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To the Acting Chief Executive Department for Environment and Water

Opinion

I have audited the financial report of the Department for Environment and Water (the Department) for the financial year ended 30 June 2023.

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 2023, 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2023
- a Statement of Administered Financial Position as at 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- a Statement of Income and Expenses attributable to administered activities for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department. 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 Acting Chief Executive for the financial report

The Acting 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 Acting 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 Acting 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 2023.

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's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive
- conclude on the appropriateness of the Acting 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 Acting 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

18 September 2023

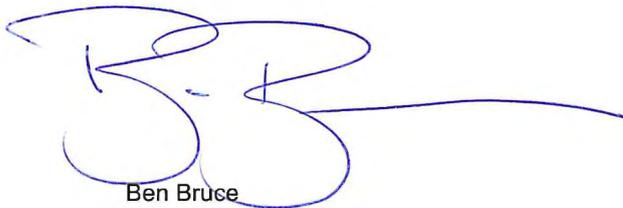
**Department for Environment and Water
(DEW)**

Financial Statements

For the year ended 30 June 2023

We certify that the:

- financial statements of the Department for Environment and Water (DEW):
 - are in accordance with the accounts and records of DEW;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of DEW 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.



Ben Bruce
Acting Chief Executive
13 September 2023



Shaun O'Brien
Chief Financial Officer
13 September 2023

Department for Environment and Water
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriation	2.1	181 317	155 686
Fees and charges	2.2	37 482	37 716
Commonwealth-sourced grants and funding	2.3	22 541	40 568
SA Government grants, subsidies and transfers	2.4	37 366	54 982
Sales of goods and services	2.5	51 789	49 478
Interest	2.6	1 102	-
Net gain from disposal of property, plant and equipment	2.7	19	9
Resources received free of charge	2.8	6 594	5 921
Other income	2.9	16 418	51 273
Total income		354 628	395 633
Expenses			
Employee benefits expenses	3.3	143 960	139 396
Supplies and services	4.1	102 492	103 336
Grants and subsidies	4.2	55 573	47 143
Depreciation and amortisation	4.3	33 416	35 425
Borrowing costs	7.2	74	61
Impairment loss on receivables	6.2	402	16
Assets transferred for nil consideration	4.4	7 241	7 667
Other expenses	4.5	1 595	2 667
Total expenses		344 753	335 711
Net result		9 875	59 922
Other comprehensive income			
Changes in property, plant and equipment asset revaluation surplus	5.1	53 713	5 724
Impairment loss of property, plant and equipment	5.1	(2 585)	-
Total other comprehensive income		51 128	5 724
Total comprehensive result		61 003	65 646

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 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	239 387	221 305
Receivables	6.2	9 296	39 607
Inventories	5.4	2 143	1 977
Total current assets		250 826	262 889
Non-current assets			
Receivables	6.2	81	77
Property, plant and equipment	5.1, 5.2	930 747	869 429
Intangible assets	5.3	6 912	6 074
Total non-current assets		937 740	875 580
Total assets		1 188 566	1 138 469
Current liabilities			
Payables	7.1	26 295	32 492
Financial liabilities	7.2	1 313	1 511
Contract liabilities	2.3, 2.5, 2.9	10 420	14 213
Employee benefits	3.4	13 381	13 236
Provisions	7.3	1 156	993
Other liabilities	7.4	4 177	3 897
Total current liabilities		56 742	66 342
Non-current liabilities			
Payables	7.1	2 337	2 431
Financial liabilities	7.2	2 260	2 708
Employee benefits	3.4	23 471	25 268
Provisions	7.3	4 910	4 284
Other liabilities	7.4	10 718	12 858
Total non-current liabilities		43 696	47 549
Total liabilities		100 438	113 891
Net assets		1 088 128	1 024 578
Equity			
Contributed capital		22 612	22 612
Retained earnings		556 756	544 334
Asset revaluation surplus		508 760	457 632
Total equity		1 088 128	1 024 578

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 2023

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		22 612	451 908	478 922	953 442
Net result for 2021-22		-	-	59 922	59 922
Gain 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
Balance at 30 June 2022		22 612	457 632	544 334	1 024 578
Net result for 2022-23		-	-	9 875	9 875
Gain on revaluation of property, plant and equipment	5.1	-	53 713	-	53 713
Impairment loss of property, plant and equipment	5.1	-	(2 585)	-	(2 585)
Total comprehensive result for 2022-23		-	51 128	9 875	61 003
Transactions with SA Government as owner					
Crown land transferred from Administered for proclamation to National Parks	5.1	-	-	1 672	1 672
Net assets received from an administrative restructure	1.3	-	-	875	875
Balance at 30 June 2023		22 612	508 760	556 756	1 088 128

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 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriation		181 317	155 686
Fees and charges		45 163	41 674
Receipts from Commonwealth-sourced grants		19 779	41 464
SA Government grants, subsidies and transfers		37 366	54 982
Sales of goods and services		56 973	56 549
Interest received		985	-
GST recovered from the Australian Taxation Office		13 233	14 673
Other receipts		44 852	13 430
Cash generated from operating activities		399 668	378 458
<i>Cash outflows</i>			
Employee benefits payments		(144 887)	(143 495)
Payments for supplies and services		(116 363)	(120 088)
Payments of grants and subsidies		(68 468)	(44 122)
Interest paid		(74)	(61)
Other payments		(441)	(970)
GST paid to the ATO		-	(75)
Cash used in operating activities		(330 233)	(308 811)
Net cash provided by operating activities	8.1	69 435	69 647
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment	2.7	20	12
Cash generated from investing activities		20	12
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(49 701)	(50 266)
Cash used in investing activities		(49 701)	(50 266)
Net cash used in investing activities		(49 681)	(50 254)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities		(1 672)	(1 754)
Cash used in financing activities		(1 672)	(1 754)
Net cash used in financing activities		(1 672)	(1 754)
Net increase in cash and cash equivalents		18 082	17 639
Cash and cash equivalents at the beginning of the reporting period		221 305	203 666
Cash and cash equivalents at the end of the reporting period	6.1	239 387	221 305

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 2023

1. About the Department for Environment and Water

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

DEW 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 DEW.

DEW has administered activities and resources. Administered financial statements relating to administered resources are presented separately as part of this report starting after note 10.3. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for DEW 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.

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

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, 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.

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

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

Department for Environment and Water
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.2. Objectives and programs

Objectives

DEW works to help South Australians conserve, sustain and prosper. DEW's management of natural resources and places, water and heritage assets is vital for the future social, environmental and economic prosperity and well-being of all South Australians. In partnership with a diverse cohort of boards, councils, stakeholders and volunteers, DEW delivers and implements fit-for-purpose policies and programs through three complementary goals:

- A healthy, resilient environment – South Australia's biodiversity, ecosystems and wildlife are conserved, restored and resilient to climate change. A world-class system of national parks and botanic gardens protect our iconic places and recognise the intrinsic value of nature.
- Improved liveability and wellbeing – Natural resources and cultural heritage provide for the needs of our communities and are used to deliver enhanced lifestyle and cultural values for all peoples.
- A prosperous South Australia for current and future generations – Sustainably managed natural resources underpin the growth of a climate-resilient economy through increased productivity, competitiveness, innovation and private investment.

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, social 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 income and expenses information attributable to each program. DEW cannot currently reliably attribute assets and liabilities across activities. Hence only income and expenses are disclosed.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	80 527	79 262	63 410	39 384	37 380	37 040	181 317	155 686
Fees and charges	2 292	3 069	34 515	33 824	675	823	37 482	37 716
Commonwealth-sourced grants and funding	777	3 453	21 435	31 732	329	5 383	22 541	40 568
SA Government grants, subsidies and transfers	15 875	18 920	4 012	3 738	17 479	32 324	37 366	54 982
Sales of goods and services	22 760	19 214	13 528	14 091	15 501	16 173	51 789	49 478
Interest	49	-	1 052	-	1	-	1 102	-
Net gain from disposal of property, plant and equipment	19	8	-	-	-	1	19	9
Resources received free of charge	3 421	3 086	1 600	1 445	1 573	1 390	6 594	5 921
Other income	8 842	46 796	964	1 004	6 612	3 473	16 418	51 273
Total income	134 562	173 808	140 516	125 218	79 550	96 607	354 628	395 633
Expenses								
Employee benefits expenses	73 489	71 437	37 501	36 584	32 970	31 375	143 960	139 396
Supplies and services	41 028	40 804	29 002	25 115	32 462	37 417	102 492	103 336
Grants and subsidies	6 123	3 380	46 342	32 412	3 108	11 351	55 573	47 143
Depreciation and amortisation	17 778	18 833	12 151	12 405	3 487	4 187	33 416	35 425
Borrowing costs	38	31	18	15	18	15	74	61
Impairment loss on receivables	402	9	-	3	-	4	402	16
Assets transferred for nil consideration	-	6 031	1 361	1 071	5 880	565	7 241	7 667
Other expenses	767	1 857	627	355	201	455	1 595	2 667
Total expenses	139 625	142 382	127 002	107 960	78 126	85 369	344 753	335 711
Net result	(5 063)	31 426	13 514	17 258	1 424	11 238	9 875	59 922

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3. 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 assumed responsibility for the Pastoral Unit as a business unit of DEW from 1 July 2022. Responsibility for employees, assets, rights and liabilities relating to this business unit was transferred from the Department of Primary Industries and Regions (PIRSA) effective 1 July 2022.

Transferred in

The following assets and liabilities were transferred to DEW.

Effective Date	1 July 2022
	\$'000
Receivables	1 094
Prepayments	2
Total assets	1 096
Payables	63
Employee benefits	158
Total liabilities	221
Total net assets/(liabilities) transferred	875

Net assets were transferred at the carrying amount in PIRSA's Statement of Financial Position immediately prior to the transfer, and treated as a contribution by the government as owner.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.4. Budget performance

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by DEW. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Original	Actual	Variance
		budget	2023	2023
		2023	2023	Variance
		\$'000	\$'000	\$'000
Income				
Appropriation	a	153 141	181 317	28 176
Fees and charges		35 492	37 482	1 990
Commonwealth-sourced grants and funding	b	50 126	22 541	(27 585)
SA Government grants, subsidies and transfers		39 964	37 366	(2 598)
Sales of goods and services		49 297	51 789	2 492
Interest		7	1 102	1 095
Net gain from disposal of property, plant and equipment		-	19	19
Resources received free of charge		-	6 594	6 594
Other income		10 438	16 418	5 980
Total income		338 465	354 628	16 163
Expenses				
Employee benefits expenses		140 304	143 960	3 656
Supplies and services	c	78 839	102 492	23 653
Grants and subsidies	d	37 053	55 573	18 520
Depreciation and amortisation		32 351	33 416	1 065
Borrowing costs		92	74	(18)
Impairment loss on receivables		-	402	402
Assets transferred for nil consideration		-	7 241	7 241
Other expenses		12 257	1 595	(10 662)
Total expenses		300 896	344 753	43 857
Net result		37 569	9 875	(27 694)

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.

- Higher actuals primarily reflect additional appropriation received during the year in response to 2022 River Murray flood event (\$24.9 million).
- Lower actuals due to revenue from Commonwealth funded projects budgeted for in 2022-23 being moved into 2023-24 as a result of project delays primarily caused by the 2022 River Murray flood event.
- Higher actuals primarily due to increased expenditure for the following projects, Metropolitan Beach Management (\$4.6million), Water for Energy and Mining and Water Sector Development (\$4.2 million), Healthy Coorong Healthy Basin program (\$3.1 million), and the Off-farm Efficiency Program (\$2.7 million), where these expenses were approved to be carried over from 2021-22 and spent in 2022-23. Additional extraordinary costs were also incurred in response to the 2022 River Murray flood event (\$4.6 million).
- Higher actuals primarily reflect grants to local government and business for levee construction works in response to the 2022 River Murray flood event (\$16.9 million).

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.4. Budget performance (Continued)

	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects	f	11 048	856	(10 192)
Total existing projects	g	71 047	35 032	(36 015)
Total annual program		11 471	13 813	2 342
Total investing expenditure		93 566	49 701	(43 865)

e. Lower actuals relating to project delays with the Healthy Coorong Healthy Basin Program.

f. Lower actuals relating to project delays with the Sustaining Riverland Environments Program, Kangaroo Island Recovery, Patawalonga — Replacement of South Gates and Ayers House.

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 from the South Australian Fire and Emergency Services Commission for the funding of emergency services and related activities (Refer to note 2.4)
- Revenue from SA Water for water planning management (Refer to note 2.2)

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2. Income

2.1. Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	181 317	155 686
Total appropriation	181 317	155 686

Appropriation

Appropriations are recognised on receipt.

Appropriation revenue consists of \$154.790 million (2022: \$124.789 million) for operational funding and \$26.527 million (2022: \$30.897 million) for capital projects.

2.2. Fees and charges

	2023	2022
	\$'000	\$'000
Fees and charges revenue recognised under AASB 15		
Fees and licences	4 294	5 339
Total revenues from fees and charges recognised under AASB 15	4 294	5 339

	2023	2022
	\$'000	\$'000
Fees and charges revenue recognised under AASB 1058		
Water planning management	33 154	32 345
Fines and penalties	34	32
Total revenues from fees and charges recognised under AASB 1058	33 188	32 377
Total revenue from fees and charges	37 482	37 716

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 2023

2.3. Commonwealth-sourced grants and funding

	2023	2022
	\$'000	\$'000
Grant revenues from the Commonwealth		
Coorong, Lower Lakes and Murray Mouth - Long Term Plan	4 450	7 908
Supply and Constraints Measures in the Murray Darling	3 965	1 410
SA Riverland Floodplain Integrated Infrastructure Program	2 762	7 104
State-Led Off Farm Project	2 703	-
Improving Great Artesian Basin Drought Resilience	2 178	767
Implementing Water Reform in the Murray-Darling Basin	1 609	2 235
The Living Murray - Lower Lakes, Coorong and Murray Mouth	1 254	1 241
The Living Murray - Chowilla	1 238	1 267
Murray Darling Basin Authority River Management	903	969
Glenthorne Restoration	420	880
Murray Futures - Water Management Solutions Project	82	900
Adelaide City Deal - Mitcham Hills Trail and Glenthorne Loop	125	410
Flows for the Future	-	7 836
COVID-19 Relief and Recovery funding - World & National Heritage places	-	5 727
Bushfire Wildlife and Habitat Recovery Program	-	1 183
Other	852	731
Total Commonwealth-sourced grants and funding	22 541	40 568

Commonwealth-sourced (National Partnership Programs) grants and funding are recognised as income on receipt. Commonwealth funding by an agreement with DEW 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 DEW and includes both capital and operating component.

Contract balances relate to SARFIIP funding.

Contract balances

	2023	2022
	\$'000	\$'000
Contract liabilities	9 009	11 771
Total contract liabilities	9 009	11 771

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2.4. SA Government grants, subsidies, and transfers

	2023	2022
	\$'000	\$'000
Community Emergency Services Funding	12 818	13 527
Climate Change Initiatives	12 246	28 052
Contingency funding provided by DTF	6 006	2 146
Adelaide Living Beaches strategy	3 021	2 947
Port Pirie Greening Program	810	-
State Water Demand and Supply	582	569
Department for Energy and Mining	549	535
Water Infrastructure Growth Corridors	-	2 135
Field River Valley Environmental Restoration	-	1 350
Greener Neighbourhoods	-	500
Monarto Revegetation	-	500
Native Vegetation Council Significant Environmental Benefit (SEB)	-	457
Opening Reservoirs Project	-	200
Other	1 334	2 064
Total SA Government grants subsidies and transfers	37 366	54 982

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

2.5. Sales of goods and services

	2023	2022
	\$'000	\$'000
Corporate Services Fee	16 804	16 279
Admissions and guided tours	11 607	9 945
Salary recoveries	8 770	9 404
Sale of goods (includes sale of spatial information and water sales)	7 730	7 359
Sale of services (includes professional services, provision of services)	6 451	6 432
Sale of freehold titles	427	59
Total sales of goods and services	51 789	49 478

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
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Contract liabilities	717	549
Total contract liabilities	717	549

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

	2023	2022
	\$'000	\$'000
Interest	1 102	-
Total interest revenues	1 102	-

DEW earns a floating interest rate, based on daily bank deposit rates. There was no interest earned during 2021-22 due to Treasury advising public authorities in November 2020 that, given interest rates were approximately 0%, no interest would be paid on any interest-bearing accounts held with the Treasurer. In May 2022, DEW resumed earning interest on its deposit account. Interest revenue in 2022-23 is backdated from May 2022.

Interest income is recognised on receipt.

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

	2023	2022
	\$'000	\$'000
Plant and equipment		
Net proceeds from disposal	20	11
Less carrying amount of assets disposed	-	(3)
Net gain from disposal of plant and equipment	20	8
Other assets		
Proceeds from disposal	-	1
Less net book value of assets disposed	(1)	-
Net gain from disposal of other assets	(1)	1
Total assets		
Net proceeds from disposal	20	12
Less carrying amount of assets disposed	(1)	(3)
Total net gain from disposal of property, plant and equipment	19	9

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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

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

2.8. Resources received free of charge

	2023	2022
	\$'000	\$'000
Assets received free of charge	33	133
Services received free of charge	6 561	5 788
Total resources received free of charge	6 594	5 921

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 valued at \$5.136 million (2022: \$4.449 million), ICT services and media monitoring services (from 2022-23) valued at \$1.372 million (2022: \$1.339 million) and \$0.053 million respectively from the Department of the Premier and Cabinet.

2.9. Other income

	2023	2022
	\$'000	\$'000
Grants from private industry and local government	5 511	2 129
Property rental and related income	4 786	4 434
Reimbursement of expenses	4 198	4 317
Insurance recoveries	1 200	29 064
Asset related adjustments	344	10 944
Sponsorships, donations, commissions and bequests	70	33
Leased Vehicle Recovery from Landscape Boards	22	32
Other sundry revenue	287	320
Total other income	16 418	51 273

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.

Asset related adjustments includes \$0.343 million for surface water monitoring assets that were not previously recognised by DEW. These adjustments reflect updated asset information gathered during the 2022-23 revaluation process, resulting in revised asset values being recognised in the current year.

Rental Income is recognised under AASB16.

Contract balances

	2023	2022
	\$'000	\$'000
Contract liabilities	694	1 893
Total contract liabilities	694	1 893

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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 eight 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.

	2023	2022
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	1 917	1 819
Post-employment benefits	209	199
Total compensation	2 126	2 018

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
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2. Board and committee members

Members during 2022-23 financial year were:

Animal Welfare Advisory Committee

M R Carr* (Chair)
R F Eyers
M Greenslade
S J Hazel
J A Bellamy
A M Piggott
P J Ainsley
C B Brown

Arabana Parks Advisory Committee

F J Gill* (Chair)
J Warren (Deputy Chair)
S Stuart
T B Gotch*
A Gee*
J G Hull

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

L Loan* (Chair)
C Cowin
R Borda
C Crabbe
G Fennel
C Greenfield
S Williams
R Eyers (Dr)
A Lewis
P O'Leary
B Nosworthy
A Gyss
K Tschirner

Flinders Ranges National Park Co-Management Board

M J Williams* (Chair)
P J McKenzie (Deputy Chair)
B P Gear*
T C Coulthard
L M Loan*
B M Patterson
E Fielding
C R Jackson
A B Magor*
R J Spencer
T O'Loughlin*
H S Bromley
S A M Paul*

Premier's Climate Change Council

M K Haese (Presiding Member)
S M J Verschoor
C N Wilkins
D J Bennett
P J Schulz
R H Turner
D Conley
S Jeanes

South Australian Heritage Council

S M J Verschoor (Chair)
J D Ferguson (Deputy Chairperson)
K McDougall
M J Rolfe
D M Lindsay
D Brooks*
G J Leydon
S G Schrapel
E Walters

Ngaut Ngaut Conservation Park Co-Management Board

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

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2. Board and committee members (continued)

Members during 2022-23 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
 D Coulthard*
 I D Johnson
 J Pitman*
 C Wayne
 RJ Wilton

DEW Risk and Performance Committee

J Riedstra (Chair)
 S Carruthers*
 M Martin*
 S Paul*
 S Spadavecchia
 R Ambler
 D Jordan*
 T Stubbs (Chair)
 A Swanson*
 P Martin

Nullarbor Wilderness Protection Area Co-Management

Advisory Committee

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

YYP A Committee Coongie Lakes National Park

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

Yumbarra Conservation Park Co-management Board

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

Parks and Wilderness Council

M J Williams* (Ex Officio)
 V Russell (Presiding Member)
 R J Spencer
 N Davis
 S J De Bruyn
 W D Mackenzie
 W R Mcintosh
 A Nedosyko
 B Trewren
 M I Bossley
 P J Mckenzie

Gawler Ranges Parks Co-Management Board

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

Pastoral Board

R B Wickes (Presiding Member)
 A Collins
 L Edwards
 E C Jenke
 J L Read
 A H Smart

* 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
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2. Board and committee members (continued)

Board and committee remuneration

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

	2023	2022
\$0 - \$19 999	133	118
\$20 000 - \$39 999	-	1
Total number of members	133	119

The total remuneration received or receivable by members was \$213 000 (2022: \$213 000). 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

	2023	2022
	\$'000	\$'000
Salaries and wages	105 799	107 501
Employment on-costs - superannuation	12 446	12 082
Annual leave	9 914	9 195
Employment on-costs - other	6 273	6 192
Long service leave (LSL)	2 231	(1 448)
Workers compensation	1 841	3 503
Skills and experience retention leave (SERL)	738	702
Targeted Voluntary Separation Packages (refer below)	4 205	1 178
Board and committee fees	381	429
Other employee related expenses	132	62
Total employee benefits expenses	143 960	139 396

Employment expenses

DEW employees are employed under Part 7 of the Public Sector Act.

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

Employee remuneration

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

	2023	2022
	Number	Number
\$157 001 – \$160 000^	n/a	1
\$160 001 – \$180 000	3	3
\$180 001 – \$200 000	5	3
\$200 001 – \$220 000	7	9
\$220 001 – \$240 000	4	3
\$240 001 – \$260 000	1	2
\$260 001 – \$280 000	-	1
\$280 001 – \$300 000*	4	3
\$300 001 – \$320 000*	2	2
\$320 001 – \$340 000*	2	-
\$340 001 – \$360 000	1	-
\$420 001 – \$440 000	1	1
Total	30	28

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3. Employee benefits expenses (continued)

^This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

* This bandwidth includes payment of long service leave, annual leave and termination benefits for officers who have left DEW.

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 \$7.362 million (2022: \$6.532 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.

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who accepted a TVSP during the reporting period was 43 (2022: 5). The number of employees who accepted a Rejuvenation Scheme payment in Financial Year 2021-22 was 17.

	2023	2022
	\$'000	\$'000
Amount paid/payable to separated employees:		
TVSPs	4 205	440
Rejuvenation Scheme	-	738
Leave paid/payable to separated employees	1 940	525
Recovery from the Department of Treasury and Finance	(3 893)	-
Net cost to DEW	2 252	1 703

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	10 029	10 207
Long service leave	2 376	2 022
Accrued salaries and wages	89	122
Skills and experience retention leave	887	885
Total current employee benefits	13 381	13 236
Non-current		
Long service leave	23 471	25 268
Total non-current employee benefits	23 471	25 268
Total employee benefits	36 852	38 504

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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.4. Employee benefits liabilities (continued)

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. The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 2022 (1.5%) to 2023 (2.0%).

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

Long service leave

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 2022 (3.5%) to 2023 (4.0%).

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 has increased from 2022 (2.5%) to 2023 (3.5%) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.754 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 on the average proportion of long service leave taken or paid over the last year.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Adelaide Beach Management	14 990	22 563
Accommodation	13 701	12 747
Information technology and communication	11 149	9 213
General administration	9 692	8 504
Fee for service - Water and River Murray	9 022	10 032
Minor works, maintenance and equipment	7 259	5 263
Fee for service - National Parks and Wildlife Services	5 029	8 775
Vehicle and aircraft	4 612	3 899
Professional, scientific and technical services	3 747	957
Contractors	3 512	2 747
Fee for service - climate change, coast and marine	2 417	645
Cost of goods sold	2 209	1 646
Legal costs	2 098	1 947
Travel and accommodation	1 493	972
Staff development	1 379	937
Fee for service - environment, heritage and sustainability	1 052	1 380
Fee for service - strategy, science and corporate services	1 014	2 454
Water acquisition	516	1 082
Monitoring fees	402	1 025
Consultants	288	78
Transportation	217	112
Bore drilling services	197	122
Other	6 497	6 236
Total supplies and services	102 492	103 336

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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4.2. Grants and subsidies

	2023	2022
	\$'000	\$'000
Murray Darling Basin Authority	24 373	24 192
River Murray Floods	17 463	-
Improving Great Artesian Basin Drought Resilience	2 729	1 320
Heritage Grants	1 805	7 063
Parks 2025	1 675	907
Administration of the Animal Welfare Act 1985	1 529	1 217
Climate Change Resilience	779	1 900
Friends of the Park	656	-
Healthy Coorong Healthy Basin	616	5 007
New Life for Coastal Environment	-	1 116
Bayspring Groundwater Re-injection	-	899
Greener Neighbourhoods	-	500
SA Riverland Floodplain Integrated Infrastructure Program	-	7
Other	3 948	3 015
Total grants and subsidies	55 573	47 143

4.3. Depreciation and amortisation

	2023	2022
	\$'000	\$'000
Depreciation		
Buildings and improvements	5 827	6 121
Roads, tracks and trails	5 675	6 611
Groundwater monitoring wells	4 319	4 310
Park infrastructure	3 702	3 935
Regulators and embankments	3 532	3 558
Plant and equipment	2 975	3 268
Leasehold improvements	1 825	1 825
Right-of-use vehicles	1 384	1 395
Salinity disposal schemes	966	966
Sand pumping infrastructure	818	940
Patawalonga seawater circulation and Barcoo outlet	768	817
Waste disposal stations	278	278
Surface water monitoring network	220	195
Right-of-use buildings	183	134
Right-of-use plant and equipment	131	271
Other	4	4
Total depreciation	32 607	34 628
Amortisation		
Application software - externally purchased	473	473
Application software - internally generated	314	302
Other - war services leases	22	22
Total amortisation	809	797
Total depreciation and amortisation	33 416	35 425

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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	3-138
Groundwater monitoring wells	48
Regulators and embankments	10-200
Park infrastructure	2-80
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	10-83
Waste disposal stations	50
Sand pumping infrastructure	10-50
Leasehold improvements	12
Other	45-99
<i>Intangible assets</i>	
Externally acquired	2-10
Internally acquired	3-14
War services leases	45

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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4.4. Assets transferred for nil consideration

	2023	2022
	\$'000	\$'000
Land	-	6 065
Building and improvement	3 724	92
Park infrastructure	664	337
Plant and equipment	2 672	612
Regulators and embankments	-	261
Roads, tracks and trails	87	104
Surface water monitoring network	94	196
Total assets transferred for nil consideration	7 241	7 667

Assets to the value of \$5.786 million (2022: \$0.515 million) were transferred to the Board of the Botanic Gardens and State Herbarium and plant and equipment to the value of \$1.361 million (2022: \$0.433 million) were donated to landholders under Flows for the Future Program.

4.5. Other expenses

	2023	2022
	\$'000	\$'000
Property, plant and equipment write-offs	-	1 742
Audit fees	615	492
Capital project costs not capitalised	1 072	1 113
Movement in Inventory	(98)	(101)
Reversal of impairment loss	-	(808)
Other	6	229
Total other expenses	1 595	2 667

Property, plant and equipment write-offs

During 2022-23 DEW incurred nil write-off expenses relating to property, plant and equipment.

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 \$0.515 million (2022: \$0.403 million). The increase in audit fee was due to additional work required for conducting a climate risk management performance audit. No other services were provided by the Auditor-General's Department.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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

	Land \$'000	Buildings & improvements \$'000	Park Roads, tracks & infrastructure \$'000	trails \$'000	Groundwater monitoring wells \$'000	Salinity disposal schemes \$'000
Carrying amount at 1 July 2022	375 694	62 513	28 008	28 028	55 968	36 521
Acquisitions	(1)	(1)	6	3	-	-
Initial recognition	-	-	-	2	-	-
Transfer between classes	-	-	-	-	-	-
Transferred in – NPWA 1972*	1 672	-	-	-	-	-
Assets received free of charge	-	-	33	-	-	-
Assets transferred for nil consideration	-	(3 724)	(664)	(87)	-	-
Disposals	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
Transfers to/(from) capital works in progress	-	5 055	1 266	195	163	-
Impairment loss	-	-	-	-	-	-
Capital WIP – expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	-	-	-	-	-
Subtotal:	1 671	1 330	641	113	163	-
Gains/(losses) for the period recognised in net result:						
Depreciation	-	(5 827)	(3 702)	(5 675)	(4 319)	(966)
Subtotal:	-	(5 827)	(3 702)	(5 675)	(4 319)	(966)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)**	-	-	-	-	52 266	-
Reversal of impairment loss	-	-	-	-	-	-
Carrying amount at 30 June 2023	377 365	58 016	24 947	22 466	104 078	35 555
Gross carrying amount						
Gross carrying amount	377 365	279 643	241 780	273 612	327 979	57 306
Accumulated depreciation	-	(221 627)	(216 833)	(251 146)	(223 901)	(21 751)
Carrying amount at the end of the period	377 365	58 016	24 947	22 466	104 078	35 555

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment (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 2022	37 839	14 306	6 687	10 605	118 837	15 644
Acquisitions	-	2	13	(1)	2	691
Initial recognition	-	-	342	-	-	-
Transfer between classes	-	-	-	-	-	-
Transferred in – NPWA 1972*	-	-	-	-	-	-
Assets received free of charge	-	-	-	-	-	-
Assets transferred for nil consideration	-	-	(94)	-	-	(2 672)
Disposals	-	-	(1)	-	-	-
Write-offs	-	-	-	-	-	-
Transfers to/(from) capital works in progress	-	-	595	-	-	5 346
Impairment loss	-	-	-	-	(2 585)	-
Capital WIP - expensed in current period	-	-	-	-	-	-
Other changes via profit and loss	-	-	-	-	-	-
Subtotal:	-	2	855	(1)	(2 583)	3 365
Gains/(losses) for the period recognised in net result:						
Depreciation	(768)	(818)	(220)	(278)	(3 532)	(2 975)
Subtotal:	(768)	(818)	(220)	(278)	(3 532)	(2 975)
Gains/(losses) for the period recognised in other comprehensive income:						
Net revaluation increment/(decrement)**	-	-	1 447	-	-	-
Reversal of impairment loss	-	-	-	-	-	-
Carrying amount at 30 June 2023	37 071	13 490	8 769	10 326	112 722	16 034
Gross carrying amount						
Gross carrying amount	61 036	23 117	17 082	13 838	160 431	49 933
Accumulated depreciation	(23 965)	(9 627)	(8 313)	(3 512)	(47 709)	(33 899)
Carrying amount at the end of the period	37 071	13 490	8 769	10 326	112 722	16 034

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment (continued)

	Leasehold improvements	Other	Right-of-use plant and equipment	Right-of-use buildings	Right-of-use vehicles	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	10 647	1 122	160	1 218	2 797	62 835	869 429
Acquisitions	-	(2)	(1)	-	997	48 986	50 694
Initial recognition	-	-	-	-	-	-	344
Transfer between classes	-	-	-	-	-	-	-
Transferred in – NPWA 1972*	-	-	-	-	-	-	1 672
Assets received free of charge	-	-	-	-	-	-	33
Assets transferred for nil consideration	-	-	-	-	-	-	(7 241)
Disposals	-	-	-	-	-	-	(1)
Write-offs	-	-	-	-	-	-	-
Transfers to/(from) capital works in progress	-	-	-	-	-	(14 297)	(1 677)
Impairment loss	-	-	-	-	-	-	(2 585)
Capital WIP - expensed in current period	-	-	-	-	-	(1 027)	(1 027)
Other changes via profit and loss	-	-	-	-	-	-	-
Subtotal:	-	(2)	(1)	-	997	33 662	40 212
Gains/(losses) for the period recognised in net result:							
Depreciation	(1 825)	(4)	(131)	(183)	(1 384)	-	(32 607)
Subtotal:	(1 825)	(4)	(131)	(183)	(1 384)	-	(32 607)
Gains/(losses) for the period recognised in other comprehensive income:							
Net revaluation increment/(decrement)**	-	-	-	-	-	-	53 713
Reversal of impairment loss	-	-	-	-	-	-	-
Carrying amount at 30 June 2023	8 822	1 116	28	1 035	2 410	96 497	930 747
Gross carrying amount							
Gross carrying amount	21 836	1 867	111	1 571	5 729	96 497	2 010 733
Accumulated depreciation	(13 014)	(751)	(83)	(536)	(3 319)	-	(1 079 986)
Carrying amount at the end of the period	8 822	1 116	28	1 035	2 410	96 497	930 747

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment (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 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

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment (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	-	-	667	(91)	-	(2)
Transfers to/(from) capital works in progress	-	-	-	-	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

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment (continued)

	Leasehold improvements	Other	Right-of-use plant and equipment	Right-of-use buildings	Right-of-use vehicles	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	-	-	-	-	-	-	(1 075)
Transfers to/(from) capital works in progress	-	-	-	-	-	(8 964)	(903)
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 2023

5.1. Property, plant and equipment (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 \$1.672 million (2022: \$5.490 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 recognised as a transfer from the SA government as owner in the Statement of Changes in Equity.

** Independent valuations were performed for the DEW's Groundwater monitoring well assets and Surface water monitoring network asset, resulting in a total asset revaluation increment of \$53.713 million in 2022-23. This increase is represented in Other Comprehensive Income. Revaluation of the 6,863 Groundwater monitoring wells throughout the metropolitan, regional and remote areas of South Australia accounted for \$52.666 million of the revaluation increment, with the replacement cost of these wells being valued at a total \$327.979 million.

*** Capital work in progress (CWIP) has seen a material increase of \$33.661 million from 30 June 2022 (\$62.835 million) to end of the period 2023 (\$96.497 million), including \$13.3 million Kangaroo Island Fire Recovery projects, \$3.659 million Parks 2025 project, \$5.259 million Glenthorne National Park project yet to be completed, and \$4.889 million diversion of resources towards the River Murray flood recovery event.

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.

During River Murray Floods 2022-23 Levee embankments asset along the river owned by the department have been adversely affected and assessed as impaired.

The Embankments are specialised assets held for continuing use of their service capacity. The value of the impairment adjustment was assessed taking account of the operating capacity before and after the floods.

The levee embankments are a revalued asset, and as per AASB 136 the impairment adjustment is treated as a revaluation decrease.

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 DEW

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

Net additions to leased property, plant and equipment during 2022-23 were \$0.996 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:

- 245 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.
- 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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.2. Property, plant and equipment leased by DEW (continued)

- One car park lease with Young St Auto Park. The lease term of 12 years began 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 began 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. DEW's maturity analysis of its lease liabilities is disclosed in note 10.3.

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.

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.

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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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 2022	474	4 961	639	6 074
Acquisitions	-	-	-	-
Transfers from capital works in progress	1 584	63	-	1 647
Subtotal:	2 058	5 024	639	7 721
Gains/(losses) for the period recognised in net result:				
Amortisation	(314)	(473)	(22)	(809)
Subtotal:	(314)	(473)	(22)	(809)
Gains/(losses) for the period recognised in other comprehensive income:				
Carrying amount at 30 June 2023	1 744	4 551	617	6 912

Gross carrying amount

Gross carrying amount	16 109	6 674	1 000	23 783
Accumulated amortisation	(14 365)	(2 123)	(383)	(16 871)
Carrying amount at the end of the period	1 744	4 551	617	6 912

	Internally developed \$'000	Externally acquired \$'000	Revenue stream \$'000	Total \$'000
Carrying amount at 1 July 2021	588	5 385	661	6 634
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:				
Acquisition through administrative restructuring	-	-	-	-
Reversal of impairment loss	-	-	-	-
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

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.4. Inventories

	2023	2022
	\$'000	\$'000
Inventories held for distribution at no or nominal amount	764	777
Inventories held for resale - at cost	1 379	1 200
Total inventories	2 143	1 977

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 2023

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Accrual Appropriation Excess Fund account	148 301	138 119
Deposits with the Treasurer	90 927	83 027
Cash on hand/imprest account	159	159
Total cash	239 387	221 305

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 DEW's appropriation is deposited into the Accrual Appropriation Excess Funds account (AAEFA). Cash is measured at nominal amounts. Although DEW controls the money reported above in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer.

6.2. Receivables

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Trade receivables		
From government entities	1 520	30 349
From non-government entities	2 514	4 231
Less impairment loss on receivables	(2 255)	(1 899)
Total trade receivables	1 779	32 681
Accrued revenues	1 475	1 722
GST input tax recoverable	4 887	3 217
Prepayments	1 145	1 978
Workers compensation recoveries	10	9
Total current receivables	9 296	39 607
<u>Non-current</u>		
Workers compensation recoveries	81	77
Total non-current receivables	81	77
Total receivables	9 377	39 684

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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

6.2. Receivables (continued)

Refer to note 10.4 for further information on risk management.

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.

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	1 899	2 172
Amounts written off	(46)	(289)
Increase/(decrease) in the allowance recognised in profit or loss	402	16
Carrying amount at the end of the period	2 255	1 899

Refer to note 10.4 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 2023

7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Trade payables	21 546	28 160
Employment on-costs	3 570	3 373
Accrued expenses	1 153	929
Paid Parental Leave Scheme payable	26	30
Total current payables	26 295	32 492
<u>Non-current</u>		
Employment on-costs	2 337	2 431
Total non-current payables	2 337	2 431
Total payables	28 632	34 923

Payables and accrued expenses are recognised 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, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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 has increased from the 2022 rate (42%) to 2023 (43%). The average factor for the calculation of employer superannuation cost on-costs has increased from the 2022 rate (10.6%) to 2023 (11.1%). 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 2023

7.2. Financial liabilities

All financial liabilities are lease liabilities, current \$1.313 million (2022: \$1.511 million) and non-current \$2.260 million (2022: \$2.708 million). 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 on leases liabilities was \$74 000 (2022: \$61 000)

7.3. Provisions

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Provision for workers compensation	1 149	990
Additional provisions	7	3
Total current provisions	1 156	993
<u>Non-current</u>		
Provision for workers compensation	4 655	4 110
Additional provisions	255	174
Total non-current provisions	4 910	4 284
Total provisions	6 066	5 277
	2023	2022
	\$'000	\$'000
<i>Reconciliation of workers compensation (statutory)</i>		
Carrying amount at the beginning of the period	5 100	2 389
Reductions arising from payments	(1 123)	(6 321)
Increases resulting from remeasurement	1 827	9 032
Carrying amount at the end of the period	5 804	5 100
<i>Movement in additional compensation provision</i>		
Carrying amount at the beginning of the period	177	74
Additional provisions recognised	85	103
Carrying amount at the end of the period	262	177

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 2023 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

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7.3. Provisions (continued)

nonserious 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.

7.4. Other liabilities

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	2 112	2 112
Unearned revenue	622	376
Deposits held for the disposal of Crown Land	306	359
Other	1 137	1 050
Total current other liabilities	4 177	3 897
<u>Non-current</u>		
Accommodation incentive	8 094	10 206
Funds held for the Confined Well Rehabilitation Scheme	465	465
Unearned revenue	2 159	2 187
Total non-current other liabilities	10 718	12 858
Total other liabilities	14 895	16 755

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 2023

8. Other disclosures

8.1. Cash flow

Cash flow reconciliation

Reconciliation of net result to cash flows from operating activities

	2023	2022
	\$'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	239 387	221 305
Balance as per the Statement of Cash Flows	239 387	221 305
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by operating activities	69 435	69 647
Add / (less) non-cash items		
Depreciation and amortisation	(33 416)	(35 425)
Capital work-in-progress write-offs and asset write-offs	(1 072)	(2 855)
Impairment of non-current assets	-	808
Gain on disposal of non-current assets	19	9
Assets transferred for nil consideration	(7 241)	(7 667)
Other asset related adjustments	344	10 944
Supplies and services not requiring cash	(6 561)	(5 921)
Asset received free of charge	33	133
Resources received free of charge	6 561	5 788
Movement in assets and liabilities		
Increase/(decrease) in receivables	(30 307)	25 165
Increase/(decrease) in inventories	166	(35)
(Increase)/decrease in payables	5 398	(5 001)
(Increase)/decrease in employee benefits	1 652	6 566
(Increase)/decrease in provisions	(789)	(2 814)
(Increase)/decrease in contract liabilities	3 793	(1 824)
(Increase)/decrease in other liabilities	1 860	2 404
Net result	9 875	59 922

Total cash outflow for leases was \$1.723 million (2022: \$1.784 million).

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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 2022-23 and 2021-22.

Statement of Financial Position

as at 30 June 2023

	2023	2022
	\$'000	\$'000
Assets		
Cash and cash equivalents	348	348
Total assets	<u>348</u>	<u>348</u>
Equity		
Retained earnings	348	348
Total equity	<u>348</u>	<u>348</u>

Statement of Changes in Equity

for the year ended 30 June 2023

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 1 July 2021	348	348
Net result for 2021-22	-	-
Balance at 30 June 2022	<u>348</u>	<u>348</u>
Net result for 2022-23	-	-
Balance at 30 June 2023	<u>348</u>	<u>348</u>

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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 2023

	2023	2022
	\$'000	\$'000
Income		
Fees and charges	149	188
Sale of goods and services	15 067	12 082
Commonwealth-sourced grants and funding	-	115
Interest	42	-
Other income	1 428	1 472
Total income	16 686	13 857
Expenses		
Grants and subsidies	16 686	13 857
Total expenses	16 686	13 857
Net result	-	-

Statement of Financial Position

as at 30 June 2023

	2023	2022
	\$'000	\$'000
Assets		
Cash and cash equivalents	2 024	1 725
Receivables	1 275	1 216
Total assets	3 299	2 941
Liabilities		
Contract liabilities	716	544
Unearned revenue	318	132
Total liabilities	1 034	676
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 2023

8.3. General Reserves Fund (continued)

Statement of Changes in Equity
for the year ended 30 June 2023

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	2 265	2 265
Net result for 2021-22	-	-
Balance at 30 June 2022	<u>2 265</u>	<u>2 265</u>
Net result for 2022-23	-	-
Balance at 30 June 2023	<u>2 265</u>	<u>2 265</u>

Total administered expenses

Statement of Cash Flows

for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Cash flows from operating activities		
<u>Cash inflows</u>		
Fees, charges, sales and other income	16 948	14 407
Receipts from Commonwealth-sourced grants	-	115
Interest received	37	-
Cash generated from operations	<u>16 985</u>	<u>14 522</u>
<u>Cash outflows</u>		
Payments of grants and subsidies	(16 686)	(13 857)
Cash used in operations	<u>(16 686)</u>	<u>(13 857)</u>
Net cash provided by operating activities	<u>299</u>	<u>665</u>
Net increase in cash and cash equivalents	<u>299</u>	<u>665</u>
Cash and cash equivalents at the beginning of the reporting period	1 725	1 060
Cash and cash equivalents at the end of the reporting period	<u>2 024</u>	<u>1 725</u>

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

9. Outlook

9.1. Unrecognised commitments

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

Contractual commitments to acquire property, plant and equipment

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

	2023	2022
	\$'000	\$'000
Within one year	8 056	18 823
Later than one year but not longer than five years	550	2 175
Later than five years	-	-
Total contractual commitments to acquire property, plant and equipment	8 606	20 998

DEW's property, plant and equipment commitments include works for Water Infrastructure, facility upgrades and other capital works for the Adelaide Botanic Gardens and various national parks and visitor precincts such as Kangaroo Island, Cleland Wildlife Park, Deep Creek, Glenthorne National Park, Flinders Ranges and other DEW projects.

Other contractual commitments to acquire intangible assets

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

	2023	2022
	\$'000	\$'000
Within one year	691	1 097
Later than one year but not longer than five years	-	-
Later than five years	-	-
Total remuneration commitments	691	1 097

DEW's commitments for intangible assets relate to the Water Management Solutions program and the Instrument Asset Database.

Other contractual commitments

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

	2023	2022
	\$'000	\$'000
Within one year	32 276	31 643
Later than one year but not longer than five years	27 297	27 615
Later than five years	-	6 072
Total other contractual commitments	59 573	65 330

DEW's other contractual 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 2023

9.2. Contingent assets and liabilities

Floods in 2022-23 caused damage to assets owned by DEW along the River Murray and an insurance claim is pending full settlement through SAFA. The final value of the claim is not quantifiable as at 30 June 2023 and is contingent on final assessment of all damaged assets.

9.3. Impact of standards not yet effective

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities will apply to the Department's 2024-25 financial report. Given the complexity and level of judgement required in applying AASB 13 and the new amending standard, together with the need to liaise with valuers, DEW is continuing to assess whether it will have a material impact on the financial statements.

9.4. Events after the reporting period

There were no events that occurred after the reporting period for the year ended 30 June 2023.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

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 Groundwater Monitoring Wells and Surface Water Monitoring Network 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.

DEW's Groundwater monitoring wells asset revaluations were undertaken from February - June 2023, and applied as at 30 June 2023. Asset useful lives were also reviewed. The revaluation was undertaken by a Certified Practising Valuer, Ms A Carolan, FAPI, API No: 63983, of Public Private Property Pty Ltd.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

10.2. Fair value (continued)

DEW's Surface water monitoring network asset revaluations were undertaken from February – June 2023, and applied as at 30 June 2023. Asset useful lives were also reviewed. The revaluation was undertaken by a Certified Practising Valuer, Mr F Taormina, B.App.Sc (Val), AAPI No: 64183 of Valcorp Australia Pty Ltd.

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 2023	Public Private Property Pty 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 2023	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 2022-23, 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 2023

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 administered on behalf of the Crown and is recognised in the Statement of Administered Financial Position. 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 \$1.680 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.

Department for Environment and Water
Notes to and forming part of the financial statements
For the year ended 30 June 2023

10.3. Financial instruments (continued)

Impairment of financial assets (continued)

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.

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)	1 454	0%	5
1 - 30 days past due	8	1%	-
31 - 60 days past due	44	4%	2
61 - 90 days past due	25	2%	-
More than 90 days past due	912	62%	568
Loss allowance	2 443	-	575

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 policy information 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 2023

10.3. Financial instruments (continued)

Categorisation of financial instruments

Category of financial asset and financial liability	Note	2023 Carrying amount / fair value \$'000	2023 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		239 387	-	-	-
Financial assets at amortised cost					
Receivables	(1), (2)	3 254	-	-	-
Total financial assets		242 641	-	-	-
Financial liabilities					
Financial liabilities at amortised cost					
Payables	(1)	22 128	22 128	-	-
Lease liabilities		3 573	1 314	2 116	143
Other liabilities		4 689	2 066	593	2 030
Total financial liabilities		30 390	25 508	2 709	2 173

Category of financial asset and financial liability	Note	2022 Carrying amount / fair value \$'000	2022 Contractual maturities		
			< 1 year \$'000	1-5 years \$'000	< 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	-	-	-
Total financial assets		255 708	-	-	-
Financial liabilities					
Financial liabilities at 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

(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
(DEW)**

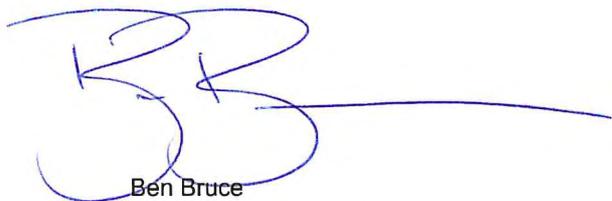
Administered Financial Statements

For the year ended 30 June 2023

**Department for Environment and Water Administered
Certification of the Administered Financial Statements
for the year ended 30 June 2023**

We certify that the:

- Administered financial statements for the Department for Environment and Water Administered:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's Instructions;
 - 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 Administered for the financial year over its financial reporting and its preparation of administered financial statements have been effective.



Ben Bruce
Acting Chief Executive
13 September 2023



Shaun O'Brien
Chief Financial Officer
13 September 2023

**Department for Environment and Water Administered
Statement of Administered Comprehensive Income
for the year ended 30 June 2023**

	Note	2023 \$'000	2022 \$'000
Administered income			
Appropriation	A2.1	20 992	23 859
Fees and charges	A2.2	73 331	72 984
Grants	A2.3	306	1 498
Income associated with joint operation	A5.2	4 239	4 837
Interest	A2.6	473	-
Assets received free of charge	A2.4	5 678	8 213
Net gain from the disposal of non-current assets	A2.5	-	1 800
Intra-government transfers	A2.7	5 533	9 010
Other income		20	30
Total administered income		110 572	122 231
Administered expenses			
Employee benefits		403	374
Supplies and services		653	825
Grants and subsidies	A3.1	12 803	12 328
Intra-government transfers	A3.2	83 750	88 781
Expenses associated with joint operation	A5.2	12 575	10 822
Donated assets	A3.3	-	775
Payments to the Consolidated account		5 701	4 153
Impairment loss on receivables		2 510	3 668
Net loss from the disposal of non-current assets	A2.5	243	-
Other expenses		-	264
Total administered expenses		118 638	121 990
Net result		(8 066)	241
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	41 922	111 980
Total other comprehensive income		41 922	111 980
Total comprehensive result		33 856	112 221

The accompanying notes form part of these financial statements.

**Department for Environment and Water Administered
Statement of Administered Financial Position
as at 30 June 2023**

	Note	2023 \$'000	2022 \$'000
Administered current assets			
Cash and cash equivalents	A7.1	26 094	22 423
Receivables	A5.1	1 269	3 697
Total current assets		27 363	26 120
Administered non-current assets			
Property, plant and equipment	A4.1	1 462 145	1 380 016
Intangibles	A5.2	183 389	164 825
Total non-current assets		1 645 534	1 544 841
Total assets		1 672 897	1 570 961
Administered current liabilities			
Payables	A6.1	5 711	5 318
Total liabilities		5 711	5 318
Net assets		1 667 186	1 565 643
Administered equity			
Asset revaluation surplus		407 514	365 592
Retained earnings		1 259 672	1 200 051
Total equity		1 667 186	1 565 643

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 2023

		2023	2022
	Note	\$'000	\$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriations		20 992	23 859
Fees and charges		73 272	70 208
Receipts from grants		306	1 645
Intra-government transfers		5 533	9 010
Interest received		449	-
Other receipts		20	30
Cash generated from operations		100 572	104 752
<i>Cash outflows</i>			
Employee benefits payments		(403)	(374)
Payments for supplies and services		(646)	(839)
Payments of grants and subsidies		(13 944)	(12 328)
Intra-government transfers		(83 750)	(88 524)
Payments to the Consolidated account		(4 169)	(33 192)
Cash used in operations		(102 912)	(135 257)
Net cash used in operations	A7.1	(2 340)	(30 505)
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment	A2.5	5 841	4 780
Cash generated from investing activities		5 841	4 780
Net cash provided by investing activities		5 841	4 780
Cash flows from financing activities			
<i>Cash inflows</i>			
Cash received from restructuring activities	A1.3	170	-
Cash generated from financing activities		170	-
Net cash provided by / (used in) financing activities		170	-
Net increase/ (decrease) in cash and cash equivalents		3 671	(25 725)
Cash and cash equivalents at the beginning of the period		22 423	48 148
Cash and cash equivalents at the end of the period	A7.1	26 094	22 423

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 2023

Activities - refer note A1	Crown Lands		Minister's Other Payments		Special Acts Allocation	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	-	-	17 646	18 878	399	360
Fees and charges	3	23	-	-	-	-
Grants	-	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Assets received free of charge	5 678	8 213	-	-	-	-
Net gain from disposal of non-current assets	-	1 800	-	-	-	-
Intra-government transfers	-	-	-	4 650	-	-
Other income	-	-	-	-	-	-
Total administered income	5 681	10 036	17 646	23 528	399	360
Administered expenses						
Employee benefits	-	-	-	-	403	374
Supplies and services	324	751	-	-	-	-
Grants and subsidies	-	-	8 510	8 482	-	-
Intra-government transfers	-	-	9 191	14 875	-	-
Depreciation	-	-	-	-	-	-
Net loss from disposal of non-current assets	243	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	-	775	-	-	-	-
Payments to the Consolidated account	5 671	4 153	-	-	-	-
Impairment loss on receivables	(6)	-	-	-	-	-
Other expenses	-	264	-	-	-	-
Total administered expenses	6 232	5 943	17 701	23 357	403	374
Net Result	(551)	4 093	(55)	171	(4)	(14)

Department for Environment and Water Administered
Statement of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2023

Activities - refer note A1	Water for Fodder		Landscape Admin Fund		Landscape Priorities Fund	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	-	-	2 913	4 591	-	-
Fees and charges	-	-	73 332	72 961	-	-
Grants	-	1 200	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	225	-	116	-
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
Intra-government transfers	-	-	1 012	-	4 521	4 360
Other income	-	-	-	-	-	-
Total administered income	-	1 200	77 482	77 552	4 637	4 360
Administered expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	81	250	-	-	-
Grants and subsidies	-	1 119	-	-	3 945	2 414
Intra-government transfers	-	-	74 559	73 906	-	-
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	-	-	2 516	3 668	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	-	1 200	77 325	77 574	3 945	2 414
Net Result	-	-	157	(22)	692	1 946

Department for Environment and Water Administered
Statement of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2023

Activities - refer note A1	SA Drought Resilience					
	Qualco Sunlands		Fund		Pastoral Board	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	20	30	-	-	14	-
Fees and charges	-	-	-	-	1	-
Grants	-	-	-	-	-	-
Income associated with joint operation	-	-	-	-	-	-
Interest	-	-	117	-	4	-
Assets received free of charge	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Other income	20	30	-	-	-	-
Total administered income	40	60	117	-	19	-
Administered expenses						
Employee benefits	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Grants and subsidies	20	30	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-	-	-
Expenses associated with joint operation	-	-	-	-	-	-
Donated assets	-	-	-	-	-	-
Payments to the Consolidated account	30	-	-	-	-	-
Impairment loss on receivables	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	50	30	-	-	-	-
Net Result	(10)	30	117	-	19	-

Department for Environment and Water Administered
Statement of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2023

Activities - refer note A1	National Action Plan for Salinity and Water Quality		National Landcare Program		Consumer Advocacy Research Fund		DEW Corporate Admin Items		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income										
Appropriations	-	-	-	-	-	-	-	-	20 992	23 859
Fees and charges	-	-	-	-	-	-	(4)	-	73 332	72 984
Grants	-	-	-	-	306	298	-	-	306	1 498
Income associated with joint operation	-	-	-	-	-	-	4 239	4 837	4 239	4 837
Interest	1	-	10	-	-	-	-	-	472	-
Assets received free of charge	-	-	-	-	-	-	-	-	5 678	8 213
Net gain from disposal of non- current assets	-	-	-	-	-	-	-	-	-	1 800
Intra-government transfers	-	-	-	-	-	-	-	-	5 533	9 010
Other income	-	-	-	-	-	-	-	-	20	30
Total administered income	1	-	10	-	306	298	4 235	4 837	110 572	122 231
Administered expenses										
Employee benefits	-	-	-	-	-	-	-	-	403	374
Supplies and services	-	-	-	-	71	-	8	(7)	653	825
Grants and subsidies	-	-	-	-	328	283	-	-	12 803	12 328
Intra-government transfers	-	-	-	-	-	-	-	-	83 750	88 781
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	-	243	-
Expenses associated with joint operation	-	-	-	-	-	-	12 575	10 822	12 575	10 822
Donated assets	-	-	-	-	-	-	-	-	-	775
Payments to the Consolidated account	-	-	-	-	-	-	-	-	5 701	4 153
Impairment loss on receivables	-	-	-	-	-	-	-	-	2 510	3 668
Other expenses	-	-	-	-	-	-	-	-	-	264
Total administered expenses	-	-	-	-	399	283	12 583	10 815	118 638	121 990
Net Result	1	-	10	-	(93)	15	(8 348)	(5 978)	(8 066)	241

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 2023

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 \$8.510 million (2022: \$8.482 million) approved by the Minister were made to community organisations, associations and local government in 2022-23. This includes grants made to Zoos SA \$6.699 million (2022: \$6.815 million) and Adelaide City Council \$1.811 million (2022: \$1.667 million).

Intra-government transfers of \$9.191 million (2022: \$14.875 million) approved by the Minister were made to SA government entities in 2022-23. This includes transfers to South Eastern Water Conservation and Drainage Board \$2.660 million (2022: \$2.595 million); Native Vegetation Fund \$0 million (2022: \$1.258 million); Coast Protection Fund \$0.594 million (2022: \$0.580 million); and Stormwater Management Authority \$5.937 million (2022: \$10.442 million).

Special Acts Allocation

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

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 2023

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.

	2023	2022
	\$'000	\$'000
Regional Landscape Board		
Alinytjara Wilurara Landscape Board	1 261	1 230
Kangaroo Island Landscape Board	1 261	1 230
South Australian Arid Lands Landscape Board	391	381
Hills and Fleurieu Landscape Board	-	400
Green Adelaide Board	-	1 350
	2 913	4 591

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2023

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 in 2022-23. 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'.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2023

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 (2023 nil; 2022: \$1.119 million), and Essential Services Commission of SA (ESCOSA) (2023: nil; 2022: \$0.081 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.

Pastoral Board

The Pastoral Board is responsible for the administration of the *Pastoral Land Management and Conservation Act 1989*. The Board provides advice to the Minister for Climate, Environment and Water on the policies that should govern the administration of pastoral land. Due to an administrative arrangement, the Pastoral Board was transferred from the Department of Primary Industries and Regions, South Australia effective 1 July 2022. Refer note A1.3.

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 2023

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 \$0.306 million in 2022-23 (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 recognised in the administered Statement of Financial Position as Crown Land. Land dedicated to the Minister and held by the Minister, either as freehold or reverted land, is also recognised as part of Crown Land. Crown 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 2023

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.

A1.3. Changes to Administered Items

As a result of administrative arrangements outlined in the South Australian Government Gazette (the Government Gazette) on 30 June 2022, DEW assumed responsibility for the Pastoral Board as a business unit of the department from 1 July 2022. This includes pastoral land that was transferred 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. Pastoral land is subject to the control of the Pastoral Board.

The following assets and liabilities were transferred to DEW.

Effective Date	1 July 2022
	\$'000
Cash and cash equivalents	170
Property, plant and equipment	69 177
Total assets	69 347
Total net assets transferred	69 347

Net assets were transferred at the carrying amount in PIRSA's Statement of Financial Position immediately prior to the transfer, and treated as a contribution by the government as owner.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2023

A1.4. Budget performance

The budget performance table compares DEW's outcomes against budget information presented to Parliament (2022-23 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 2023 \$'000	2023 \$'000	\$'000
Income				
Appropriation	a	31 333	20 992	(10 341)
Fees and charges		71 714	73 331	1 617
Grants		-	306	306
Intra-government transfers		4 868	5 533	665
Income associated with joint operation		-	4 239	4 239
Interest		-	473	473
Assets received free of charge		-	5 678	5 678
Other income		250	20	(230)
Total administered income		108 165	110 572	2 407
Expenses				
Employee benefits		396	403	7
Supplies and services		561	653	92
Grants and subsidies	b	21 788	12 803	(8 985)
Intra-government transfers		79 936	83 750	3 814
Depreciation		-	-	-
Expenses associated with joint operation	c	-	12 575	12 575
Donated assets		-	-	-
Payments to the Consolidated account		2 545	5 701	3 156
Impairment loss on receivables		-	2 510	2 510
Net loss from the disposal of non-current assets		-	243	243
Other expenses		8 825	-	(8 825)
Total administered expenses		114 051	118 638	4 587
Net result		(5 886)	(8 066)	(2 180)

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.
- Lower actuals due to expenses previously budgeted for as grants and subsidies subsequently being recognised as as 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 2023

A2. Income

A2.1. Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to Appropriation Act	20 593	23 499
Appropriations under other Acts	399	360
Total appropriations	20 992	23 859

Appropriations

Appropriations are recognised on receipt.

A2.2. Revenues from fees and charges

	2023	2022
	\$'000	\$'000
Fees and charges revenue recognised under AASB 15		
Water Levies received from licence holders	17 965	17 499
Total revenues from fees and charges recognised under AASB 15	17 965	17 499
Fees and charges revenue recognised under AASB 1058		
Land Levies received from Councils	52 391	51 111
Land Levies received from out of Council areas	256	242
Fines and penalties	2 719	4 109
Reimbursement of Crown Lands costs	3	23
DEW Corporate Administered Items	(3)	-
Total revenues from fees and charges recognised under AASB 1058	55 366	55 485
Total revenues from fees and charges	73 331	72 984

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 2023

A2.3. Grant Revenues

	2023	2022
	\$'000	\$'000
Water for Fodder	-	1 200
Consumer Advocacy Research Fund	306	298
Total grant revenues	306	1 498

Grant revenue is recognised under AASB1058 as income on receipt.

A2.4. Assets received free of charge

	2023	2022
	\$'000	\$'000
Land	5 678	8 213
Total assets received free of charge	5 678	8 213

During 2022-23 the Minister revoked the dedication for a specific purpose of land parcels valued at \$5.678 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/(loss) from the disposal of non-current assets

	2023	2022
	\$'000	\$'000
Crown land		
Proceeds from disposal	5 841	4 780
Less net book value of assets disposed	(6 084)	(2 980)
Net gain/(loss) from disposal of Crown land	(243)	1 800

A2.6. Interest revenues

	2023	2022
	\$'000	\$'000
Interest on deposit accounts	473	-
Total interest revenues	473	-

DEW earns a floating interest rate, based on daily bank deposit rates. There was no interest earned during 2021-22 due to Treasury advising public authorities in November 2020 that, given interest rates were approximately 0%, no interest would be paid on any interest-bearing accounts held with the Treasurer. In May 2022, DEW resumed earning interest on its deposit account. Interest revenue in 2022-23 is backdated from May 2022.

Interest income is recognised on receipt.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2023

A2.7. Intra-government transfers

	2023	2022
	\$'000	\$'000
Contribution to Landscape Priorities Fund*	4 521	4 360
Funding provided by DTF	1 012	4 650
Total intra-government transfers	5 533	9 010

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

* Refer to note A1.

A3. Expenses

A3.1. Grants and subsidies

	2023	2022
	\$'000	\$'000
Minister's other payments *	8 510	8 482
Grants paid from Landscape Priorities Fund **	3 945	2 414
Water for Fodder	-	1 119
Consumer Advocacy Research Fund	328	283
Qualco Sunlands	20	30
Total grants and subsidies	12 803	12 328

* Refer to note A1.

** Refer to note A2.7.

A3.2. Intra-government transfers

	2023	2022
	\$'000	\$'000
Land levy payments to Landscape Boards*	52 391	51 111
Water levy payments to Landscape Boards*	18 007	17 985
Appropriation payments to Landscape Boards	2 913	4 591
Contingency payments to Landscape Boards	1 012	-
Minister's other payments**	9 191	14 875
Out of Council land levy payments to Landscape Boards*	236	219
Total intra-government transfers	83 750	88 781

* Refer note A2.2.

** Refer note A1.

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2023

A3.3. Donated Assets

	2023	2022
	\$'000	\$'000
Donated assets	-	775
Total donated asset expenses	-	775

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*.

A4. Non-financial assets

A4.1. Property, plant and equipment

Movement reconciliation of property, plant and equipment

2023	Joint operation			Total
	Crown land	Pastoral land	PP&E	
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the 1 July 2022	538 332	-	841 684	1 380 016
Assets received for nil consideration	5 678	69 177	-	74 855
Transfers in - CLMA 2009*	12	-	-	12
Transfers out - CLMA 2009**	(1 672)	-	-	(1 672)
Donated assets	-	-	-	-
Disposals	(6 084)	-	(1)	(6 085)
Other changes	(2)	-	-	(2)
Joint operations net additions, disposal, other movements	-	-	(26 901)	(26 901)
Subtotal	(2 068)	69 177	(26 902)	40 207
Gains/(losses) for the period recognised in other comprehensive income:				
Revaluation increments/(decrements)	-	-	41 922	41 922
Subtotal	-	-	41 922	41 922
Carrying amount at the 30 June 2023	536 264	69 177	856 704	1 462 145
Gross carrying amount				
Gross carrying amount	536 264	69 177	856 704	1 462 145
Accumulated depreciation	-	-	-	-
Carrying amount at the end of the period	536 264	69 177	856 704	1 462 145

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2023

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

2022			Joint operation	Total
	Crown land	Pastoral land	PP&E	
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the 1 July 2021	535 864	-	737 274	1 273 138
Assets received for nil consideration	8 213	-	-	8 213
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

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 \$12 million (2022: \$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 \$1.672 million (2022: \$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
for the year ended 30 June 2023

A5. Financial assets

A5.1. Receivables

	2023	2022
	\$'000	\$'000
Current		
Water levies	235	317
Penalties	13 236	12 084
Accrued interest	46	-
Other	542	1 575
Less impairment loss on receivables	(12 791)	(10 279)
GST input tax recoverable	1	-
Total receivables	1 269	3 697

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 2023

A5.2 Interest in joint operation (continued)

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2023	2022
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	2023	2022
	\$'000	\$'000
Non-current assets		
<i>Property, plant and equipment</i>		
Infrastructure Assets	846 109	815 348
Work in Progress	6 074	21 912
Other property, plant and equipment assets	4 522	4 424
<i>Intangibles - Water entitlements</i>	183 389	164 825
Total non-current assets	1 040 094	1 006 509
Total assets	1 040 094	1 006 509
Income	4 239	4 837
Expenses	12 575	10 822

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

The 2023 and 2022 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
for the year ended 30 June 2023

A6. Liabilities

A6.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors	5 125	4 577
Other	586	741
Total current payables	<u>5 711</u>	<u>5 318</u>
Total payables	<u><u>5 711</u></u>	<u><u>5 318</u></u>

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
for the year ended 30 June 2023

A7. Other disclosures

A7.1. Administered cash flow reconciliation

	2023	2022
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
National Landcare Program	368	358
Crown Lands	7 020	5 773
SA Drought Resilience Fund	4 105	4 002
Pastoral Board	189	-
Landscape Administration Fund	6 837	5 319
Landscape Priorities Fund	3 773	3 091
Consumer Advocacy Research Fund	145	238
Qualco Sunlands	18	27
National Action Plan for Salinity and Water Quality	38	37
Adelaide Dolphin Sanctuary	1	1
The Department's Corporate Administrative Items	<u>3 600</u>	<u>3 577</u>
Cash and cash equivalents disclosed in the Statement of Financial Position	<u>26 094</u>	<u>22 423</u>
Balance as per the Statement of Cash Flows	<u>26 094</u>	<u>22 423</u>
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash used in operating activities	(2 340)	(30 505)
Add / (less) non-cash items		
Expenses associated with joint operation	(12 575)	(10 822)
Income associated with joint operation	4 239	4 837
Assets received free of charge	5 678	8 213
Donated assets	-	(775)
Other asset related adjustments	-	(264)
Net gain on disposal of non-current assets	(243)	1 800
Movement in assets and liabilities		
(Decrease)/increase in receivables	(2 429)	(1 037)
(Increase)/decrease in payables	(396)	28 794
Net result	<u><u>(8 066)</u></u>	<u><u>241</u></u>

Department for Environment and Water Administered
Notes to and forming part of the Administered financial statements
for the year ended 30 June 2023

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 40MI per day from the Langhorne and Currency Creek pipeline. The Minister has not exercised this right.

A8.2. Events after the reporting period

There were no events that occurred after the reporting period for the year ended 30 June 2023.