loss on receivables		1 163	2 757
Other expenses	A3.4	2 264	-
<b>Total administered expenses</b>		<b>159 609</b>	<b>122 072</b>
<b>Net result</b>		<b>(45 084)</b>	<b>(21 474)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result:</i>			
Changes in property, plant and equipment asset revaluation surplus	A4.1	12 230	49 601
<b>Total other comprehensive income</b>		<b>12 230</b>	<b>49 601</b>
<b>Total comprehensive result</b>		<b>(32 854)</b>	<b>28 127</b>

The accompanying notes form part of these financial statements.

**Department of Environment and Water Administered  
Statement of Administered Financial Position  
as at 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	A7.1	48 148	46 415
Receivables	A5.1	4 734	7 012
<b>Total current assets</b>		<b>52 882</b>	<b>53 427</b>
<b>Administered non-current assets</b>			
Property, plant and equipment	A4.1	1 273 138	1 292 738
Intangibles	A5.2	163 240	163 531
<b>Total non-current assets</b>		<b>1 436 378</b>	<b>1 456 269</b>
<b>Total assets</b>		<b>1 489 260</b>	<b>1 509 696</b>
<b>Administered current liabilities</b>			
Payables	A6.1	34 112	33 573
<b>Total current liabilities</b>		<b>34 112</b>	<b>33 573</b>
<b>Total liabilities</b>		<b>34 112</b>	<b>33 573</b>
<b>Net assets</b>		<b>1 455 148</b>	<b>1 476 123</b>
<b>Administered equity</b>			
Asset revaluation surplus		253 612	241 382
Retained earnings		1 201 536	1 234 741
<b>Total equity</b>		<b>1 455 148</b>	<b>1 476 123</b>

The accompanying notes form part of these financial statements.

**Department of Environment and Water Administered**  
**Statement of Administered Cash Flows**  
*for the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<i>Cash inflows</i>			
Appropriations		31 002	20 442
Fees and charges		68 715	22 164
Receipts from grants		6 609	28 089
Intra-government transfers		2 800	750
Interest received		4	37
Other receipts		40	40
<b>Cash generated from operations</b>		<b>109 170</b>	<b>71 522</b>
<i>Cash outflows</i>			
Employee benefits payments		(368)	(368)
Payments for supplies and services		(808)	(1 233)
Payments of grants and subsidies and intra-government transfers		(102 096)	(66 511)
Payments to the Consolidated account		(33 799)	(6 240)
<b>Cash used in operations</b>		<b>(137 071)</b>	<b>(74 352)</b>
<b>Net cash used in operations</b>	A7.1	<b>(27 901)</b>	<b>(2 830)</b>
<b>Cash flows from investing activities</b>			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment	A2.5	33 667	35 271
<b>Cash generated from investing activities</b>		<b>33 667</b>	<b>35 271</b>
<i>Cash outflows</i>			
Purchases of property, plant and equipment	A4.1	(4 033)	-
<b>Cash used in investing activities</b>		<b>(4 033)</b>	<b>-</b>
<b>Net cash provided by investing activities</b>		<b>29 634</b>	<b>35 271</b>
<b>Net increase in cash and cash equivalents</b>		<b>1 733</b>	<b>32 441</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>46 415</b>	<b>13 974</b>
<b>Cash and cash equivalents at the end of the period</b>	A7.1	<b>48 148</b>	<b>46 415</b>

The accompanying notes form part of these financial statements.

**Department of Environment and Water Administered**  
**Statement of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2021*

Activities - refer note A1	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Administered income</b>						
Appropriations	4 033	-	18 475	17 279	368	368
Fees and charges	29	8	-	-	-	-
Grants	-	-	149	74	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assets received free of charge	2 534	5 705	-	-	-	-
Net gain from disposal of non-current assets	228	10 644	-	-	-	-
Intra-government transfers	-	-	2 800	750	-	-
Other income	-	-	-	-	-	-
<b>Total administered income</b>	<b>6 824</b>	<b>16 357</b>	<b>21 424</b>	<b>18 103</b>	<b>368</b>	<b>368</b>
<b>Administered expenses</b>						
Employee benefits	-	-	-	-	368	368
Supplies and services	804	1 238	-	-	-	-
Grants and subsidies	-	-	16 798	13 757	-	-
Intra-government transfers	-	-	4 474	4 293	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	6 319	5 200	-	-	-	-
Payments to the Consolidated account	33 143	33 674	-	-	-	-
Impairment loss on receivables	13	(2)	-	(1)	-	-
Other expenses	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>40 279</b>	<b>40 110</b>	<b>21 272</b>	<b>18 049</b>	<b>368</b>	<b>368</b>
<b>Net Result</b>	<b>(33 455)</b>	<b>(23 753)</b>	<b>152</b>	<b>54</b>	<b>-</b>	<b>-</b>

**Department of Environment and Water Administered**  
**Statement of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2021*

Activities - refer note A1	National Landcare					
	Program		Water for Fodder		NRM Fund	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Administered income</b>						
Appropriations	-	-	-	-	-	2 755
Fees and charges	-	-	-	-	-	25 385
Grants	-	15	2 000	28 000	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	2	-	-	-	36
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Other income	-	-	-	-	-	-
<b>Total administered income</b>	<b>-</b>	<b>17</b>	<b>2 000</b>	<b>28 000</b>	<b>-</b>	<b>28 176</b>
<b>Administered expenses</b>						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	-	-	2 000	28 000	-	-
Intra-government transfers	-	-	-	-	-	20 523
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	-	-	-	-	-	-
Payments to the Consolidated account	-	-	-	-	-	-
Impairment loss on receivables	-	-	-	-	-	2 760
Other expenses	-	-	-	-	-	-
<b>Total administered expenses</b>	<b>-</b>	<b>-</b>	<b>2 000</b>	<b>28 000</b>	<b>-</b>	<b>23 283</b>
<b>Net Result</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 893</b>

**Department of Environment and Water Administered**  
**Statement of Expenses and Income attributable to Administered Activities**  
*for the year ended 30 June 2021*

Activities - refer note A1	Landscape Admin		Landscape		Qualco Sunlands	
	Fund		Priorities Fund			
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered income</b>						
Appropriations	8 086	-	-	-	40	40
Fees and charges	69 702	-	-	-	-	-
Grants	-	-	4 266	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	3	-	-	-	-	-
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Other income	-	-	-	-	40	40
<b>Total administered income</b>	<b>77 791</b>	<b>-</b>	<b>4 266</b>	<b>-</b>	<b>80</b>	<b>80</b>
<b>Administered expenses</b>						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	-	-	3 121	-	40	40
Intra-government transfers	76 581	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	-	-	-	-	-	-
Payments to the Consolidated account	-	-	-	-	159	-
Impairment loss on receivables	1 150	-	-	-	-	-
Other expenses	2 264	-	-	-	-	-
<b>Total administered expenses</b>	<b>79 995</b>	<b>-</b>	<b>3 121</b>	<b>-</b>	<b>199</b>	<b>40</b>
<b>Net Result</b>	<b>(2 204)</b>	<b>-</b>	<b>1 145</b>	<b>-</b>	<b>(119)</b>	<b>40</b>

**Department of Environment and Water Administered  
Statement of Expenses and Income attributable to Administered Activities  
for the year ended 30 June 2021**

Activities - refer note A1	SA Drought		Consumer Advocacy Research		DEW Corporate		Total	
	Resilience Fund		Fund		Admin Items			
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Administered income</b>								
Appropriations	-	-	-	-	-	-	31 002	20 442
Fees and charges	-	4 000	-	-	(14)	(46)	69 717	29 347
Grants	-	-	341	-	-	-	6 756	28 089
Income associated with joint operation	-	-	-	-	1 444	5 544	1 444	5 544
Interest	1	-	-	-	-	(1)	4	37
Assets received free of charge	-	-	-	-	-	-	2 534	5 705
Net gain from disposal of non-current assets	-	-	-	-	-	-	228	10 644
Intra-government transfers	-	-	-	-	-	-	2 800	750
Other income	-	-	-	-	-	-	40	40
<b>Total administered income</b>	<b>1</b>	<b>4 000</b>	<b>341</b>	<b>-</b>	<b>1 430</b>	<b>5 497</b>	<b>114 525</b>	<b>100 598</b>
<b>Administered expenses</b>								
Employee benefits	-	-	-	-	-	-	368	368
Supplies and services	-	-	-	-	2	-	806	1 238
Grants and subsidies	-	-	119	-	-	-	22 078	41 797
Intra-government transfers	-	-	-	-	-	-	81 055	24 816
Expenses associated with joint operation	-	-	-	-	12 254	12 222	12 254	12 222
Donated assets	-	-	-	-	-	-	6 319	5 200
Payments to the Consolidated account	-	-	-	-	-	-	33 302	33 674
Impairment loss on receivables	-	-	-	-	-	-	1 163	2 757
Other expenses	-	-	-	-	-	-	2 264	-
<b>Total administered expenses</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>-</b>	<b>12 256</b>	<b>12 222</b>	<b>159 609</b>	<b>122 072</b>
<b>Net Result</b>	<b>1</b>	<b>4 000</b>	<b>222</b>	<b>-</b>	<b>(10 826)</b>	<b>(6 725)</b>	<b>(45 084)</b>	<b>(21 474)</b>

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

**Department of Environment and Water Administered  
Notes to and forming part of the financial statements  
For the year ended 30 June 2021**

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**A1. About the Department of Environment and Water Administered**

The activities of the administered items are:

**Crown Lands**

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

**Minister's Other Payments**

The Department for Environment and Water receives appropriations for Administered Items that it transfers out as Grants and Subsidies and Intra-government transfers.

Grants and subsidies payments of \$16.798 million (2020: \$13.757 million) approved by the Minister for Environment and Water were made to community organisations, associations and local government. This includes grants made to Zoo SA \$6.734 million (2020: \$6.646 million); Adelaide City Council \$1.613 million (2020: \$1.598 million); Stormwater Management Authority \$8.451 million (2020: \$5.513 million).

Intra-government transfers of \$4.474 million (2020: \$4.293 million) approved by the Minister for Environment and Water were made to SA government entities. This includes transfers to South Eastern Water Conservation and Drainage Board \$2.532 million (2020: \$2.470 million); Native Vegetation Fund \$1.227 million (2020: \$1.197 million); and Coast Protection Fund \$0.566 million (2020: \$0.552 million); The Board of the Botanic Gardens and State Herbarium \$0.149 million (2020: \$0.074 million).

**Special Acts Allocation**

This item comprises salary and allowance payments for the Minister for Environment and Water.

**National Landcare Program**

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

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

**Natural Resources Management Fund**

The Natural Resources Management Fund (NRM Fund) was established pursuant to subsection 117(1) of the *Natural Resources Management Act 2004* (NRM Act). The Minister for Environment and Water administers the NRM Fund and may apply any part of the NRM Fund in making payments to the regional NRM Boards; in paying subsidies or making grants or other payments to NRM authorities or other persons or bodies for the purposes of the NRM Act. This may also include making any payment required or authorised by or under the NRM Act or any other law. The balance of the NRM Fund at 30 June 2021 was \$ nil (2020: \$4.022 million). The balance of this fund was transferred to the Landscape Administration Fund on 1 July 2020 when the NRM Act was repealed and replaced by the *Landscape South Australia Act 2019* and the fund was abolished.

**Landscape Administration Fund**

On 1 July 2020, the *Landscape South Australia Act 2019* replaced the *Natural Resources Management Act 2004* as the primary basis for managing the state's landscapes.

The *Landscape South Australia Act 2019* (Landscape SA Act) establishes the Landscape Administration Fund (LAF) under section 90 to receive and disburse fees, levies and other monies authorised by the Landscape SA Act. Under the legislative provisions, any money held in the NRM Fund immediately before 1 July 2020 was to be paid into the LAF.

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**A1. About the Department of Environment and Water Administered (continued)**

Further, any money payable to the NRM Fund under a provision of the repealed Act; or payable under, or relating to, the *Water Resources Act 1997*, will be payable to the LAF.

The balance of the Landscape Administration Fund at 30 June 2021 was \$4.235 million.

***Regional Landscape Boards and Green Adelaide***

The regional landscape Boards were established pursuant to subsection 13 (1) of the Landscape SA Act. The Green Adelaide board was established pursuant to subsection 12(1) of the Landscape SA Act.

DEW administers various revenues and expenses on account of the regional landscape Boards and Green Adelaide.

Specific provisions of the Landscape SA Act require that the following revenues be paid into the Landscape Administration Fund (LAF) prior to being applied for the purposes of the Landscape SA Act:

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

*(i) Government appropriations*

DEW receives recurrent funding, which is administered through the LAF and provided to regional landscape Boards to support business operations and the administration of the Landscape SA Act. The funding is subsequently paid to regional landscape Boards pursuant to subsection 90(4) of the Landscape SA Act.

The prior year amounts related to recurrent funding received which was administered through the NRM Fund and provided to regional NRM Boards to support business operations and the administration of the NRM Act.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Regional NRM Board</b>		
Kangaroo Island NRM Board	-	1 421
Alinytjara Wilurara NRM Board	-	1 171
Adelaide and Mount Lofty Ranges NRM Board	-	450
South Australian Arid Lands NRM Board	-	363
<b>Regional Landscape Board</b>		
Hills and Fleurieu Landscape Board	3 488	-
Kangaroo Island Landscape Board	3 026	-
Alinytjara Wilurara Landscape Board	1 200	-
South Australian Arid Lands Landscape Board	372	-
	<b>8 086</b>	<b>3 405</b>

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
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**A1. About the Department of Environment and Water Administered (continued)**

*(ii) Land levies*

**Inside Council Areas**

Land Levies are collected from constituent councils under section 66 of the Landscape SA Act. The levies are subsequently paid to regional landscape Boards and Green Adelaide pursuant to subsection 90(4) of the Landscape SA Act.

**Outside Council Areas**

Land levies are collected from persons who occupy land outside of council areas under section 71 of the Landscape SA Act. The levies are subsequently paid to regional landscape Boards pursuant to subsection 90(4) of the Landscape SA Act.

*(iii) Water levies*

Water levies are collected for prescribed water resources under section 76 of the Landscapes SA Act. The levies are subsequently paid to the regional Landscape Boards and Green Adelaide pursuant to subsection 90(4) of the Landscape SA Act.

*(iv) Penalties*

Penalties declared in relation to the unauthorised or unlawful taking or use of water were raised pursuant to section 88 of the Landscape SA Act.

*(v) Expiation fees and other penalties*

Expiation fees and penalties are recovered in respect of offences against the Landscape SA Act (that is for unlawful possession of animals or plants).

*Prior Year Land Levies, Water Levies, Penalties and Expiation fees and other penalties received*

The prior year amounts were administered through the NRM Fund and provided to regional NRM Boards to support the administration of the NRM Act.

***Landscape Priorities Fund***

The Landscape Priorities Fund was established under section 93 of the Landscape SA Act and receives annual revenue from the Green Adelaide Board. The contribution from Green Adelaide board is determined under subsection 89(1) of the Landscape SA Act and is a gazetted percentage of the total land and water levies received by the board in a financial year (15% for 2020-21). Grants are paid from this fund to regional landscape Boards with successful applications on an annual basis.

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

The National Action Plan (NAP) was a bilateral agreement between the Commonwealth and SA Governments signed in 2001 providing funds to address issues associated with salinity and water quality in priority regions in South Australia. Funding for NAP ceased on 30 June 2008 with the majority of projects completed by 31 December 2009. The remaining funds relate to interest earned on the original South Australian Government contribution and DEW is currently seeking appropriate approvals to return the remaining funds to the Department of Treasury in accordance with clause 13.2c and 20.4 of the *'Transitional Arrangement and Financial Agreement between the Australian Government and state of South Australia for implementation of Caring for our Country'*.

No material income or expenditure transactions were incurred for the current or prior periods and has therefore not been disclosed as part of the Schedule of Expenses and Income.

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
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**A1. About the Department of Environment and Water Administered (continued)**

***Qualco Sunlands***

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

***Water for Fodder***

The Water for Fodder program formed part of the Australian Government's drought response package to improve the resilience of farmers and rural communities and support drought-affected farmers. An intergovernmental agreement between the Commonwealth and SA Governments provided for the production of up to 100 gigalitres of water from the Adelaide Desalination Plant in two rounds and the transfer of water allocations from entitlements held by the State to eligible irrigators in the Southern Murray-Darling Basin. Commonwealth revenue received under the agreement for Round 1 was disbursed by the Minister for Environment and Water to SA Water Corporation (2021 \$1.725 million; 2020: \$27.750 million) and the Department for Environment and Water (2021 \$0.275 million; 2020: \$0.250 million) in respect of milestone outputs under the agreement. Following the review of Round 1 and consultation with South Australia, the Commonwealth announced that there will not be a second round of the Water for Fodder program. While Round 1 was successful, improved seasonal conditions across the Murray-Darling Basin reduced the need for Round 2 as an emergency drought response. The Essential Services Commission of SA independently reviewed and verified the actual costs incurred by South Australia and a final reimbursement will be sought from the Commonwealth in 2021-22.

***SA Drought Resilience Fund***

The South Australian Drought Resilience Fund was established pursuant to the Commonwealth's Water for Fodder program. The Fund receives revenue from Southern Murray-Darling Basin irrigators in exchange for the transfer of South Australian water allocations in accordance with the Water for Fodder program. The Fund will be applied by the Minister towards programs and measures to build the resilience of River Murray water users and environment to withstand drought and longer term climate change, or improve the adequacy, security and quality of the State's water supply from the River Murray.

***Adelaide Dolphin Sanctuary Fund***

The Adelaide Dolphin Sanctuary Fund was established under the *Adelaide Dolphin Sanctuary Act 2005* to:

- protect the dolphin population of the Port Adelaide River Estuary and Barker Inlet
- protect the natural habitat of the Dolphin population.

The Adelaide Dolphin Sanctuary Fund did not incur any material income or expenditure transactions for the current or prior periods and has therefore not been disclosed as part of the Schedule of Expenses and Income.

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**A1. About the Department of Environment and Water Administered (continued)**

***Consumer Advocacy Research Fund***

The Consumer Advocacy Research Fund (CARF) was established under section 87 of the *Water Industry Act 2012* (the Act). The purpose of the fund is to support research or advocacy projects that promote the interests of consumers with a disability, low income consumers or consumers who are located within a regional area of the state; or to support projects that advance the interests of consumers from an advocacy perspective.

The administration of the CARF transferred to DEW from the Department of Human Services (DHS) on 1 January 2021, following a request from the Minister for Human Services to the Minister for Environment and Water to return responsibility for the fund to the Minister for Environment and Water as the Minister responsible for the Act. Administration of this fund resides with DEW because the Minister for Environment and Water is responsible for administering the *Water Industry Act 2012*. The Minister's powers and functions under the Act, specifically associated with CARF, are set out in section 87 of the Act. The Minister has delegated funding expenditure approval to the Chief Executive of DEW. The CARF consists of \$250 000 (indexed), paid on an annual basis from licence fees payable by water entities under section 24 of the Act.

**A1.1. Administered item's financial arrangements**

The financial activities of the administered items are conducted through a number of deposit accounts with DTF pursuant to the *Public Finance and Audit Act 1987*.

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

**A1.2. Basis of preparation and accounting policies**

The basis of preparation for the administered financial statements is the same as the basis outlined in note 1.1. DEW applies the same accounting policies to the administered financial statements as set out in the notes to DEW's financial statements. Deviations from these policies are as follows:

***Property, plant and equipment***

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

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
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**A1.2. Basis of preparation and accounting policies (continued)**

***Employee benefits***

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

**Department of Environment and Water Administered**  
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**A1.3. Budget performance**

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Administered Comprehensive Income	Note	Original	Actual	Variance
		budget	2021	\$'000
		2021	\$'000	\$'000
<b>Income</b>				
Appropriation		31 098	31 002	(96)
Fees and charges		68 312	69 717	1 405
Grants		5 075	6 756	1 681
Income associated with joint operation		-	1 444	1 444
Interest		-	4	4
Assets received free of charge		-	2 534	2 534
Net gain from the disposal of non-current assets		-	228	228
Intra-government transfers		-	2 800	2 800
Other income		40	40	-
<b>Total administered income</b>		<b>104 525</b>	<b>114 525</b>	<b>10 000</b>
<b>Expenses</b>				
Employee benefits		368	368	-
Supplies and services	a	6 881	806	(6 075)
Grants and subsidies and intra-government transfers	b	90 374	103 133	12 759
Expenses associated with joint operation	c	-	12 254	12 254
Donated assets	d	-	6 319	6 319
Payments to the Consolidated account	e	20 019	33 302	13 283
Impairment loss on receivables		-	1 163	1 163
Other expenses		-	2 264	2 264
<b>Total administered expenses</b>		<b>117 642</b>	<b>159 609</b>	<b>41 967</b>
<b>Net result</b>		<b>(13 117)</b>	<b>(45 084)</b>	<b>(31 967)</b>

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

- Lower actuals primarily reflect re-profile of expenditure associated with the Water for Fodder program, SA Drought Resilience Fund, and Landscape Administration Fund contribution to fire recovery
- Expenditure for the establishment of the Landscape Priorities Fund, and funding provided to the Hills & Fleurieu and Kangaroo Island Landscape Boards for replacement of fencing damaged by bushfires were not included in the original budget (see note A3.1)
- South Australia's share of expenses associated with the joint operation was not included in the original budget (see note A5.2)
- Crown land dedicated by the Minister for Environment and Water to entities external to the DEW Administered Items was not included in the original budget (see note A3.3)
- Re-profile of payments to SA Government primarily for the sales of Crown lands were not included in the original budget

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**A1.3. Budget performance (continued)**

	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
<b>Investing expenditure summary</b>			
Total new projects	-	3 740	3 740
Total existing projects	293	293	-
<b>Total investing expenditure</b>	<b>293</b>	<b>4 033</b>	<b>3 740</b>

**A2. Income**

**A2.1. Appropriation**

	2021 \$'000	2020 \$'000
Recurrent appropriations	30 634	20 074
Appropriations under other Acts	368	368
<b>Total appropriations</b>	<b>31 002</b>	<b>20 442</b>

**Appropriations**

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution.

**A2.2. Revenues from fees and charges**

	2021 \$'000	2020 \$'000
Land Levies received from Councils *	50 633	-
Water Levies received from licence holders	17 901	17 311
Crown Lands	29	8
Water sales	-	4 000
Penalties	1 168	8 074
DEW Corporate Administered Items	(14)	(46)
<b>Total revenues from fees and charges</b>	<b>69 717</b>	<b>29 347</b>

\* From 1 July 2020, land levies from Councils are now paid into the Landscape Administration Fund prior to disbursement to the respective Landscape Boards. Refer to note A1.

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**A2.3. Grant Revenues**

	2021	2020
	\$'000	\$'000
Contribution to Landscape Priorities Fund *	4 266	-
Water for Fodder	2 000	28 000
Consumer Advocacy Research Fund	341	-
Minister's Other Payments	149	74
National Landcare Program	-	15
<b>Total grant revenues</b>	<b>6 756</b>	<b>28 089</b>

\* The Landscape Priorities Fund was established from 1 July 2020. Refer to note A1.

**A2.4. Assets received free of charge**

	2021	2020
	\$'000	\$'000
Land	2 534	5 705
<b>Total assets received free of charge</b>	<b>2 534</b>	<b>5 705</b>

Assets received free of charge in 2020-21 comprised of land previously dedicated by the Minister for Environment and Water, pursuant to legislative powers vested to the Minister under the *Crown Lands Management Act 2009*, to entities external to the DEW Administered Items. Upon the revocation of dedication, the land has reverted to the Minister, and accounted for in the DEW Administered Items reporting entity.

**A2.5. Net gain from the disposal of non-current assets**

	2021	2020
	\$'000	\$'000
<b>Crown land</b>		
Proceeds from disposal	33 667	35 271
Less net book value of assets disposed	(33 439)	(24 627)
<b>Net gain from disposal of Crown land</b>	<b>228</b>	<b>10 644</b>

**A2.6. Intra-government transfers**

	2021	2020
	\$'000	\$'000
Recovery from the Department of Treasury and Finance for Additional Expenditure	2 800	750
<b>Total intra-government transfers</b>	<b>2 800</b>	<b>750</b>

Intra-government transfers are recognised as income on receipt.

**Department of Environment and Water Administered  
Notes to and forming part of the financial statements  
For the year ended 30 June 2021**

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**A3. Expenses**

**A3.1. Grants and subsidies**

	2021	2020
	\$'000	\$'000
Minister's other payments *	16 798	13 757
Grants paid from Landscape Priorities Fund **	3 121	-
Water for Fodder	2 000	28 000
Consumer Advocacy Research Fund	119	-
Qualco Sunlands	40	40
<b>Total grants and subsidies</b>	<b>22 078</b>	<b>41 797</b>

\* Refer note A1.

\*\* Refer note A2.3.

**A3.2. Intra-government transfers**

	2021	2020
	\$'000	\$'000
Land levy payments to Landscape Boards*	50 895	-
Water levy payments to Landscape Boards	17 600	-
Appropriation payments to Landscape Boards	8 086	-
Minister's other payments**	4 474	4 293
Water levy payments to Natural Resource Management Boards	-	16 855
Appropriation payments to Natural Resource Management Boards	-	3 405
Levy payments to Natural Resource Management Boards	-	263
<b>Total intra-government transfers</b>	<b>81 055</b>	<b>24 816</b>

\* Refer note A2.2.

\*\* Refer note A1.

**A3.3. Donated Assets**

	2021	2020
	\$'000	\$'000
Donated assets	6 319	5 200
<b>Total donated asset expenses</b>	<b>6 319</b>	<b>5 200</b>

Donated assets expense in 2020-21 comprised of Crown land valued at \$6.319 million dedicated by the Minister for Environment and Water to entities external to the DEW Administered Items pursuant to legislative powers vested to the Minister under the *Crown Lands Management Act 2009*.

**A3.4. Other expenses**

	2021	2020
	\$'000	\$'000
Debts written off	2 264	-
<b>Total other expenses</b>	<b>2 264</b>	<b>-</b>

Legal advice received in 2020-21, regarding the validity of Water penalties raised under the Landscape SA Act 2019 in 2019-20 (\$2.264 million) resulted in a debt write-off in 2020-21.

**Department of Environment and Water Administered**  
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**A4. Non-financial assets**

**A4.1. Property, plant and equipment**

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

2021	Joint operation		Total
	Crown land	PP&E	
	\$'000	\$'000	\$'000
<b>Carrying amount at the 1 July 2020</b>	557 176	735 562	1 292 738
Error correction	(15 749)	-	(15 749)
<b>Restated opening balance at 1 July 2020</b>	<b>541 427</b>	<b>735 562</b>	<b>1 276 989</b>
Additions	4 033	-	4 033
Assets received for nil consideration	2 534	-	2 534
Transfers in - CLMA 2009	30 695	-	30 695
Transfers out - CLMA 2009	(3 067)	-	(3 067)
Donated assets	(6 319)	-	(6 319)
Disposals	(33 439)	-	(33 439)
Joint operations net additions, disposal, other movements	-	(10 518)	(10 518)
<b>Subtotal</b>	<b>(5 563)</b>	<b>(10 518)</b>	<b>(16 081)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>			
Revaluation increments/(decrements)	-	12 230	12 230
<b>Subtotal</b>	<b>-</b>	<b>12 230</b>	<b>12 230</b>
<b>Carrying amount at the 30 June 2021</b>	<b>535 864</b>	<b>737 274</b>	<b>1 273 138</b>
<b>Gross carrying amount</b>			
Gross carrying amount	535 864	737 274	1 273 138
<b>Carrying amount at the end of the period</b>	<b>535 864</b>	<b>737 274</b>	<b>1 273 138</b>

2020	Joint operation		Total
	Crown land	PP&E	
	\$'000	\$'000	\$'000
<b>Carrying amount at the 1 July 2019</b>	529 905	727 054	1 256 959
Assets received for nil consideration	5 705	-	5 705
Transfers in - CLMA 2009	19 054	-	19 054
Donated assets	(5 200)	-	(5 200)
Disposals	(24 627)	-	(24 627)
Joint operations net additions, disposal, other movements	-	(8 754)	(8 754)
<b>Subtotal</b>	<b>(5 068)</b>	<b>(8 754)</b>	<b>(13 822)</b>
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>			
Revaluation increments/(decrements)	32 339	17 262	49 601
<b>Subtotal</b>	<b>32 339</b>	<b>17 262</b>	<b>49 601</b>
<b>Carrying amount at the 30 June 2020</b>	<b>557 176</b>	<b>735 562</b>	<b>1 292 738</b>
<b>Gross carrying amount</b>			
Gross carrying amount	557 176	735 562	1 292 738
<b>Carrying amount at the end of the period</b>	<b>557 176</b>	<b>735 562</b>	<b>1 292 738</b>

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
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**A4.1. Property, plant and equipment (continued)**

A market based method was used when by comparing property data to that of similar sales with consideration of restrictions on use and/ or zoning, property size and shape, topography, location, sale date and market movement, if any, and other relevant factors specific to the land being valued.

***Crown Lands Adjustment***

Asset transferred in from SA Government under the *Crown Land Management Act 2009* (CLMA 2009) valued at \$30.695 million comprised land dedicated by the Minister for Environment and Water, pursuant to legislative powers vested to the Minister under section 18 of this Act. Upon revocation of dedication under section 19 of the Act the land has reverted to the Minister and are accounted for as an equity transfer. Assets to the value of \$3.067 million were transferred to the Department for Environment and Water (Controlled) reporting entity following proclamation of land parcel additions to existing National parks and reserves under the *National Parks and Wildlife Act 1972* and accounted for through equity.

***Crown Lands Error Correction***

An error correction of (\$15.749 million) adjusted against retained earnings at 1 July 2020 has been disclosed in the above asset movements schedule. The error correction is in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*, and resulted in a net decrease in the carrying value of Crown Land assets. Information relating to this administrative error was obtained during current financial year.

**A5. Financial assets**

**A5.1. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Water levies	622	854
Penalties	9 102	11 472
Grants	147	-
Other	1 475	179
Less impairment loss on receivables	(6 612)	(5 493)
<b>Total current receivables</b>	<b>4 734</b>	<b>7 012</b>
<b>Total receivables</b>	<b>4 734</b>	<b>7 012</b>

**Department of Environment and Water Administered**  
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**A5.2. Interest in joint operation**

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

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

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

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

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

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

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**A5.2 Interest in joint operation (continued)**

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2021	2020
Murray-Darling Basin Authority	To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin	Australia	26.67%	26.67%

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

**Murray-Darling Basin Authority**

	2021	2020
	\$'000	\$'000
<b>Non-current assets</b>		
<i>Property, plant and equipment</i>		
Infrastructure Assets	712 761	708 464
Work in Progress	20 232	22 679
Other property, plant and equipment assets	4 281	4 419
<i>Intangibles - Water entitlements</i>	163 240	163 531
Total non-current assets	<b>900 514</b>	<b>899 093</b>
<b>Total assets</b>	<b>900 514</b>	<b>899 093</b>
<b>Income</b>	<b>1 444</b>	<b>5 544</b>
<b>Expenses</b>	<b>12 254</b>	<b>12 222</b>

Refer note 4.2 of the DEW Controlled financial statements for details of the State's grant payment made to the MDBA.

The 2021 and 2020 figures were based on the audited RMO and LMI financial statements.

**Contingencies and commitments**

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

**Department of Environment and Water Administered**  
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**A6. Liabilities**

**A6.1. Payables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	33 487	33 131
Accrued expenses	11	14
Other	614	428
<b>Total current payables</b>	<b>34 112</b>	<b>33 573</b>
<b>Total payables</b>	<b>34 112</b>	<b>33 573</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

**Department of Environment and Water Administered**  
**Notes to and forming part of the financial statements**  
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**A7. Other disclosures**

**A7.1. Administered cash flow reconciliation**

	2021	2020
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
National Landcare Program	358	358
Crown Lands	34 757	35 453
SA Drought Resilience Fund	4 002	4 000
Natural Resource Management Fund	-	4 022
Landscape Administration Fund	4 235	-
Landscape Priorities Fund	1 145	-
Consumer Advocacy Research Fund	75	-
Qualco Sunlands	(4)	114
National Action Plan for Salinity and Water Quality	37	37
Adelaide Dolphin Sanctuary	1	1
The Department's Corporate Administrative Items	<u>3 542</u>	<u>2 430</u>
Cash and cash equivalents disclosed in the Statement of Financial Position	<u>48 148</u>	<u>46 415</u>
Balance as per the Statement of Cash Flows	<u>48 148</u>	<u>46 415</u>
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>		
Net cash provided by/(used in) operating activities	(27 901)	(2 830)
<b>Add / (less) non-cash items</b>		
Expenses associated with joint operation	(12 254)	(12 222)
Income associated with joint operation	1 444	5 544
Assets received free of charge	2 534	5 705
Donated assets	(6 319)	(5 200)
Net gain on disposal of non-current assets	228	10 644
<b>Movement in assets and liabilities</b>		
(Decrease)/increase in receivables	(2 278)	4 425
(Increase)/decrease in payables	<u>(538)</u>	<u>(27 540)</u>
<b>Net result</b>	<u><b>(45 084)</b></u>	<u><b>(21 474)</b></u>

**A8. Outlook**

**A8.1. Contingent assets and liabilities**

On 27 April 2021, Cabinet approved the transfer of parcels of land to the value of \$3.604 million at Beetaloo Reservoir Reserve from SA Water to DEW. As at the reporting date, the legal requirements to fulfil this land transfer had not been finalised and will be brought to account as an asset in the 2021-22 financial year contingent on revocation of the dedication by the Minister for Environment and Water.

A contingent asset is acknowledged whereby the Minister for Environment and Water has an exclusive right to access 40MI per day from the Langhorne and Currency Creek pipeline. The Minister has not exercised this right.