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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 2022.

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 2022, 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2022
- a Statement of Administered Financial Position as at 30 June 2022
- a Statement of Administered Cash Flows for the year ended 30 June 2022
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2022
- notes, comprising material 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 2022.

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

19 September 2022

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

Financial Statements

For the year ended 30 June 2022

Department for Environment and Water
Certification of Financial Statements
for the year ended 30 June 2022

We certify that the:

- financial statements of the Department for Environment and Water:
 - are in accordance with the accounts and records of the department; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; 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
16 September 2022


Shaun O'Brien
Chief Financial Officer
16 September 2022

Department for Environment and Water
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Appropriation	2.1	155 686	143 861
Fees and charges	2.2	37 716	36 060
Commonwealth-sourced grants and funding	2.3	40 568	28 257
SA Government grants, subsidies and transfers	2.4	54 982	28 420
Sales of goods and services	2.5	49 478	48 724
Interest	2.6	-	19
Net gain from disposal of property, plant and equipment	2.7	9	47
Resources received free of charge	2.8	5 921	5 666
Other income	2.9	51 273	20 798
Total income		395 633	311 852
Expenses			
Employee benefits expenses	3.3	139 396	133 509
Supplies and services	4.1	103 336	87 516
Grants and subsidies	4.2	47 143	31 751
Depreciation and amortisation	4.3	35 425	31 418
Borrowing costs	4.4	61	93
Impairment loss on receivables	6.2	16	396
Assets transferred for nil consideration	4.5	7 667	1 485
Other expenses	4.6	2 667	714
Total expenses		335 711	286 882
Net result		59 922	24 970
Other comprehensive income			
Changes in property, plant and equipment asset revaluation surplus	5.1	5 724	(1 467)
Total other comprehensive income		5 724	(1 467)
Total comprehensive result		65 646	23 503

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 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	221 305	203 666
Receivables	6.2	39 607	14 495
Inventories	5.4	1 977	2 012
Total current assets		262 889	220 173
Non-current assets			
Receivables	6.2	77	24
Property, plant and equipment	5.1, 5.2	869 429	841 102
Intangible assets	5.3	6 074	6 634
Total non-current assets		875 580	847 760
Total assets		1 138 469	1 067 933
Current liabilities			
Payables	7.1	32 492	28 516
Financial liabilities	7.2	1 511	1 578
Contract liabilities	2.3, 2.5, 2.9	14 213	12 389
Employee benefits	3.4	13 236	15 439
Provisions	7.3	993	551
Other liabilities	7.4	3 897	4 162
Total current liabilities		66 342	62 635
Non-current liabilities			
Payables	7.1	2 431	2 786
Financial liabilities	7.2	2 708	2 530
Employee benefits	3.4	25 268	29 631
Provisions	7.3	4 284	1 912
Other liabilities	7.4	12 858	14 997
Total non-current liabilities		47 549	51 856
Total liabilities		113 891	114 491
Net assets		1 024 578	953 442
Equity			
Contributed capital		22 612	22 612
Retained earnings		544 334	478 922
Asset revaluation surplus		457 632	451 908
Total equity		1 024 578	953 442

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 2022

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		22 612	453 375	450 512	926 499
Net result for 2020-21		-	-	24 970	24 970
Gain/(Loss) on revaluation of property, plant and equipment	5.1	-	(1 467)	-	(1 467)
Total comprehensive result for 2020-21		-	(1 467)	24 970	23 503
Transactions with SA Government as owner					
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		-	-	373	373
Balance at 30 June 2021		22 612	451 908	478 922	953 442
Net result for 2021-22		-	-	59 922	59 922
Gain/(Loss) on revaluation of property, plant and equipment	5.1	-	5 724	-	5 724
Total comprehensive result for 2021-22		-	5 724	59 922	65 646
Transactions with SA Government as owner					
Crown land transferred from Administered for proclamation to National Parks	5.1	-	-	5 490	5 490
Net liabilities transferred as a result of an administrative restructure		-	-	-	-
Balance at 30 June 2022		22 612	457 632	544 334	1 024 578

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 2022

		2022	2021
	Note	\$'000	\$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriation		155 686	143 861
Fees and charges		41 674	36 323
Receipts from Commonwealth-sourced grants		41 464	36 310
SA Government grants, subsidies and transfers		54 982	31 426
Sales of goods and services		56 549	52 740
Interest received		-	23
GST recovered from the Australian Taxation Office		14 673	8 822
Other receipts		13 430	15 403
Cash generated from operating activities		378 458	324 908
<i>Cash outflows</i>			
Employee benefits payments		(143 495)	(134 176)
Payments for supplies and services		(120 088)	(97 227)
Payments of grants and subsidies		(44 122)	(34 926)
Interest paid		(61)	(93)
Other payments		(970)	(385)
GST paid to the ATO		(75)	(2 823)
Cash used in operating activities		(308 811)	(269 630)
Net cash provided by operating activities	8.1	69 647	55 278
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment	2.7	12	50
Cash generated from investing activities		12	50
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(50 266)	(27 318)
Cash used in investing activities		(50 266)	(27 318)
Net cash (used in) investing activities		(50 254)	(27 268)
Cash flows from financing activities			
<i>Cash outflows</i>			
Cash transferred as a result of restructuring activities	1.4	-	(7 313)
Repayment of principal portion of lease liabilities		(1 754)	(1 874)
Cash used in financing activities		(1 754)	(9 187)
Net cash provided by / (used in) financing activities		(1 754)	(9 187)
Net (decrease)/increase in cash and cash equivalents		17 639	18 823
Cash and cash equivalents at the beginning of the reporting period		203 666	184 843
Cash and cash equivalents at the end of the reporting period	6.1	221 305	203 666

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 2022

1. About the Department for Environment and Water

The Department for Environment and Water (DEW) is a not-for-profit government department of the State of South Australia 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.

The department has administered activities and resources. Administered financial statements relating to administered resources are presented separately as part of this report starting from page 55. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for the department transactions.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in accordance 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*; and
- 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.

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, in which case the 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.

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.

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.

1.2. Objectives and programs

Objectives

DEW manages a complex portfolio of natural and built assets that are critical to the wellbeing and economic prosperity of all South Australians.

In accordance with relevant legislative frameworks, the department is the custodian of South Australia's native vegetation and coasts, the River Murray and its precious ecosystems, our built heritage and botanic gardens, national parks (including visitors' experiences), and a deep repository of biodiversity, geospatial and climate data.

In partnership with other agencies, landscape boards, Green Adelaide, and the community, DEW works to preserve and enhance the health and resilience of South Australia's landscapes (outside of the parks network). The department's policy (and operational) mandate encompasses animal welfare, biodiversity and conservation, abundant and threatened native species, climate change adaptation and mitigation, water security and management, flood risk, fire management on land for which the Minister is responsible, administration of the Murray-Darling Basin Agreement and the implementation of the Basin Plan.

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.2. Objectives and programs (continued)

DEW's regulatory functions include animal welfare, water licensing and permitting for activities relating to native and exotic species.

Finally, DEW supports, and works in partnership, with a diverse cohort of boards, councils, stakeholders and community groups to deliver the government's agenda.

Programs

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

National Parks and Wildlife

The sustainable, proactive conservation and management of South Australia's natural places, parks and wildlife ensures the environmental and economic prosperity of the state.

Water and the River Murray

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

Environment, Heritage and Sustainability

Develop and deliver strategies, policies and projects that protect and conserve the state's environment and heritage, and support sustainable development, 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 2022

1.2. Objectives and programs (continued)

Income and expenses by program

	National Parks and Wildlife		Water and the River Murray		Environment, Heritage and Sustainability		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	79 262	72 290	39 384	38 023	37 040	33 548	155 686	143 861
Fees and charges	3 069	2 709	33 824	32 909	823	442	37 716	36 060
Commonwealth-sourced grants and funding	3 453	3 670	31 732	24 377	5 383	210	40 568	28 257
SA Government grants, subsidies and transfers	18 920	10 418	3 738	3 987	32 324	14 015	54 982	28 420
Sales of goods and services	19 214	18 578	14 091	12 537	16 173	17 609	49 478	48 724
Interest	-	1	-	18	-	-	-	19
Net gain from disposal of property, plant and equipment	8	24	-	12	1	11	9	47
Resources received free of charge	3 086	2 869	1 445	1 465	1 390	1 332	5 921	5 666
Other income	46 796	19 095	1 004	762	3 473	941	51 273	20 798
Total income	173 808	129 654	125 218	114 090	96 607	68 108	395 633	311 852
Expenses								
Employee benefits expenses	71 437	67 587	36 584	35 089	31 375	30 833	139 396	133 509
Supplies and services	40 804	41 915	25 115	23 089	37 417	22 512	103 336	87 516
Grants and subsidies	3 380	3 343	32 412	23 941	11 351	4 467	47 143	31 751
Depreciation and amortisation	18 833	14 627	12 405	13 396	4 187	3 395	35 425	31 418
Borrowing costs	31	47	15	24	15	22	61	93
Impairment loss on receivables	9	187	3	96	4	113	16	396
Assets transferred for nil consideration	6 031	216	1 071	959	565	310	7 667	1 485
Other expenses	1 857	280	355	432	455	2	2 667	714
Total expenses	142 382	128 202	107 960	97 026	85 369	61 654	335 711	286 882
Net result	31 426	1 452	17 258	17 064	11 238	6 454	59 922	24 970

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.3. Impact of COVID-19 pandemic on the department

The impact of the COVID-19 pandemic has required DEW to adjust the way of doing business and implement changes without significantly affecting the level of service offering.

National Parks have implemented COVID safe protocols as recommended by state health authorities with minimum impact on the level of service offering and ensured the community could exercise and access recreation safely.

Increased visitation to some sites by South Australians continued in 2021-22, however some commercial sites reliant on international and interstate visitors continued to experience a downturn in revenue.

Construction timeframes across DEW's project pipeline have been impacted by the state-wide shortage of contractors and materials.

During 2021-22, DEW received Commonwealth funding of \$5.727 million to administer COVID-19 relief and recovery funding (refer to note 2.3).

1.4. Budget performance

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2021-22 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 budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Income				
Appropriation		169 429	155 686	(13 743)
Fees and charges		34 717	37 716	2 999
Commonwealth-sourced grants and funding		48 351	40 568	(7 783)
SA Government grants, subsidies and transfers		61 606	54 982	(6 624)
Sales of goods and services		46 251	49 478	3 227
Interest		7	-	(7)
Net gain from disposal of property, plant and equipment		-	9	9
Resources received free of charge		-	5 921	5 921
Other income		37 318	51 273	13 955
Total income		397 679	395 633	(2 046)
Expenses				
Employee benefits expenses		136 765	139 396	2 631
Supplies and services	a	85 132	103 336	18 204
Grants and subsidies		36 632	47 143	10 511
Depreciation and amortisation		27 132	35 425	8 293
Borrowing costs		94	61	(33)
Impairment loss on receivables		-	16	16
Assets transferred for nil consideration		-	7 667	7 667
Other expenses	b	18 842	2 667	(16 175)
Total expenses		304 597	335 711	31 114
Net result		93 082	59 922	(33 160)

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.4. Budget performance (continued)

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. Higher actuals primarily reflect carryover and re-profile of Commonwealth funded and Cabinet approved projects including the South Australian Riverland Floodplains Integrated Infrastructure Program and the Parks 2025 Program.
- b. Lower actuals primarily due to a re-profile of donated assets for South Australia's Sustaining Riverland Environments Program.

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects		5 662	58	(5 604)
Total existing projects	c	128 252	33 541	(94 711)
Total annual program		9 536	15 159	5 623
Total investing expenditure		143 450	48 758	(94 692)

- c. Lower actuals primarily reflect carryover and reprofile of Commonwealth funded and Cabinet approved projects including the Sustaining Riverland Environments Program and Kangaroo Island asset reinstatement and site clearance.

1.5. 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 (DIT) (Refer to note 4.1)
- Lease payments for vehicles supplied by Fleet SA (Refer to note 5.2)
- Revenue from the provision of corporate services and salary recoveries relating to DEW employees providing services to various Boards and Green Adelaide (Refer to note 2.5)
- Funding received from Green Industries SA (GISA) Fund for Climate Change Initiatives (Refer to note 2.4)
- Community Emergency Services Funding (Refer to note 2.4)
- Revenue from SA Water for water planning management (Refer to note 2.2)
- Insurance recoveries from the South Australian Government Financing Authority (SAFA) for the settlement of the Kangaroo Island bushfire 2020 recovery claim as well as general insurance claims (Refer to note 2.9)

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2. Income

2.1. Appropriation

	2022	2021
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	155 686	143 861
Total appropriation	155 686	143 861

Appropriation

Appropriations are recognised upon receipt.

Appropriation revenue consist of \$124.789 million (2021: \$122.544 million) for operational funding and \$30.897 million (2021: \$21.317 million) for capital projects.

2.2. Fees and charges

	2022	2021
	\$'000	\$'000
Fees and charges revenue recognised under AASB 15		
Fees and licences	5 339	4 414
Total revenues from fees and charges recognised under AASB 15	5 339	4 414
Fees and charges revenue recognised under AASB 1058		
Water planning management	32 345	31 556
Fines and penalties	32	90
Total revenues from fees and charges recognised under AASB 1058	32 377	31 646
Total revenue from fees and charges	37 716	36 060

Fees and charges revenue recognised under AASB 15 is recognised from contracts with customers.

This revenue is recognised when the rights under the Acts are transferred to the customer as this is when the sole performance obligation is met.

Fees and charges revenue recognised under AASB 1058 is recognised as income on receipt.

Pursuant to the Section 6 of the *Public Corporations Act 1993*, SA Water are directed to pay DEW an amount in order to support water planning and management activities.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.3. Commonwealth-sourced grants and funding

	2022	2021
	\$'000	\$'000
Grant revenues from the Commonwealth		
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	7 908	7 878
Flows for the Future	7 836	2 964
SA Riverland Floodplain Integrated Infrastructure Program	7 104	6 606
COVID-19 Relief and Recovery funding - World & National Heritage places	5 727	-
Implementing Water Reform in the Murray-Darling Basin	2 235	-
Murray Futures - Water Management Solutions Project	900	2 250
Supply and Constraints Measures in the Murray Darling	1 410	691
The Living Murray - Chowilla	1 267	1 270
The Living Murray - Lower Lakes, Coorong and Murray Mouth	1 241	1 220
Bushfire Wildlife and Habitat Recovery Program	1 183	1 337
Murray Darling Basin Authority River Management	969	941
Glenthorne Restoration	880	400
Improving Great Artesian Basin Drought Resilience	767	-
Adelaide City Deal - Mitcham Hills Trail and Glenthorne Loop	410	1 270
Stormwater Capture and Reuse	-	427
Other	731	1 003
Total Commonwealth-sourced grants and funding	40 568	28 257

Commonwealth-sourced (National Partnership Programs) grants and funding are recognised as income on receipt. Commonwealth funding by an agreement with the department is recognised as income on receipt, except for those involving asset construction or acquisition. In that case the capital component is recognised on construction of the asset and the operating component is recognised on receipt:

SA Riverland Floodplain Integrated Infrastructure Program (SARFIIP) is Commonwealth funding by agreement with the department and includes both capital and operating component.

Contract balances relate to SARFIIP funding.

Contract balances

	2022	2021
	\$'000	\$'000
Contract liabilities	11 771	10 875
Total contract liabilities	11 771	10 875

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.4. SA Government grants, subsidies, and transfers

	2022	2021
	\$'000	\$'000
Climate Change Initiatives	28 052	9 027
Community Emergency Services Funding	13 527	6 035
Adelaide Living Beaches strategy	2 947	2 875
Contingency funding provided by DTF	2 146	-
Water Infrastructure Growth Corridors	2 135	2 440
Field River Valley Environmental Restoration	1 350	-
State Water Demand and Supply	569	570
Department for Energy and Mining	535	522
Greener Neighbourhoods	500	500
Monarto Revegetation	500	-
Native Vegetation Council Significant Environmental Benefit (SEB)	457	-
Opening Reservoirs Project	200	700
Prescribed Burning program	-	3 000
Botanic Gardens and State Herbarium	-	655
Other	2 064	2 096
Total SA Government grants subsidies and transfers	54 982	28 420

SA Government grants, subsidies and transfers revenue is recognised under AASB 1058 as income on receipt.

2.5. Sales of goods and services

	2022	2021
	\$'000	\$'000
Corporate Services Fee	16 279	18 312
Salary recoveries	9 404	9 735
Admissions and guided tours	9 945	9 834
Sale of goods (includes sale of spatial information and water sales)	7 359	5 695
Sale of services (includes professional services, provision of services)	6 432	4 953
Sale of freehold titles	59	195
Total sales of goods and services	49 478	48 724

The sales of goods and services included in the table above are transactions that DEW has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Revenue is measured based on the consideration specified in the contract with the customer. DEW recognises revenue when it transfers control of a good or service to the customer, i.e., when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

Corporate service fees, salary recoveries and sale of services are recognised in the period in which the services are rendered.

Corporate service fees and salary recoveries relate to the provision of corporate services to other SA Government entities and the recovery of salaries that DEW has paid on behalf of SA Government entities. Revenue is recognised based on the actual service provided to the end of the reporting period. The customer receives and uses the benefits of the services provided simultaneously.

Department for Environment and Water
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For the year ended 30 June 2022

2.5. Sales of goods and services (continued)

Admissions and guided tours revenue is recognised as revenue when the services are provided to the customer.

Sales of goods and sales of services and sale of freehold titles are recognised on transfer of the goods or services to the customer, which is the sole performance obligation.

Contract balances

	2022	2021
	\$'000	\$'000
Contract liabilities	549	514
Total contract liabilities	549	514

Contract liabilities relate to admissions and guided tours. Bookings made in advance are recognised as contract liabilities until the service has been provided.

2.6. Interest

	2022	2021
	\$'000	\$'000
Interest	-	19
Total interest revenues	-	19

2.7. Net gain from disposal of property, plant and equipment

	2022	2021
	\$'000	\$'000
Plant and equipment		
Net proceeds from disposal	11	50
Less carrying amount of assets disposed	(3)	(3)
Net gain from disposal of plant and equipment	8	47
Other assets		
Proceeds from disposal	1	-
Less net book value of assets disposed	-	-
Net gain / (loss) from disposal of other assets	1	-
Total assets		
Net proceeds from disposal	12	50
Less carrying amount of assets disposed	(3)	(3)
Total net gain from disposal of property, plant and equipment	9	47

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.

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2.8. Resources received free of charge

	2022	2021
	\$'000	\$'000
Assets received free of charge	133	-
Services received free of charge	5 788	5 666
Total resources received free of charge	5 921	5 666

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 and Accounts Payable from Shared Services SA free of charge values at \$4.449 million (2021: \$4.359 million), ICT services value at \$1.339 million (2021: \$1.307 million) from the Department of Premier and Cabinet.

2.9. Other income

	2022	2021
	\$'000	\$'000
Insurance recoveries	29 064	8 412
Asset related adjustments	10 944	7 449
Reimbursement of expenses	4 317	1 396
Grants from private industry and local government	2 129	404
Property rental and related income	4 434	2 701
Leased Vehicle Recovery from Landscape Boards	32	32
Sponsorships, donations, commissions and bequests	33	20
Other sundry revenue	320	384
Total other income	51 273	20 798

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 during the construction of the asset.

Insurance recoveries from SAFA in 2021-22 relate to the settlement of the Kangaroo Island bushfire 2020 recovery claim of \$28.58 million and general insurance claims. Recoveries in 2020-21 included a \$7.5 million interim payment for assets damaged in the Kangaroo Island 2020 bushfires and \$0.907 million for COVID-19 Business Interruption.

Asset related adjustments includes \$8.553 million for assets that were not previously recognised by DEW and \$2.391 million for conditional reassessments applied to assets. These adjustments reflect updated asset information gathered during 2021-22 stocktake processes, resulting in revised asset values being recognised in the current year.

Rental Income is recognised under AASB16.

Contract balances

	2022	2021
	\$'000	\$'000
Contract liabilities	1 893	1 000
Total contract liabilities	1 893	1 000

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3. Board, committees and employees

3.1. Key management personnel

Key management personnel of DEW include the Minister for Climate, Environment and Water, the Chief Executive and the six members of the Executive Team who have responsibility for the strategic direction and management of DEW.

The compensation detailed below excludes salaries and other benefits received by the Minister. 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 DTF) 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.

	2022	2021
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	1 819	1 722
Post-employment benefits	199	184
Total compensation	2 018	1 906

DEW did not enter into any transactions with key management personnel or their close family members during the reporting period.

Department for Environment and Water
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3.2. Board and committee members

Members during 2021-22 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*
D Amos
A Gee*
S Stuart
B Underwood

Witjira National Park Board of Management

P Brissenden* (Chair)
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* (Chair)
G Mills
J H Neal
R Evers (Dr)
A Gyss
C Cowin
K Tschirner
G Coulthard*

Flinders Ranges National Park Co-Management Board

B P Grear* (Chair)
P J McKenzie (Deputy Chair)
T C Coulthard
L M Loan*
T O'Loughlin*
B M Patterson
S A M Paul*

Premier's Climate Change Council

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

South Australian Heritage Council

K A Conlon (Chair)
J D Ferguson (Deputy Chairperson)
K McDougall
M J Rolfe
D M Lindsay
M S Brock
G J Leydon
S G Schrapel
E Walters

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
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.2. Board and committee members (continued)

Members during 2021-22 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*
D Jordan*

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

C L Lawrie (Chair)
M J Ward* (Deputy Chair)
M J Anderson*
K D Wombat* (formerly K Kerdel)
P J Richter*
K S Pobke*
C Coleman
M Clements

YYP A Committee Coongie Lakes National Park

J A Gates* (Chair)
J L Gregg-Smith*
A M Paterson
R Singleton*
L Harris Jnr
A Galpin*
A C Singleton

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)
N Davis
S J De Bruyn
W D Mackenzie
W R Mcintosh
A Nedosyko
B Trewren
K B Wanganeen

Gawler Ranges Parks Co-Management Board

J L Clark* (Chair)
M Barker*
P B Copley*
T R Cox*
D McNamara
E Poole
T A Reid
L Warrior (Deputy Chair)

* 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.

Department for Environment and Water
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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:

	2022	2021
\$0 - \$19 999	118	115
\$20 000 - \$39 999	1	2
Total number of members	119	117

The total remuneration received or receivable by members was \$186 000 (2021: \$210 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

3.3. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	107 501	104 167
Employment on-costs - superannuation	12 082	11 255
Annual leave	9 195	9 286
Employment on-costs - other	6 192	6 116
Long service leave (LSL)	(1 448)	(857)
Workers compensation	3 503	1 974
Skills and experience retention leave (SERL)	702	633
Targeted Voluntary Separation Packages (refer below)	1 178	358
Board and committee fees	429	448
Other employee related expenses	62	129
Total employee benefits expenses	139 396	133 509

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:

	2022	2021
	Number	Number
\$154 001 – \$157 000	N/A	-
\$157 001 – \$177 000*	2	3
\$177 001 – \$197 000	5	10
\$197 001 – \$217 000	8	5
\$217 001 – \$237 000	3	2
\$237 001 – \$257 000	3	1
\$257 001 – \$277 000	1	1
\$277 001 – \$297 000*	3	1
\$297 001 – \$317 000	1	1
\$317 001 – \$337 000	1	-
\$337 001 – \$357 000	-	1
\$397 001 – \$417 000	-	1
\$417 001 – \$437 000	1	-
Total	28	26

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 \$6.532 million (2021: \$5.739 million).

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

* This bandwidth includes payment of long service leave, annual leave and termination benefits for officers who have left the department in both 2021-22 and 2020-21.

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who accepted a TVSP during the reporting period was 5 (2021: 4). The number of employees who accepted a Rejuvenation Scheme payment was 17 (2021: nil).

	2022	2021
	\$'000	\$'000
Amount paid/payable to separated employees:		
TVSPs	440	358
Rejuvenation Scheme	738	-
Leave paid/payable to separated employees	525	211
Net cost to the department	1 703	569

3.4. Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	10 207	10 084
Long service leave	2 022	1 273
Accrued salaries and wages	122	3 246
Skills and experience retention leave	885	836
Total current employee benefits	13 236	15 439
Non-current		
Long service leave	25 268	29 631
Total non-current employee benefits	25 268	29 631
Total employee benefits	38 504	45 070

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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For the year ended 30 June 2022

3.4. Employee benefits liability (continued)

Long service leave

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The actuarial assessment performed by 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 2021 (1.25%) to 2022 (3.5%).

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

Following the actuarial assessment performed by DTF the salary inflation rate remained unchanged from 2020-21 (2.5%) for long service leave liability. The salary inflation rate for annual leave and skills, experience and retention leave liability has decreased from 2021 (2.0%) to 2022 (1.5%).

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 \$4.142 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.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based average proportion of long service leave taken or paid over the last year.

Department for Environment and Water
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4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Sand replenishment	22 563	6 458
Accommodation	12 747	14 471
Fee for service - Water and River Murray	10 419	9 190
Information technology and communication	9 213	9 685
Fee for service - National Parks and Wildlife Services	8 775	8 083
General administration	8 504	9 429
Minor works, maintenance and equipment	4 876	4 426
Vehicle and aircraft	3 899	3 658
Contractors	2 747	3 282
Fee for service - strategy, science and corporate services	2 454	2 373
Legal costs	1 947	1 613
Cost of goods sold	1 646	1 567
Fee for service - environment, heritage and sustainability	1 380	2 667
Water acquisition	1 082	-
Monitoring fees	1 025	876
Travel and accommodation	972	949
Scientific and technical services	957	1 334
Staff development	937	969
Fee for service - climate change, coast and marine	645	646
Fee for service - tourism and economic development	609	934
Fee for service - other	448	325
Bore drilling services	122	-
Transportation	112	49
Consultants	78	60
Other	5 179	4 472
Total supplies and services	103 336	87 516

Accommodation

Most of DEW's accommodation is provided by DIT under Memoranda of Administrative Arrangements issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and are accordingly expensed. Information about accommodation incentives relating to these arrangements are shown at note 7.4.

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:

	2022	2022	2021	2021
	Number	\$'000	Number	\$'000
Below \$10 000	-	-	1	7
\$10 000 or above	3	78	2	53
Total	3	78	3	60

Department for Environment and Water
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4.2. Grants and subsidies

	2022	2021
	\$'000	\$'000
Murray Darling Basin Authority	24 192	19 715
Heritage Grants	7 063	1 000
Healthy Coorong Healthy Basin	5 007	2 643
Climate Change Resilience	1 900	1 000
Improving Great Artesian Basin Drought Resilience	1 320	276
Administration of the Animal Welfare Act 1985	1 217	1 188
New Life for Coastal Environment	1 116	485
Bayspring Groundwater Re-injection	899	-
Greener Neighbourhoods	500	857
SA Riverland Floodplain Integrated Infrastructure Program	7	207
Gurra Gurra construction	-	368
Other	3 922	4 012
Total grants and subsidies	47 143	31 751

Department for Environment and Water
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4.3. Depreciation and amortisation

	2022	2021
	\$'000	\$'000
Depreciation		
Buildings and improvements	6 121	3 342
Park infrastructure	3 935	3 481
Roads, tracks and trails	6 611	5 833
Groundwater monitoring wells	4 310	4 296
Salinity disposal schemes	966	968
Patawalonga seawater circulation and Barcoo outlet	817	668
Sand pumping infrastructure	940	940
Surface water monitoring network	195	165
Waste disposal stations	278	294
Regulators and embankments	3 558	3 529
Plant and equipment	3 268	3 394
Right-of-use buildings	134	219
Right-of-use plant and equipment	271	288
Right-of-use vehicles	1 395	1 375
Leasehold improvements	1 825	1 825
Other	4	4
Total depreciation	34 628	30 621
Amortisation		
Application software - internally generated	302	567
Application software - externally purchased	473	208
Other - war services leases	22	22
Total amortisation	797	797
Total depreciation and amortisation	35 425	31 418

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:

Class of asset	Useful life (years)
<i>Property, plant and equipment</i>	
Buildings and improvements	5-138
Groundwater monitoring wells	30-50
Regulators and embankments	10-200
Park infrastructure	3-80
Patawalonga seawater circulation and Barcoo Outlet	9-100
Plant and equipment	1-50
Right-of-use buildings	8-12
Right-of-use plant and equipment	4
Right-of-use vehicles	3-5
Roads, tracks and trails	5-35
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

	2022	2021
	\$'000	\$'000
Interest expense on lease liabilities	61	93
Total borrowing costs	61	93

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

	2022	2021
	\$'000	\$'000
Land	6 065	-
Building and improvement	92	-
Park infrastructure	337	188
Plant and equipment	612	1 297
Regulators and embankments	261	-
Roads, tracks and trails	104	-
Surface water monitoring network	196	-
Total assets transferred for nil consideration	7 667	1 485

During 2021-22 the department transferred land parcels to the value of \$6.065 million (2021: Nil) to Department for Environment and Water (Administered) reporting entity for the proclamation of land additions to new and existing National parks and reserves under the National Parks and Wildlife Act 1972. Assets to the value of \$0.515 million (2021: \$0.297 million) were transferred to the Board of the Botanic Gardens and State Herbarium and plant and equipment to the value of \$0.433 million (2021: \$0.778 million) were donated to landholders under Flows for the Future Program.

4.6. Other expenses

	2022	2021
	\$'000	\$'000
Property, plant and equipment write-offs	1 742	737
Audit fees	492	446
Capital project costs not capitalised	1 113	305
Movement in Inventory	(101)	(97)
Reversal of impairment loss	(808)	(683)
Other	229	6
Total other expenses	2 667	714

Property, plant and equipment write-offs

During 2021-22 the department incurred \$0.713 million write-off expenses related to Building and improvements assets and \$0.593 million related to Park infrastructure assets no longer meeting the asset threshold following the current year revaluation.

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 \$0.403 million (2021: \$0.399 million). No other services were provided by the Auditor-General's Department.

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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

	Land	Buildings & improvements	Park infrastructure	Roads, tracks & trails	Groundwater monitoring wells	Salinity disposal schemes
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	370 204	62 086	29 097	24 216	59 796	37 487
Acquisitions	6 065	42	-	-	-	-
Initial recognition	-	166	1 362	6 657	-	-
Transfer between classes	-	(33)	(62)	-	-	-
Transferred in – NPWA 1972*	5 490	-	-	-	-	-
Assets received free of charge	-	13	120	-	-	-
Assets transferred for nil consideration	(6 065)	(92)	(337)	(104)	-	-
Disposals	-	-	-	-	-	-
Write-offs	-	(936)	(653)	(60)	-	-
Transfers to/(from) capital works in progress	-	1 492	1 676	1 645	482	-
Impairment loss	-	-	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	129	269	2 283	-	-
Subtotal:	5 490	781	2 375	10 421	482	-
Gains/(losses) for the period recognised in net result:						
Depreciation	-	(6 121)	(3 935)	(6 611)	(4 310)	(966)
Subtotal:	-	(6 121)	(3 935)	(6 611)	(4 310)	(966)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	5 682	42	-	-	-
Reversal of impairment loss	-	85	429	2	-	-
Carrying amount at 30 June 2022	375 694	62 513	28 008	28 028	55 968	36 521
Gross carrying amount						
Gross carrying amount	375 694	278 314	241 140	273 499	224 431	57 306
Accumulated depreciation	-	(215 801)	(213 132)	(245 471)	(168 463)	(20 785)
Carrying amount at the end of the period	375 694	62 513	28 008	28 028	55 968	36 521

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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	Plant & equipment \$'000
Carrying amount at 1 July 2021	38 656	15 246	6 411	10 974	121 941	16 558
Acquisitions	-	-	-	-	-	457
Initial recognition	-	-	-	-	324	44
Transfer between classes	-	-	-	-	87	8
Transferred in – NPWA 1972*	-	-	-	-	-	-
Assets received free of charge	-	-	-	-	-	-
Assets transferred for nil consideration	-	-	(196)	-	(261)	(612)
Disposals	-	-	-	-	-	(3)
Write-offs	-	-	-	(91)	-	(2)
Transfers to/(from) capital works in progress	-	-	667	-	304	2 462
Impairment loss	-	-	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	-	(290)	-	-	-
Subtotal:	-	-	181	(91)	454	2 354
Gains/(losses) for the period recognised in net result:						
Depreciation	(817)	(940)	(195)	(278)	(3 558)	(3 268)
Subtotal:	(817)	(940)	(195)	(278)	(3 558)	(3 268)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	-	-	-	-	-
Reversal of impairment loss	-	-	290	-	-	-
Carrying amount at 30 June 2022	37 839	14 306	6 687	10 605	118 837	15 644
Gross carrying amount						
Gross carrying amount	61 036	23 115	12 867	13 838	160 430	47 910
Accumulated depreciation	(23 197)	(8 809)	(6 180)	(3 233)	(41 593)	(32 266)
Carrying amount at the end of the period	37 839	14 306	6 687	10 605	118 837	15 644

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

	Leasehold improvements \$'000	Other \$'000	Right-of-use plant and equipment \$'000	Right-of-use buildings \$'000	Right-of-use vehicles \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2021	12 472	1 126	431	756	2 923	30 722	841 102
Acquisitions	-	-	-	596	1 360	42 190	50 710
Initial recognition	-	-	-	-	-	-	8 553
Transfer between classes	-	-	-	-	-	-	-
Transferred in – NPWA 1972*	-	-	-	-	-	-	5 490
Assets received free of charge	-	-	-	-	-	-	133
Assets transferred for nil consideration	-	-	-	-	-	-	(7 667)
Disposals	-	-	-	-	(91)	-	(94)
Write-offs	-	-	-	-	-	-	(1 742)
Transfers to/(from) capital works in progress	-	-	-	-	-	(8 964)	(236)
Impairment loss	-	-	-	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-	(1 113)	(1 113)
Other changes via profit and loss	-	-	-	-	-	-	2 391
Subtotal:	-	-	-	596	1 269	32 113	56 425
Gains/(losses) for the period recognised in net result:							
Depreciation	(1 825)	(4)	(271)	(134)	(1 395)	-	(34 628)
Subtotal:	(1 825)	(4)	(271)	(134)	(1 395)	-	(34 628)
Gains/(losses) for the period recognised in other comprehensive income:							
Net revaluation increment/(decrement)	-	-	-	-	-	-	5 724
Reversal of impairment loss	-	-	-	-	-	-	806
Carrying amount at 30 June 2022	10 647	1 122	160	1 218	2 797	62 835	869 429
Gross carrying amount							
Gross carrying amount	21 836	1 869	857	1 571	5 881	62 835	1 864 429
Accumulated depreciation	(11 189)	(747)	(697)	(353)	(3 084)	-	(995 000)
Carrying amount at the end of the period	10 647	1 122	160	1 218	2 797	62 835	869 429

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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

	Land \$'000	Buildings & improvements \$'000	Park infrastructure \$'000	Roads, tracks & trails \$'000	Groundwater monitoring wells \$'000	Salinity disposal schemes \$'000
Carrying amount at 1 July 2020	366 171	63 005	25 900	22 754	63 528	20 917
Error correction	-	-	-	6 233	-	-
Carrying amount at 1 July 2020	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
Other changes via profit and loss	-	56	1 608	(560)	-	-
Subtotal:	4 033	2 423	6 678	1 892	521	17 538
Gains/(losses) for the period recognised in net result:						
Depreciation	-	(3 342)	(3 481)	(5 833)	(4 296)	(968)
Subtotal:	-	(3 342)	(3 481)	(5 833)	(4 296)	(968)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	-	-	(1 467)	-	-
Reversal of impairment loss	-	-	-	637	43	-
Carrying amount at 30 June 2021	370 204	62 086	29 097	24 216	59 796	37 487
Gross carrying amount						
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)
Carrying amount at the end of the period	370 204	62 086	29 097	24 216	59 796	37 487

Department for Environment and Water
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For the year ended 30 June 2022

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	Plant & equipment \$'000
Carrying amount at 30 June 2020	39 324	16 186	6 411	10 047	89 191	16 461
Error correction	-	-	-	-	-	-
Carrying amount at 1 July 2020	39 324	16 186	6 411	10 047	89 191	16 461
Acquisitions	-	-	-	-	-	1 933
Initial recognition	-	-	-	-	-	66
Assets transferred for nil consideration	-	-	-	-	-	(1 297)
Disposals	-	-	-	-	-	(3)
Write-offs	-	-	-	(105)	-	(30)
Transfers to/(from) capital works in progress	-	-	165	1 326	36 279	2 824
Other changes via profit and loss	-	-	-	-	-	(2)
Subtotal:	-	-	165	1 221	36 279	3 491
Gains/(losses) for the period recognised in net result:						
Depreciation	(668)	(940)	(165)	(294)	(3 529)	(3 394)
Subtotal:	(668)	(940)	(165)	(294)	(3 529)	(3 394)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)	-	-	-	-	-	-
Reversal of impairment loss	-	-	-	-	-	-
Carrying amount at 30 June 2021	38 656	15 246	6 411	10 974	121 941	16 558
Gross carrying amount						
Gross carrying amount	61 036	23 116	12 395	14 991	159 920	45 703
Accumulated depreciation	(22 380)	(7 870)	(5 984)	(4 017)	(37 979)	(29 145)
Carrying amount at the end of the period	38 656	15 246	6 411	10 974	121 941	16 558

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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

	Leasehold improvements \$'000	Other \$'000	Right-of-use plant and equipment \$'000	Right-of-use buildings \$'000	Right-of-use vehicles \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 30 June 2020	14 297	1 130	607	-	4 749	69 278	829 956
Error correction	-	-	-	-	-	-	6 233
Carrying amount at 1 July 2020	14 297	1 130	607	-	4 749	69 278	836 189
Previous year accruals	-	-	-	-	-	(137)	(137)
Acquisitions	-	-	112	975	1 218	27 657	32 861
Initial recognition	-	-	-	-	-	-	6 348
Transferred in – NPWA 1972*	-	-	-	-	-	-	3 067
Assets transferred for nil consideration	-	-	-	-	-	-	(1 485)
Disposals	-	-	-	-	(1 669)	-	(1 672)
Write-offs	-	-	-	-	-	-	(737)
Transfers to/(from) capital works in progress	-	-	-	-	-	(65 908)	(2 858)
Impairment loss	-	-	-	-	-	-	-
Capital WIP - expensed in current period	-	-	-	-	-	(305)	(305)
Other changes via profit and loss	-	-	-	-	-	-	1 102
Subtotal:	-	-	112	975	(451)	(38 556)	36 321
Gains/(losses) for the period recognised in net result:							
Depreciation	(1 825)	(4)	(288)	(219)	(1 375)	-	(30 621)
Subtotal:	(1 825)	(4)	(288)	(219)	(1 375)	-	(30 621)
Gains/(losses) for the period recognised in other comprehensive income:							
Net revaluation increment/(decrement)	-	-	-	-	-	-	(1 467)
Reversal of impairment loss	-	-	-	-	-	-	680
Carrying amount at 30 June 2021	12 472	1 126	431	756	2 923	30 722	841 102
Gross carrying amount							
Gross carrying amount	21 836	1 868	980	975	5 287	30 722	1 716 302
Accumulated depreciation	(9 364)	(742)	(549)	(219)	(2 364)	-	(875 200)
Carrying amount at the end of the period	12 472	1 126	431	756	2 923	30 722	841 102

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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

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.

* Assets to the value of \$5.490 million (2021: \$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.

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

5.2. Property, plant and equipment leased by the department

Property, plant and equipment leased by DEW is measured at cost.

Net additions to leased property, plant and equipment during 2021-22 were \$1.865 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.

DEW has a limited number of leases:

- 248 motor vehicle leases with SAFA. Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. The standard lease term for passenger and light commercial vehicles can range from 3 years (60,000km) up to 5 years (100,000km) whichever comes first. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- Information Technology leases with the Bank of Queensland Finance Limited to lease Oracle IT equipment relating to server and data storage equipment. All leases are for a 3-year term, non-cancellable and payments are made quarterly in arrears. End of lease options exist to either extend the lease for a further 12 months at a substantial discount or return the equipment. After the 1-year extension, there is an option to make a final small payment to own the equipment. DEW recently accepted the final payment for ownership for 4 previous arrangements
- One 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. DEW has an option to purchase the equipment at the end of the lease.
- One car park lease with Young St Auto Park. The lease term of 12 years begun on 1 May 2016, with the possibility for a further 5 year extension.
- One building lease with Forestry SA for a site in Mt Gambier. The lease term of 5 years begun on 1 March 2022 for 5 years, with the possibility for a further 3 year extension.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Department's maturity analysis of its lease liabilities is disclosed in note 10.3.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 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.

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

For the War Services Leases the rate of amortisation has been determined based on both the unexpired period of the leases and the rate of extinguishment of the leases.

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

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 licenses

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. DEW negotiated a contract to purchase the right to this revenue stream from the Commonwealth Government in 2005-06. The revenue stream is being amortised in accordance with the expected life of the revenue stream.

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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.3. Intangible assets (continued)

Intangible asset movement reconciliation schedule

	Internally developed \$'000	Externally acquired \$'000	Revenue stream \$'000	Total \$'000
Carrying amount at 1 July 2021	588	5 385	661	6 634
Acquisitions	-	-	-	-
Transfers from capital works in progress	188	49	-	237
Subtotal:	776	5 434	661	6 871
Gains/(losses) for the period recognised in net result:				
Amortisation	(302)	(473)	(22)	(797)
Subtotal:	(302)	(473)	(22)	(797)
Gains/(losses) for the period recognised in other comprehensive income:				
Carrying amount at 30 June 2022	474	4 961	639	6 074
Gross carrying amount				
Gross carrying amount	14 524	6 612	1 000	22 136
Accumulated amortisation	(14 050)	(1 651)	(361)	(16 062)
Carrying amount at the end of the period	474	4 961	639	6 074
	Internally developed \$'000	Externally acquired \$'000	Revenue stream \$'000	Total \$'000
Carrying amount at 1 July 2020	1 155	2 713	683	4 551
Acquisitions	-	22	-	22
Transfers from capital works in progress	-	2 858	-	2 858
Transfers between classes	-	-	-	-
Disposals	-	-	-	-
Write-offs	-	-	-	-
Subtotal:	1 155	5 593	683	7 431
Gains/(losses) for the period recognised in net result:				
Amortisation	(567)	(208)	(22)	(797)
Subtotal:	(567)	(208)	(22)	(797)
Gains/(losses) for the period recognised in other comprehensive income:				
Acquisition through administrative restructuring	-	-	-	-
Reversal of impairment loss	-	-	-	-
Carrying amount at 30 June 2021	588	5 385	661	6 634
Gross carrying amount				
Gross carrying amount	14 337	6 562	1 000	21 899
Accumulated amortisation	(13 749)	(1 177)	(339)	(15 265)
Carrying amount at the end of the period	588	5 385	661	6 634

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.4. Inventories

	2022	2021
	\$'000	\$'000
Inventories held for distribution at no or nominal amount		
Inventories held for distribution - at cost	777	801
Total inventories held for distribution at no or nominal amount	777	801
Inventories held for resale - at cost		
Finished goods held for resale - at cost	1 200	1 211
Total inventories held for resale - at cost	1 200	1 211
Total inventories	1 977	2 012

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 is recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Accrual Appropriation Excess Fund account	138 119	118 012
Deposits with the Treasurer	83 027	85 483
Cash on hand/imprest account	159	171
Total cash	221 305	203 666

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 (AAEFA). Although the department controls the money reported above in the AAEFA, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

6.2. Receivables

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Trade receivables		
From government entities	30 349	4 729
From non-government entities	4 231	4 789
Less impairment loss on receivables	(1 899)	(2 172)
Total trade receivables	32 681	7 346
Accrued revenues	1 722	528
GST input tax recoverable	3 217	5 000
Prepayments	1 978	1 617
Workers compensation recoveries	9	4
Total current receivables	39 607	14 495
<u>Non-current</u>		
Workers compensation recoveries	77	24
Total non-current receivables	77	24
Total receivables	39 684	14 519

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 when 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 recoverable from 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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6.2. Receivables (continued)

Impairment of receivables

DEW uses a combined approach to impairing receivables. DEW considers receivables that are impaired individually and then applies an allowance matrix to measure the expected credit loss of remaining receivables arising from contracts with customers that are external to SA Government.

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	2 172	1 776
Amounts written off	(289)	-
Increase/(decrease) in the allowance recognised in profit or loss	16	396
Carrying amount at the end of the period	1 899	2 172

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

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Trade payables	28 160	24 171
Employment on-costs	3 373	3 338
Accrued expenses	929	1 002
Paid Parental Leave Scheme payable	30	5
Total current payables	32 492	28 516
<u>Non-current</u>		
Employment on-costs	2 431	2 786
Total non-current payables	2 431	2 786
Total payables	34 923	31 302

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 receivables. However, if a net GST payable arises, then this amount would be disclosed in this Payables note.

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 DTF, the proportion of long service leave taken as leave remained unchanged from the 2021 rate of (42%). The average factor for the calculation of employer superannuation cost on-costs has increased from the 2021 rate (10.1%) to 2022 (10.6%). These rates are used in the employment on-costs calculation. The net financial effect of the changes in the current financial year are immaterial.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.2. Financial liabilities

	2022	2021
	\$'000	\$'000
Current		
Lease liabilities	1 511	1 578
Total current financial liabilities	1 511	1 578
Non-current		
Lease liabilities	2 708	2 530
Total non-current financial liabilities	2 708	2 530
Total financial liabilities	4 219	4 108

DEW measures financial liabilities including borrowings/debt at amortised cost. Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

Interest expense is disclosed in note 4.4.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.3. Provisions

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Provision for workers compensation	990	551
Additional provisions	3	-
Total current provisions	993	551
<u>Non-current</u>		
Provision for workers compensation	4 110	1 838
Additional provisions	174	74
Total non-current provisions	4 284	1 912
Total provisions	5 277	2 463
	2022	2021
	\$'000	\$'000
<i>Reconciliation of workers compensation (statutory and non-statutory)</i>		
Carrying amount at the beginning of the period	2 389	2 230
Reductions arising from payments	(6 321)	(1 194)
Provisions derecognised as a result of restructure activities	-	(381)
Increases resulting from remeasurement	9 032	1 734
Carrying amount at the end of the period	5 100	2 389
<i>Movement in additional provision</i>		
Carrying amount at the beginning of the period	74	71
Reductions resulting from remeasurement	-	-
Additional provisions recognised	103	3
Carrying amount at the end of the period	177	74

DEW is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, DEW is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

7.4. Other liabilities

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	2 112	2 112
Unearned revenue	376	1 621
Deposits held for the disposal of Crown Land	359	143
Other	1 050	286
Total current other liabilities	3 897	4 162
<u>Non-current</u>		
Accommodation incentive	10 206	12 317
Funds held for the Confined Well Rehabilitation Scheme	465	465
Unearned revenue	2 187	2 215
Total non-current other liabilities	12 858	14 997
Total other liabilities	16 755	19 159

Accommodation incentives are effectively amortised over the lease term in accordance with AASB 16.

Accommodation incentive liabilities relate to arrangements with 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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 outflow for leases was \$1.784 million (2021: \$1.729 million).

Cash flow reconciliation

Reconciliation of net result to cash flows from operating activities

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	221 305	203 666
Balance as per the Statement of Cash Flows	221 305	203 666
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by operating activities	69 647	55 278
Add / (less) non-cash items		
Depreciation and amortisation	(35 425)	(31 418)
Capital work-in-progress write-offs and asset write-offs	(2 855)	(1 042)
Impairment of non-current assets	808	683
Gain on disposal of non-current assets	9	47
Assets transferred for nil consideration	(7 667)	(1 485)
Other asset related adjustments	10 944	7 449
Supplies and services not requiring cash	(5 921)	(5 666)
Resources received free of charge	5 921	5 666
Adjustments for administrative restructure	-	(7 686)
Movement in assets and liabilities		
Increase/(decrease) in receivables	25 165	704
Increase/(decrease) in inventories	(35)	144
(Increase)/decrease in payables	(5 001)	(494)
(Increase)/decrease in employee benefits	6 566	7 851
(Increase)/decrease in provisions	(2 814)	(162)
(Increase)/decrease in contract liabilities	(1 824)	(5 700)
(Increase)/decrease in other liabilities	2 404	801
Net result	59 922	24 970

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8.2. South Australian Heritage Fund

The South Australian Heritage Fund was established under the *Heritage Places Act 1993* (the Act) to conserve places of heritage value. The Act requires proper accounts to be kept of the receipts and payments from the fund. 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 2021-22 and 2020-21.

Statement of Financial Position

as at 30 June 2022

	2022	2021
	\$'000	\$'000
Current assets		
Cash and cash equivalents	348	348
Total current assets	348	348
Total assets	348	348
Net assets	348	348
Equity		
Retained earnings	348	348
Total equity	348	348

Statement of Changes in Equity

for the year ended 30 June 2022

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 1 July 2020	348	348
Net result for 2020-21	-	-
Balance at 30 June 2021	348	348
Net result for 2021-22	-	-
Balance at 30 June 2022	348	348

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 Act requires proper accounts to be kept of the receipts and payments from the fund. 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 2022

	2022	2021
	\$'000	\$'000
Income		
Fees and charges	188	175
Sale of goods and services	12 082	11 929
Commonwealth-sourced grants and funding	115	110
Interest	-	1
Other income	1 472	1 041
Total income	13 857	13 256
Expenses		
Grants and subsidies	13 857	13 256
Total expenses	13 857	13 256
Net result	-	-

Statement of Financial Position

as at 30 June 2022

	2022	2021
	\$'000	\$'000
Current assets		
Cash and cash equivalents	1 725	1 060
Receivables	1 216	1 717
Total current assets	2 941	2 777
Total assets	2 941	2 777
Current liabilities		
Contract liabilities	544	-
Unearned revenue	132	512
Total current liabilities	676	512
Total liabilities	676	512
Net assets	2 265	2 265
Equity		
Retained earnings	2 265	2 265
Total equity	2 265	2 265

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

8.3. General Reserves Fund (continued)

Statement of Changes in Equity for the year ended 30 June 2022	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	2 265	2 265
Net result for 2020-21	-	-
Balance at 30 June 2021	2 265	2 265
Net result for 2021-22	-	-
Balance at 30 June 2022	2 265	2 265

Total administered expenses

Statement of Cash Flows for the year ended 30 June 2022	2022 \$'000	2021 \$'000
Cash flows from operating activities		
<u>Cash inflows</u>		
Fees and charges	14 407	12 951
Receipts from Commonwealth-sourced grants	115	-
Interest received	-	1
Other receipts	-	1
Cash generated from operations	14 522	12 953
<u>Cash outflows</u>		
Payments of grants and subsidies	(13 857)	(13 256)
Cash used in operations	(13 857)	(13 256)
Net cash provided by / (used in) operating activities	665	(303)
Net increase / (decrease) in cash and cash equivalents	665	(303)
Cash and cash equivalents at the beginning of the reporting period	1 060	1 363
Cash and cash equivalents at the end of the reporting period	1 725	1 060

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

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 are as follows:

	2022	2021
	\$'000	\$'000
Within one year	19 920	11 852
Later than one year but not longer than five years	2 175	578
Total capital commitments	22 095	12 430

DEW's capital commitments are for Water Infrastructure, facility upgrades and other capital works for Kangaroo Island, Glenthorne National Park, Flinders Ranges, Adelaide Botanical Gardens and other DEW projects.

Expenditure commitments

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

	2022	2021
	\$'000	\$'000
Within one year	31 643	33 677
Later than one year but not longer than five years	27 615	53 419
Later than five years	6 072	12 948
Total expenditure commitments	65 330	100 044

DEW's expenditure commitments are for:

- memoranda of administrative arrangements with DIT for accommodation
- contribution to the Murray-Darling Basin Authority.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

9.2. Contingent assets and liabilities

DEW is not aware of any contingent assets and liabilities that would materially affect the financial statements.

9.3. Impact of standards not yet implemented

DEW continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

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. Long Service Leave and whether or not DEW has a substantive right to defer settlement. Where applicable, these liabilities will be classified as current.

9.4. Events after the reporting period

Changes to the Department

As a result of administrative arrangements outlined in the South Australian Government Gazette (the Government Gazette) on 30 June 2022, DEW will assume responsibility for the Pastoral Unit as a business unit of the department from 1 July 2022. Responsibility for employees, assets, rights and liabilities relating to this business unit will transfer from the Department of Primary Industries and Regions effective 1 July 2022.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10. Measurement and risk

10.1. Long service leave liability – measurement

See note 3.4 for measurement of long service leave liability.

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, Fences 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.

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 undertakes revaluation of 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.

The independent valuations were performed for the Building and Improvements and Park Infrastructure asset classes during the reporting period using Data Dictionary and Unique Valuation approach. These assets were assessed on a case by case basis for determination of unique assets. Unique assets are items which cannot be categorised within the standard Data Dictionary groups. An asset deemed unique will have a cost that varies significantly from the Data Dictionary value. Unique assets may have cultural significance that adds to its value; may have been constructed using different or special materials; an asset that has been previously independently valued.

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 revaluations were undertaken from February - May 2022, and applied as at 1 July 2021. 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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.2. Fair value (continued)

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

Class of asset	Date of last independent revaluation	Name of Valuer	Fair Value Input level	Fair Value Approach
Land	1 July 2019	State Valuation Office	3	Market
Buildings and improvements (data dictionary & unique assets)	1 July 2021	Valcorp Aust. Pty Ltd	3	Cost
Park infrastructure (data dictionary & unique assets)	1 July 2021	Valcorp Aust. Pty Ltd	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

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 relevant asset classes. 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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.2. Fair value (continued)

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.

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

DEW uses a combined approach to impairing receivables. DEW considers receivables that are impaired individually and then applies an allowance matrix to measure the expected credit loss of receivables from the remaining non- government debtors. These comprise of a large number of small balances. Invoices worth \$1.780 million have not been included in the ECL model calculation. These invoices have unique circumstances and have been impaired separately. This amount, together with the ECL calculation below is included in impairment of receivables in note 6.2.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, DEW 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 DEW'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 DEW 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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2022

10.3. Financial instruments (continued)

Impairment of financial assets (continued)

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	-	0%	-
1 - 30 days past due	1 009	0%	2
31 - 60 days past due	20	1%	-
61 - 90 days past due	1 198	3%	30
More than 90 days past due	194	45%	87
Loss allowance	2 421	-	119

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.

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.

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 material 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 2022

10.3. Financial instruments (continued)

Categorisation of financial instruments

Category of financial asset and financial liability	Note	2022 Carrying amount / fair value \$'000	2022 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents		221 305	-	-	-
Financial assets at amortised cost					
Receivables	(1), (2)	34 403	34 403	-	-
Total financial assets		255 708	34 403	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	(1)	28 663	28 663	-	-
Lease liabilities		4 219	1 511	2 357	351
Other liabilities		4 437	1 785	593	2 059
Total financial liabilities		37 319	31 959	2 950	2 410

Category of financial asset and financial liability	Note	2021 Carrying amount / fair value \$'000	2021 Contractual maturities		
			< 1 year \$'000	1-5 years \$'000	< 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents		203 666	-	-	-
Financial assets at amortised cost					
Receivables	(1), (2)	7 874	7 874	-	-
Total financial assets		211 540	7 874	-	-
Financial liabilities					
Financial liabilities at cost					
Payables	(1)	24 747	24 747	-	-
Lease liabilities		4 108	1 578	2 530	-
Other liabilities		4 730	2 050	592	2 088
Total financial liabilities		33 585	28 375	3 122	2 088

(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 for Environment and Water Administered
Statement of Administered Comprehensive Income**
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Administered income			
Appropriation	A2.1	23 859	31 002
Fees and charges	A2.2	72 984	69 717
Grants	A2.3	1 498	2 490
Income associated with joint operation	A5.2	4 837	1 444
Interest		-	4
Assets received free of charge	A2.4	8 213	2 534
Net gain from the disposal of non-current assets	A2.5	1 800	228
Intra-government transfers	A2.6	9 010	7 066
Other income		30	40
Total administered income		122 231	114 525
Administered expenses			
Employee benefits		374	368
Supplies and services		825	806
Grants and subsidies	A3.1	12 328	13 627
Intra-government transfers	A3.2	88 781	89 506
Expenses associated with joint operation	A5.2	10 822	12 254
Donated assets	A3.3	775	6 319
Payments to the Consolidated account		4 153	33 302
Impairment loss on receivables		3 668	1 163
Other expenses	A3.4	264	2 264
Total administered expenses		121 990	159 609
Net result		241	(45 084)
Other comprehensive income			
<i>Items that will not be reclassified to net result:</i>			
Changes in property, plant and equipment asset revaluation surplus	A4.1	111 980	12 230
Total other comprehensive income		111 980	12 230
Total comprehensive result		112 221	(32 854)

The accompanying notes form part of these financial statements.

**Department for Environment and Water Administered
Statement of Administered Financial Position
as at 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Administered current assets			
Cash and cash equivalents	A7.1	22 423	48 148
Receivables	A5.1	3 697	4 734
Total current assets		26 120	52 882
Administered non-current assets			
Property, plant and equipment	A4.1	1 380 016	1 273 138
Intangibles	A5.2	164 825	163 240
Total non-current assets		1 544 841	1 436 378
Total assets		1 570 961	1 489 260
Administered current liabilities			
Payables	A6.1	5 318	34 112
Total current liabilities		5 318	34 112
Total liabilities		5 318	34 112
Net assets		1 565 643	1 455 148
Administered equity			
Asset revaluation surplus		365 592	253 612
Retained earnings		1 200 051	1 201 536
Total equity		1 565 643	1 455 148

The accompanying notes form part of these financial statements.

Department for Environment and Water Administered
Statement of Administered Cash Flows
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriations		23 859	31 002
Fees and charges		70 208	68 715
Receipts from grants		1 645	2 343
Intra-government transfers		9 010	7 066
Interest received		-	4
Other receipts		30	40
Cash generated from operations		104 752	109 170
<i>Cash outflows</i>			
Employee benefits payments		(374)	(368)
Payments for supplies and services		(839)	(808)
Payments of grants and subsidies		(12 328)	(13 627)
Intra-government transfers		(88 524)	(88 469)
Payments to the Consolidated account		(33 192)	(33 799)
Cash used in operations		(135 257)	(137 071)
Net cash used in operations	A7.1	(30 505)	(27 901)
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment	A2.5	4 780	33 667
Cash generated from investing activities		4 780	33 667
<i>Cash outflows</i>			
Purchases of property, plant and equipment	A4.1	-	(4 033)
Cash used in investing activities		-	(4 033)
Net cash provided by investing activities		4 780	29 634
Net increase/ (decrease) in cash and cash equivalents		(25 725)	1 733
Cash and cash equivalents at the beginning of the period		48 148	46 415
Cash and cash equivalents at the end of the period	A7.1	22 423	48 148

The accompanying notes form part of these financial statements.

Department for Environment and Water Administered
Statement of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2022

Activities - refer note A1	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	-	4 033	18 878	18 475	360	368
Fees and charges	23	29	-	-	-	-
Grants	-	-	-	149	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assets received free of charge	8 213	2 534	-	-	-	-
Net gain from disposal of non-current assets	1 800	228	-	-	-	-
Intra-government transfers	-	-	4 650	2 800	-	-
Other income	-	-	-	-	-	-
Total administered income	10 036	6 824	23 528	21 424	360	368
Administered expenses						
Employee benefits	-	-	-	-	374	368
Supplies and services	751	804	-	-	-	-
Grants and subsidies	-	-	8 482	8 347	-	-
Intra-government transfers	-	-	14 875	12 925	-	-
Depreciation	-	-	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	775	6 319	-	-	-	-
Payments to the Consolidated account	4 153	33 143	-	-	-	-
Impairment loss on receivables	-	13	-	-	-	-
Other expenses	264	-	-	-	-	-
Total administered expenses	5 943	40 279	23 357	21 272	374	368
Net Result	4 093	(33 455)	171	152	(14)	-

Department for Environment and Water Administered
Statement of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2022

Activities - refer note A1	Water for Fodder		Landscape Admin Fund		Landscape Priorities Fund	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	-	-	4 591	8 086	-	-
Fees and charges	-	-	72 961	69 702	-	-
Grants	1 200	2 000	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	3	-	-
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	4 360	4 266
Other income	-	-	-	-	-	-
Total administered income	1 200	2 000	77 552	77 791	4 360	4 266
Administered expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	81	-	-	-	-	-
Grants and subsidies	1 119	2 000	-	-	2 414	3 121
Intra-government transfers	-	-	73 906	76 581	-	-
Depreciation	-	-	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	-	-	-	-	-	-
Payments to the Consolidated account	-	-	-	-	-	-
Impairment loss on receivables	-	-	3 668	1 150	-	-
Other expenses	-	-	-	2 264	-	-
Total administered expenses	1 200	2 000	77 574	79 995	2 414	3 121
Net Result	-	-	(22)	(2 204)	1 946	1 145

Department for Environment and Water Administered
Statement of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2022

Activities - refer note A1

	Qualco Sunlands		SA Drought Resilience Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered income				
Appropriations	30	40	-	-
Fees and charges	-	-	-	-
Grants	-	-	-	-
Income associated with joint operation	-	-	-	-
Interest	-	-	-	1
Assets received free of charge	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-
Intra-government transfers	-	-	-	-
Other income	30	40	-	-
Total administered income	60	80	-	1
Administered expenses				
Employee benefits	-	-	-	-
Supplies and services	-	-	-	-
Grants and subsidies	30	40	-	-
Intra-government transfers	-	-	-	-
Depreciation	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-
Expenses associated with joint operation	-	-	-	-
Donated assets	-	-	-	-
Payments to the Consolidated account	-	159	-	-
Impairment loss on receivables	-	-	-	-
Other expenses	-	-	-	-
Total administered expenses	30	199	-	-
Net Result	30	(119)	-	1

Department for Environment and Water Administered
Statement of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2022

Activities - refer note A1	Consumer Advocacy		DEW Corporate		Total	
	Research Fund		Admin Items			
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	-	-	-	-	23 859	31 002
Fees and charges	-	-	-	(14)	72 984	69 717
Grants	298	341	-	-	1 498	2 490
Income associated with joint operation	-	-	4 837	1 444	4 837	1 444
Interest	-	-	-	-	-	4
Assets received free of charge	-	-	-	-	8 213	2 534
Net gain from disposal of non-current assets	-	-	-	-	1 800	228
Intra-government transfers	-	-	-	-	9 010	7 066
Other income	-	-	-	-	30	40
Total administered income	298	341	4 837	1 430	122 231	114 525
Administered expenses						
Employee benefits	-	-	-	-	374	368
Supplies and services	-	-	(7)	2	825	806
Grants and subsidies	283	119	-	-	12 328	13 627
Intra-government transfers	-	-	-	-	88 781	89 506
Expenses associated with joint operation	-	-	10 822	12 254	10 822	12 254
Donated assets	-	-	-	-	775	6 319
Payments to the Consolidated account	-	-	-	-	4 153	33 302
Impairment loss on receivables	-	-	-	-	3 668	1 163
Other expenses	-	-	-	-	264	2 264
Total administered expenses	283	119	10 815	12 256	121 990	159 609
Net Result	15	222	(5 978)	(10 826)	241	(45 084)

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

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A1. About the Department for 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 DTF Consolidated Account.

Minister's Other Payments

DEW receives appropriation and funding provisions for administered items that it transfers out as grants and subsidies and intra-government transfers.

Grants and subsidies payments of \$8.482 million (2021: \$8.347 million) approved by the Minister were made to community organisations, associations and local government in 2021-22. This includes grants made to Zoos SA \$6.815 million (2021: \$6.734 million) and Adelaide City Council \$1.667 million (2021: \$1.613 million).

Intra-government transfers of \$14.875 million (2021: \$12.925 million) approved by the Minister were made to SA government entities in 2021-22. This includes transfers to South Eastern Water Conservation and Drainage Board \$2.595 million (2021: \$2.532 million); Native Vegetation Fund \$1.258 million (2021: \$1.227 million); Coast Protection Fund \$0.580 million (2021: \$0.566 million); Stormwater Management Authority \$10.442 million (2021: \$8.451 million) and the Board of the Botanic Gardens and State Herbarium zero million (2021: \$0.149 million).

Special Acts Allocation

This item comprises salary and allowance payments for the Minister for Environment and Water (up to 23 March 2022) and for the Minister for Climate, Environment and Water (from 24 March 2022).

Landscape Administration Fund

The Landscape Administration Fund (LAF) was established pursuant to section 90 of the *Landscape South Australia Act 2019* (Landscape SA Act) to receive and disburse fees, levies and other monies authorised by the Landscape SA Act.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

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

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 through the LAF.

Specific provisions of the Landscape SA Act require that the following revenues be paid into the 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.

	2022	2021
	\$'000	\$'000
Regional Landscape Board		
Hills and Fleurieu Landscape Board	400	3 488
Kangaroo Island Landscape Board	1 230	3 026
Green Adelaide Board	1 350	-
Alinytjara Wilurara Landscape Board	1 230	1 200
South Australian Arid Lands Landscape Board	381	372
	4 591	8 086

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A1. About the Department for 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).

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. The 15% rate remained unchanged from 2020-21. In accordance with section 93(5) of the Landscape SA Act, grants are paid from this fund to successful applicants 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 DTF 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 Statement of Income and Expenses.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A1. About the Department for 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 DTF.

Water for Fodder

The Water for Fodder program formed part of the Australian Government's 2020 drought response package to support drought-affected farmers in the Southern Connected Basin. The intergovernmental agreement between the Commonwealth and SA Governments was the first use of the Adelaide Desalination Plant to support the water market under extreme dry conditions. Commonwealth revenue received under the agreement was disbursed by the Minister to SA Water Corporation (2022 \$1.119 million; 2021: \$1.725 million), Essential Services Commission of SA (ESCOSA) (2022: \$0.081 million; 2021: \$0 million) and the DEW (2022 \$0 million; 2021: \$0.275 million) in respect of milestone outputs under the agreement. ESCOSA independently reviewed and verified the actual costs incurred by South Australia and the last payment was received from the Commonwealth in 2021-22.

SA Drought Resilience Fund

The South Australian Drought Resilience Fund (The Fund) was established pursuant to the Commonwealth's Water for Fodder program. The Fund received 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 Statement of Income and Expenses.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A1. About the Department for 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 CARF is to support research or advocacy projects that promote the interests of water consumers with a disability, consumers on a low income, 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 Minister's powers and functions under the Act, specifically associated with CARF, are set out in section 87 of the Act. The CARF consists of \$0.298 million in 2021-22 (indexed annually), 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 for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

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 for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A1.3. Budget performance

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2021-22 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 2022 \$'000	2022 \$'000	\$'000
Income				
Appropriation	a	31 352	23 859	(7 493)
Fees and charges		70 689	72 984	2 295
Grants		-	1 498	1 498
Intra-government transfers		4 749	9 010	4 261
Income associated with joint operation		-	4 837	4 837
Assets received free of charge	b	-	8 213	8 213
Net gain from the disposal of non-current assets		-	1 800	1 800
Other income		250	30	(220)
Total administered income		107 040	122 231	15 191
Expenses				
Employee benefits		373	374	1
Supplies and services		3 046	825	(2 221)
Grants and subsidies	c	19 399	12 328	(7 071)
Intra-government transfers	c	77 613	88 781	11 168
Expenses associated with joint operation	d	-	10 822	10 822
Donated assets		-	775	775
Payments to the Consolidated account		2 545	4 153	1 608
Impairment loss on receivables		-	3 668	3 668
Other expenses	a	8 610	264	(8 346)
Total administered expenses		111 586	121 990	10 404
Net result		(4 546)	241	4 787

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.

- The full working capital provision in the original budget held for the eight regional landscape boards and Green Adelaide was not required therefore the cash was not received from DTF and was not transferred to the landscape boards
- Actuals primarily relate to the recognition of Crown lands reverted to the Minister for Climate, Environment and Water that were not included in the original budget (see note A2.4)
- These movements reflect the reclassification of expenses between grants and intra-government transfers
- South Australia's share of the expenses associated with the joint operation was not included in the original budget (see note A5.2).

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A2. Income

A2.1. Appropriation

	2022	2021
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to Appropriation Act	23 499	30 634
Appropriations under other Acts	360	368
Total appropriations	23 859	31 002

Appropriations

Appropriations are recognised on receipt.

A2.2. Revenues from fees and charges

	2022	2021
	\$'000	\$'000
Fees and charges revenue recognised under AASB 15		
Water Levies received from licence holders	17 499	17 641
Total revenues from fees and charges recognised under AASB 15	17 499	17 641

Fees and charges revenue recognised under AASB 1058		
Land Levies received from Councils	51 111	50 633
Land Levies received from out of Council areas	242	260
Fines and penalties	4 109	1 168
Reimbursement of Crown Lands costs	23	29
DEW Corporate Administered Items	-	(14)
Total revenues from fees and charges recognised under AASB 1058	55 485	52 076

Total revenues from fees and charges	72 984	69 717
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Revenue received from water levies and licence fees is recognised from contracts with customers. The Department recognises revenue when it transfers control of a good or service to the customer. In order to pay a water levy a customer is required to hold a valid water licence, allowing for the drawing of the water allocation.

Fees and charges revenue recognised under AASB 1058 is recognised as income on receipt. Land levies received from Councils are paid into the LAF prior to disbursement to the respective Landscape Boards. Refer to note A1.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A2.3. Grant Revenues

	2022	2021
	\$'000	\$'000
Water for Fodder	1 200	2 000
Consumer Advocacy Research Fund	298	341
Minister's Other Payments	-	149
Total grant revenues	1 498	2 490

Grant revenue is recognised under AASB1058 as income on receipt.

A2.4. Assets received free of charge

	2022	2021
	\$'000	\$'000
Land	8 213	2 534
Total assets received free of charge	8 213	2 534

During the current year land parcels to the value of \$6.065 million were transferred from DEW for the proclamation of land parcel additions to new and existing national parks and reserves under the *National Parks and Wildlife Act 1972*. In addition, during 2021-22 the Minister revoked the dedication for a specific purpose of land parcels valued at \$2.148 million. This was 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

	2022	2021
	\$'000	\$'000
Crown land		
Proceeds from disposal	4 780	33 667
Less net book value of assets disposed	(2 980)	(33 439)
Net gain from disposal of Crown land	1 800	228

A2.6. Intra-government transfers

	2022	2021
	\$'000	\$'000
Contribution to Landscape Priorities Fund*	4 360	4 266
Funding provided by DTF	4 650	2 800
Total intra-government transfers	9 010	7 066

Intra-government transfers are recognised under AASB 1058 as income on receipt.

* Refer to note A1.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A3. Expenses

A3.1. Grants and subsidies

	2022	2021
	\$'000	\$'000
Minister's other payments *	8 482	8 347
Grants paid from Landscape Priorities Fund **	2 414	3 121
Water for Fodder	1 119	2 000
Consumer Advocacy Research Fund	283	119
Qualco Sunlands	30	40
Total grants and subsidies	12 328	13 627

* Refer to note A1.

** Refer to note A2.6.

A3.2. Intra-government transfers

	2022	2021
	\$'000	\$'000
Land levy payments to Landscape Boards*	51 111	50 633
Water levy payments to Landscape Boards*	17 985	17 600
Appropriation payments to Landscape Boards	4 591	8 086
Minister's other payments**	14 875	12 925
Out of Council land levy payments to Landscape Boards*	219	262
Total intra-government transfers	88 781	89 506

* Refer note A2.2.

** Refer note A1.

A3.3. Donated Assets

	2022	2021
	\$'000	\$'000
Donated assets	775	6 319
Total donated asset expenses	775	6 319

Donated assets expense in 2021-22 comprised of Crown land valued at \$0.775 million dedicated by the Minister for Climate, 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*.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A3.4. Other expenses

	2022	2021
	\$'000	\$'000
Assets related adjustment	264	-
Debts written off	-	2 264
Total other expenses	264	2 264

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 for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A4. Non-financial assets

A4.1. Property, plant and equipment

Movement reconciliation of property, plant and equipment

2022	Joint operation		Total
	Crown land	PP&E	
	\$'000	\$'000	\$'000
Carrying amount at the 1 July 2021	535 864	737 274	1 273 138
Error correction	-	-	-
Restated opening balance at 1 July 2020	535 864	737 274	1 273 138
Additions	-	-	-
Assets received for nil consideration	8 213	-	8 213
Assets transferred for nil consideration	-	-	-
Transfers in - CLMA 2009*	3 799	-	3 799
Transfers out - CLMA 2009**	(5 525)	-	(5 525)
Donated assets	(775)	-	(775)
Disposals	(2 980)	-	(2 980)
Other changes	(264)	-	(264)
Joint operations net additions, disposal, other movements	-	(7 570)	(7 570)
Subtotal	2 468	(7 570)	(5 102)
Gains/(losses) for the period recognised in other comprehensive income:			
Revaluation increments/(decrements)	-	111 980	111 980
Subtotal	-	111 980	111 980
Carrying amount at the 30 June 2022	538 332	841 684	1 380 016
Gross carrying amount			
Gross carrying amount	538 332	841 684	1 380 016
Accumulated depreciation	-	-	-
Carrying amount at the end of the period	538 332	841 684	1 380 016

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A4.1. Property, plant and equipment (continued)

2021	Joint operation		Total
	Crown land	PP&E	
	\$'000	\$'000	\$'000
Carrying amount at the 1 July 2020	557 176	735 562	1 292 738
Error correction	(15 749)	-	(15 749)
Restated opening balance at 1 July 2020	541 427	735 562	1 276 989
Additions	4 033	-	4 033
Assets received for nil consideration	2 534	-	2 534
Assets transferred for nil consideration	-	-	-
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)
Subtotal	(5 563)	(10 518)	(16 081)
Gains/(losses) for the period recognised in other comprehensive income:			
Revaluation increments/(decrements)	-	12 230	12 230
Subtotal	-	12 230	12 230
Carrying amount at the 30 June 2021	535 864	737 274	1 273 138
Gross carrying amount			
Gross carrying amount	535 864	737 274	1 273 138
Accumulated depreciation	-	-	-
Carrying amount at the end of the period	535 864	737 274	1 273 138

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 \$3.799 million comprised land dedicated by the Minister for Climate, 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 \$5.490 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.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
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A5. Financial assets

A5.1. Receivables

	2022	2021
	\$'000	\$'000
Current		
Water levies	317	622
Penalties	12 084	9 102
Grants	-	147
Other	1 575	1 475
Less impairment loss on receivables	(10 279)	(6 612)
Total current receivables	3 697	4 734
Total receivables	3 697	4 734

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 or 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.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A5.2 Interest in joint operation (continued)

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2022	2021
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	2022	2021
	\$'000	\$'000
Non-current assets		
<i>Property, plant and equipment</i>		
Infrastructure Assets	815 348	712 761
Work in Progress	21 912	20 232
Other property, plant and equipment assets	4 424	4 281
<i>Intangibles - Water entitlements</i>	164 825	163 240
Total non-current assets	1 006 509	900 514
Total assets	1 006 509	900 514
Income	4 837	1 444
Expenses	10 822	12 254

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

The 2022 and 2021 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 for Environment and Water Administered
Notes to and forming part of the Administered financial statements
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A6. Liabilities

A6.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors	4 577	33 487
Accrued expenses	-	11
Other	741	614
Total current payables	5 318	34 112
Total payables	5 318	34 112

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

A7.1. Administered cash flow reconciliation

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
National Landcare Program	358	358
Crown Lands	5 773	34 757
SA Drought Resilience Fund	4 002	4 002
Landscape Administration Fund	5 319	4 235
Landscape Priorities Fund	3 091	1 145
Consumer Advocacy Research Fund	238	75
Qualco Sunlands	27	(4)
National Action Plan for Salinity and Water Quality	37	37
Adelaide Dolphin Sanctuary	1	1
The Department's Corporate Administrative Items	3 577	3 542
	<hr/>	<hr/>
Cash and cash equivalents disclosed in the Statement of Financial Position	22 423	48 148
Balance as per the Statement of Cash Flows	22 423	48 148
	<hr/>	<hr/>
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	(30 505)	(27 901)
Add / (less) non-cash items		
Expenses associated with joint operation	(10 822)	(12 254)
Income associated with joint operation	4 837	1 444
Assets received free of charge	8 213	2 534
Donated assets	(775)	(6 319)
Other asset related adjustments	(264)	-
Net gain on disposal of non-current assets	1 800	228
Movement in assets and liabilities		
(Decrease)/increase in receivables	(1 037)	(2 278)
(Increase)/decrease in payables	28 794	(538)
Net result	<hr/> 241 <hr/>	<hr/> (45 084) <hr/>

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2022

A8. Outlook

A8.1. Contingent assets and liabilities

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

A8.2. Events after the reporting period

As a result of administrative arrangements outlined in the South Australian Government Gazette (the Government Gazette) on 30 June 2022, DEW will assume responsibility for the Pastoral Unit as a business unit of the department from 1 July 2022. This includes pastoral land that will transfer from the Department of Primary Industries and Regions effective 1 July 2022 with an estimated carrying (fair) value of \$69.2 million as at 30 June 2022.