



2010–11

# Portfolio Statements

BUDGET PAPER 4 Volume 4

Presented by the Honourable Kevin Foley MP  
Deputy Premier and Treasurer of South Australia  
on the Occasion of the Budget for 2010–11



Government  
of South Australia

## **2010–11 Budget Papers**

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**Government  
of South Australia**

**BUDGET PAPER 4**

**PORTFOLIO STATEMENTS**

**Volume 4**

**2010-11**

*Presented by  
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for 2010-11*

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# INTRODUCTION

The Portfolio Statements 2010-11 outlines financial and non-financial information about the services provided to, and on behalf of, the community by each portfolio. The following discussion outlines key aspects of the financial statements.

## Financial statements

The financial statements included in the Portfolio Statements 2010-11 are special purpose financial statements and include, for each portfolio, a statement of comprehensive income, statement of financial position and a statement of cash flows.

The format of these estimated financial statements is consistent with the Model Financial Statements (prepared by the Department of Treasury and Finance for statutory reporting requirements) and is consistent with the requirements of AASB 101 *Presentation of Financial Statements* and AASB 107 *Statement of Cash Flows*.

Estimates in these financial statements have been prepared:

- on a basis that is consistent with Australian Accounting Standards — Australian Accounting Standards and/or interpretations that have been issued or amended but are not yet effective have not been early adopted;
- using accounting policies expected to be used in preparing historically orientated general purpose financial statements for that year, and the same accounting policies have been used for the subsequent forecast years (forward estimates);
- on an accrual basis except for the statement of cash flows which has been derived from the statement of comprehensive income and statement of financial position to reflect cash payments and receipts; and
- using historical cost convention, except for certain assets and liabilities that are valued in accordance with the valuation policy applicable.

Portfolio statements typically reflect a consolidation of controlled items within each portfolio.

In the process of reporting on portfolios, intra-group transactions and balances are eliminated in full. This enables the financial statements of the portfolio to be presented as that of an individual entity. The commentary at the commencement of the financial statement for each portfolio identifies which entities have been included in the consolidated statements for that portfolio. Where a portfolio contains a single agency, only the agency statements are provided.

Consistent with Australian Accounting Standards, transactions and balances that are controlled are budgeted for and reported on separately to transactions and balances which are administered but not controlled by the agency.

## **Definitions**

### ***Portfolio***

A portfolio is an entity that provides management coordination and administrative support for a defined group of agencies. A portfolio may comprise a single agency.

### ***Agency***

An agency is an administrative unit created under the *Public Sector Act 2009* or a statutory authority that is accountable for the delivery of programs on behalf of the government.

### ***Programs and sub-programs***

A program is a grouping of related sub-programs or activities that contributes to the achievement of a particular agency's and, in turn, the government's objectives. A sub-program is a grouping of activities that contribute to a more specific objective.

## **Overview of portfolio statements**

The portfolio statements outline projected portfolio activity and performance for 2010-11. Each portfolio statement conforms to the following standard presentation structure:

### ***Portfolio summary***

- Ministerial responsibilities — details minister, agency, program, sub-program and administered items relationships and responsibilities
- Portfolio net cost of service summary (where the portfolio comprises more than one agency) — a summary of total agency cost of services
- Investing payments summary (where the portfolio comprises more than one agency) — total agency investing payments
- Workforce summary — total workforce details
- Portfolio financial statements (where the portfolio comprises more than one agency) — budgeted financial statements for controlled items
- Ministerial office resources — details of resources provided to ministerial office.

### ***Agency summary***

- Objective — details of agency objectives
- 2010-11 Targets/2009-10 Highlights — targets for the budget year and highlights for the prior year
- Program net cost of services summary — summary of the net cost of agency programs
- Investing payments summary — the investing payments for the agency
- Program information — a description/objective, summary income statement and commentary and performance measures for individual agency sub-programs
- Financial statements — budgeted financial statements for controlled and administered items
- Financial commentary — major variations — commentary on variances and trends in the financial statements.

## **Presentation of changes in program structures**

Where an agency is transferred between portfolios, program information for previous years is reflected in the current program structure of the receiving portfolio. Similarly, where programs or sub-programs are transferred between agencies information is reflected in the receiving agency's program structure.

In contrast, the agency financial statements line 'net cost of providing services' in the statement of comprehensive income is based on the actual program structure for the agency as it operated or is expected to operate in each year. This distinction in treatment is drawn so that financial statements accurately reflect events while, at the same time, program information is comparable and not duplicated.

Reconciliation of the financial statements to the current program structure is contained in the program net cost of services summary located at the beginning of each relevant agency section.

## **Portfolio changes**

### ***Environment and Conservation and the River Murray***

Department of Water, Land and Biodiversity Conservation has been removed from this portfolio to create a new portfolio called 'Water' which contains the Department for Water; with four programs and ten sub-programs.

The remaining entities of Department of Environment and Natural Resources (formerly Department for Environment and Heritage), Environment Protection Authority and Zero Waste SA are now contained in a renamed portfolio of Environment.



# **Portfolio: Environment**

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**Minister for Environment and Conservation**



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# PORTFOLIO: ENVIRONMENT

## MINISTERIAL RESPONSIBILITIES

Minister	Agency	Programs	Sub-programs
<b>The Hon. Paul Caica</b> Minister for Environment and Conservation	Department of Environment and Natural Resources	1. Natural Resource Stewardship	1.1 Policy 1.2 Regional Delivery 1.3 Client Services
		2. Agency Leadership and Support	2.1 Strategy 2.2 Corporate Services
		3. Botanic Gardens	Nil
	Environment Protection Authority	1. Environment and Radiation Protection	1.1 Environment Protection 1.2 Radiation Protection
	Zero Waste SA	1. Waste Reduction and Resource Recovery	Nil

### Administered items

In addition to the above responsibilities the portfolio administers the following items on behalf of the minister.

- Board of Botanic Gardens and State Herbarium
- Caring for our Country
- Coast Protection Fund
- Dog and Cat Management Board
- Ministerial Other Items allocations
- National Action Plan for Salinity and Water Quality
- Native Vegetation Fund
- Natural Heritage Trust
- Pastoral Board
- Surplus Land and Property Sales Account
- Natural Resources Management (NRM) Fund

### Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

## PORTFOLIO NET COST OF SERVICES SUMMARY

Agency	2010-11	2009-10	2009-10	2008-09
	Budget	Estimated	Budget	Actual
	\$000	\$000	\$000	\$000
Department of Environment and Natural Resources.....	135 173	145 592	128 885	137 657
Environment Protection Authority.....	3 578	6 612	2 124	5 300
Zero Waste SA .....	-3 076	-4 044	-3 662	-3 791
<b>Total</b>	<b>135 675</b>	<b>148 160</b>	<b>127 347</b>	<b>139 166</b>

## INVESTING EXPENDITURE SUMMARY

Agency	2010-11	2009-10	2009-10	2008-09
	Budget	Estimated	Budget	Actual
	\$000	\$000	\$000	\$000
Department of Environment and Natural Resources.....	28 272	16 742	24 950	15 136
Environment Protection Authority.....	2 041	997	528	4 736
Zero Waste SA .....	—	25	60	13
<b>Total</b>	<b>30 313</b>	<b>17 764</b>	<b>25 538</b>	<b>19 885</b>

## WORKFORCE SUMMARY

Agency	FTEs as at 30 June		2008-09 Actual
	2010-11 Budget	2009-10 Estimated Result	
Department of Environment Natural Resources	1 087.4	1 037.2	1 087.2
Environment Protection Authority	211.3	214.8	220.6
Zero Waste SA	22.0	19.0	18.0
<b>Total</b>	<b>1 320.7</b>	<b>1 271.0</b>	<b>1 325.8</b>

## MINISTERIAL OFFICE RESOURCES

Minister	2010-11 Budget	
	Cost of provision \$000	FTE
The Hon. Paul Caica	1 805	14.5



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# PORTFOLIO: ENVIRONMENT

## AGENCY: DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

### Objective

The Department of Environment and Natural Resources (DENR) aims for a sustainable and prosperous South Australia where natural resources are used wisely and a healthy environment is understood to be the foundation of our quality of life.

### 2010-11 Targets/2009-10 Highlights

Targets 2010-11	Highlights 2009-10
<ul style="list-style-type: none"> <li>• Integrate natural resources management (NRM) board operations with DENR field operations</li> <li>• Amend the <i>Natural Resources Management Act 2004</i> to improve its administration</li> <li>• Work with marine park local advisory groups and stakeholders to prepare draft marine parks management plans (with zoning) for public consultation</li> <li>• Finalise the proposed Nullarbor Wilderness Protection Area</li> <li>• Complete coastal conservation assessments and action plans for South East and Eyre Peninsula NRM boards</li> <li>• Complete Stage 1 visitor facility upgrade at Seal Bay</li> <li>• Complete visitor facility upgrades in Lincoln National Park</li> <li>• Continue visitor facility and infrastructure upgrade at Belair National Park and sealing of road in Lincoln National Park</li> <li>• Undertake feasibility planning for development of new multi-day walks for the Flinders Ranges, and develop a multi-day walk experience on Kangaroo Island</li> <li>• Regulate the National Standard for Livestock Transport under the <i>Animal Welfare Act 1985</i></li> <li>• Finalise review of the Pet Shop Code of Practice</li> <li>• Continue with the prescribed burning program on DENR managed lands</li> <li>• Analyse and implement relevant findings and recommendations from the Victorian Bushfire Royal Commission</li> <li>• Implement the early works program and continue to establish an environmental management system for the Coorong, Lower Lakes and Murray Mouth (CLLMM) region</li> <li>• Publish <i>Flora of South Australia</i> online as plant family descriptions are completed</li> <li>• Complete Adelaide Botanic Garden projects such as the Garden of Health, new Western Entrance and the Botanic Park visitor access and safety upgrades</li> <li>• Begin the Adelaide Botanic Garden stormwater project</li> <li>• Reduce development related 'red tape' by working with the Department of Planning and Local Government to implement an improved Heritage Advisory Service model to ensure consistent heritage conservation policy advice</li> </ul>	<ul style="list-style-type: none"> <li>• Made variations to the Native Vegetation Regulations and published a Guide for Managing Native Vegetation to Reduce the Impact of Bushfire</li> <li>• Achieved <i>South Australia's Strategic Plan</i> targets:             <ul style="list-style-type: none"> <li>– T3.2 'Land biodiversity' — released NatureLinks plans</li> <li>– T3.4 'Marine biodiversity' — established 13 local advisory groups and collected community use information for the development of 19 marine park management plans</li> </ul> </li> <li>• On track <i>South Australia's Strategic Plan</i> targets:             <ul style="list-style-type: none"> <li>– T3.1 'Lose no species' — further tracking of 20 species</li> <li>– T3.3 'Soil protection' — 15 per cent improvement in soil erosion protection since 2002-03</li> </ul> </li> <li>• Allocated \$2.8 million for 156 NRM community grants</li> <li>• Adopted three regional NRM plans (taking the total to seven out of eight)</li> <li>• Removed 6460 camels from the South Australian rangelands</li> <li>• Released Informing Biodiversity Conservation for the Adelaide and Mount Lofty Ranges Region (a biodiversity strategy)</li> <li>• Released NatureLinks Corridor Plans for Flinders-Olary, Cape Borda to Barossa, Arid Lands and River Murray-South East</li> <li>• Established a partnership with the Northern Territory Government to develop the Trans-Australia Eco-Link, the world's first transcontinental conservation corridor</li> <li>• Completed the largest prescribed burning program in the state on DENR managed lands with a 40 per cent increase on last year</li> <li>• Adopted 12 fire management plans covering 135 parks and reserves, or about 45 per cent of DENR managed lands</li> <li>• Completed the Review of Public Land Fire Management, resulting in an agreement between DENR and other agencies</li> <li>• Continued work on new visitor facilities at Belair, Lincoln and Innes National Parks</li> <li>• Released the Long-Term Plan to secure a future for the CLLMM region</li> <li>• Began work on five CLLMM early works projects with \$21 million in Commonwealth Government funding</li> <li>• Began implementing the Enterprise Business Information Strategy (EBIS) for cost-effective information delivery</li> <li>• The Adelaide Botanic Gardens and State Herbarium received accreditation with the American Association of Museums</li> <li>• Published <i>The Botanic Gardens of Adelaide Catalogue of Plants</i></li> </ul>

## Program net cost of services summary

Program	Net Cost of Services			
	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
1. Natural Resource Stewardship.....	96 601	114 661	104 605	108 550
2. Agency Leadership and Support.....	32 556	39 380	29 761	37 843
3. Botanic Gardens .....	6 016	5 634	7 333	6 177
<b>Total</b>	<b>135 173</b>	<b>159 675</b>	<b>141 699</b>	<b>152 570</b>
<b>Reconciliation to agency net cost of providing services</b> (as per agency summary income statement)				
<i>Less:</i> Net cost of programs/functions transferred in from Department of Water, Land and Biodiversity Conservation controlled				
NRM Functions .....	—	14 083	12 814	14 913
<b>Equals: Net cost of providing services</b> (as per agency summary income statement)	<b>135 173</b>	<b>145 592</b>	<b>128 885</b>	<b>137 657</b>

Note: Responsibility for natural resources management was transferred from the Department for Water on 1 July 2010.

## Investing expenditure summary

Investments	2010-11	2009-10	2009-10	2008-09
	Budget \$000	Estimated Result \$000	Budget \$000	Actual \$000
<i>Existing projects</i>				
Adelaide Botanic Gardens Aquifer Storage and Recovery (ASR).....	1 010	793	—	—
Adelaide Living Beaches.....	13 000	772	11 000	2 449
Belair National Park Visitor Facilities.....	2 600	2 090	2 600	1 937
Plane Tree Drive Upgrade .....	1 100	964	—	—
Seal Bay Facilities Upgrade.....	700	170	—	—
Adelaide Zoo — Botanic Park Entrance.....	—	540	400	452
Innes National Park Infrastructure and Facilities Upgrade.....	—	651	400	1 551
Museum of Economic Botany .....	—	196	—	1 247
<b>Total existing projects</b>	<b>18 410</b>	<b>6 176</b>	<b>14 400</b>	<b>7 636</b>
<i>Annual programs</i>	9 862	10 566	10 550	7 500
<b>Total annual programs</b>	<b>9 862</b>	<b>10 566</b>	<b>10 550</b>	<b>7 500</b>
<b>Total investing expenditure</b>	<b>28 272</b>	<b>16 742</b>	<b>24 950</b>	<b>15 136</b>

**AGENCY: DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**Program information**

***Program 1: Natural Resource Stewardship***

***Description/Objective:*** Aims to conserve natural systems and ensure the sustainable use of natural resources. It includes policy development, land-use decision making and delivery of the government’s environment and natural resources management agenda across the state.

***Summary income statement***

<b>Program 1: Natural Resource Stewardship</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	62 248	73 549	67 143	69 359
Supplies and Services .....	61 891	65 051	44 678	52 754
Grants and Subsidies .....	3 047	4 380	2 132	3 091
Depreciation and Amortisation.....	20 886	22 476	22 476	19 622
Other.....	4 258	5 673	4 547	5 598
<b>Total expenses</b>	<b>152 330</b>	<b>171 129</b>	<b>140 976</b>	<b>150 424</b>
<b>Income</b>				
Sale of Goods and Services .....	16 910	19 082	18 187	22 947
Fees, Fines and Penalties .....	732	592	685	717
Commonwealth Revenue.....	3 997	9 315	3 897	1 727
Other.....	34 090	27 479	13 602	16 483
<b>Total income</b>	<b>55 729</b>	<b>56 468</b>	<b>36 371</b>	<b>41 874</b>
<b>Net cost of providing services</b>	<b>96 601</b>	<b>114 661</b>	<b>104 605</b>	<b>108 550</b>

## Sub-program information

<b>Sub-program 1.1: Policy</b>				
Policy advice for DENR, government and partner organisations.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>31 158</b>	<b>35 749</b>	<b>33 411</b>	<b>36 965</b>
<b>Performance Commentary</b>				
<p>The Policy sub-program develops policy to progress the government's environmental and natural resources management priorities at the agency, regional, state and national levels; and develops and administers legislation that governs people's interactions with the environment.</p> <p>The department continues to influence state and national land-use planning and development policy and reform, particularly through implementation of <i>The 30-Year Plan for Greater Adelaide</i> and the outcomes of the 10-year review of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>.</p> <p>Variations to the <i>Native Vegetation Regulations 2003</i> came into operation in September 2009 following a ministerial review of native vegetation and bushfire safety, and the Guide for Managing Native Vegetation to Reduce the Impact of Bushfire was developed.</p> <p>Partnership projects and joint funding arrangements were developed in 2009-10 to improve soil protection across the state. Erosion protection targets and strategies are now included in regional natural resources management (NRM) plans for all four relevant regions.</p> <p>Environmental impact assessments of mining-related activity included the department's contribution to the Olympic Dam assessment, 54 applications for exploration licences within reserves as defined by the <i>National Parks and Wildlife Act 1972</i>, 231 exploration licence applications outside reserves and 15 declarations of environmental factors for exploration on reserves.</p> <p>The department helped develop an indigenous land use agreement and co-management arrangements for the Flinders Ranges National Park, and contributed to negotiations for co-management over the Breakaways Conservation Park and Gawler Ranges and Lake Gairdner National Parks.</p> <p><i>NatureLinks</i> plans were released for the Arid Lands, Cape Borda to Barossa, Flinders-Olary and River Murray-South East corridors. Landscape assessments have been conducted to inform on-ground delivery. These will continue in 2010-11 including assessments to identify conservation priorities for the Greater Adelaide Area (supporting <i>The 30-Year Plan for Greater Adelaide</i>).</p> <p>The state's reserve system was increased by 145 000 hectares during 2009-10 with 19 parks being either created or expanded in size. A protected area strategy will be released in 2010-11 to guide future planning. Management plans now cover 64 per cent of the state's parks and reserves. The Nullarbor Wilderness Protection Area is expected to be finalised in 2010-11.</p> <p>An investigation of South Australia's vulnerability to tsunamis, storm surge and sea-level rise was undertaken as a joint project with the State Emergency Service and funded by the Natural Disaster Mitigation Program. Coastal conservation assessments and action plans continued with local councils and NRM boards. These will feed into climate change adaptation strategies.</p> <p>There were 13 marine park local advisory groups established to engage the community and, together with peak stakeholder input, will inform the development of draft management plans for marine parks (with zoning) for formal public consultation, commencing in 2010-11. This builds on the work of completed; <i>South Australia's Strategic Plan Target 3.4 'Marine biodiversity'</i>.</p> <p>The State NRM Plan, which sets the direction for integrated management of the state's natural resources over the next decade and beyond, has been reviewed and a revised version is being developed for consideration by the NRM Council.</p> <p>The Commonwealth Government allocated \$17.3 million per annum of Caring for our Country funding to regional NRM boards for use between 2009-10 and 2012-13. In addition, \$5.07 million in open grants and \$2.7 million in Landcare funding was secured for South Australia in 2009-10.</p> <p>New regional NRM plans were adopted for Kangaroo Island, the South Australian Arid Lands and the South East. Amendments to the plans for Adelaide and Mount Lofty Ranges, Eyre Peninsula, Northern and Yorke, and the South Australian Murray-Darling Basin were also approved. The Alinytjara Wilurara Regional NRM Plan is scheduled for adoption in 2010-11.</p> <p>The NRM Council business plan for 2010 was ratified in April 2010. The Aboriginal Statewide Advisory Committee, which is a sub-committee of NRM Council, is continuing its efforts to facilitate greater Aboriginal involvement in natural resources management. The NRM Volunteer Sub Committee managed the Premier's NRM Awards, in conjunction with the South Australian Landcare Awards, where successful candidates were recognised as leaders in their category.</p> <p>The Minister for Environment and Conservation provided a once-off grant of \$200 000 to help conserve the Burra Railway Station. Another \$250 000 helped owners of state heritage buildings care for their properties, while 12 councils received funding to undertake heritage surveys, heritage development plan amendments and establish local heritage incentive schemes. Red Tape reduction reforms of heritage related statutory provisions are expected to be implemented in 2010-11. A new model of delivery for the Heritage Advisory Service will be implemented during 2010-11.</p> <p>The mandatory requirements of the revised Model Code of Practice for the Welfare of Animals — Pigs were incorporated into the <i>Animal Welfare Regulations 2000</i>. Four animal ethics committees were reviewed according to the Australian Code of Practice for the Care and Use of Animals for Scientific Purposes. The national livestock transport standards are to be included in state regulations during 2010-11. A discussion paper on the South Australian Code of Practice for the Care and Management of Animals in the Pet Trade will be released for public consultation in 2010-11, following a review by experts from the pet trade and animal welfare groups.</p>				

<b>Sub-program 1.1: Policy <i>continued</i></b>				
<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
Environmental associations represented in the protected area system of South Australia ( <i>National Parks and Wildlife Act 1972, Wilderness Act 1992, Crown Lands Act 1929</i> )	59%	58%	59%	57%
Parks/reserves covered by management plans	220	201	208	201
No. of native vegetation clearance applications processed <sup>(a)</sup>	200	286	200	233
Significant environment benefit payment	\$1 000 000	\$1 528 000	\$1 848 955	\$2 363 000
<b>Quality</b>				
% of native vegetation clearance applications processed within agreed timeframes <sup>(b)</sup>	85%	80%	95%	85%
Ratio of area protected from native vegetation clearance or planted against area approved for clearance <sup>(c)(d)</sup>	4:1	3:1	6:1	6:1
Ratio of area to be revegetated against area of trees approved for clearance <sup>(e)</sup>	9:1	9:1	10:1	10:1
No. and % of listed threatened species for which recovery plans or related action plans have been developed	285 of 487 (58%)	280 of 487 (57%)	215 of 487 (44%)	213 of 487 (43%)
No. of large scale biodiversity corridors established with management plans <sup>(f)</sup>	— <sup>(f)</sup>	5	4	1
No. and % of NRM regions covered by biodiversity plans completed or updated within 5 years <sup>(g)</sup>	— <sup>(g)</sup>	2 of 8 <sup>(h)</sup> (25%)	6 of 8 (75%)	1 of 8
% of heritage related development application comments accepted by council (ie not referred to Development Assessment Commission)	98%	99%	98%	99%
No. of marine parks <sup>(i)</sup>	— <sup>(i)</sup>	20	20	20
State's waters covered by environmental capability guidelines	100%	100%	100%	0
Vulnerable areas along the metropolitan coast that meet the dune buffer standard (ie twice that required to withstand a 1-in-100 year storm)	100%	100%	100%	100%
Coast Protection Board advice on development applications accepted by planning authorities <sup>(j)</sup>	100%	87%	100%	85%
<b>Footnotes</b>				
(a) Native vegetation clearance applications include matters considered under Section 28 of the <i>Native Vegetation Act 1991</i> and matters under <i>Native Vegetation Regulations 2003</i> .				
(b) Based on an agreed timeframe of eight weeks. The eight weeks begin at the time the Native Vegetation and Biodiversity Management Unit are supplied with or obtain all of the information required for the Native Vegetation Council to make a decision and ceases at the time the applicant receives notification of decision advice.				
(c) Brush cutting applications have been excluded from the statistics as no offset is required for these applications due to the natural regeneration of brush.				
(d) Figures include native vegetation clearance approved under both the <i>Native Vegetation Act 1991</i> and the <i>Native Vegetation Regulations 2003</i> . The ratio is calculated on those applications comprised of only native vegetation clearance that has been offset by the revegetation or protection of native vegetation. It does not include those applications offset by a monetary value or those applications comprised of both monetary and protection/revegetation offsets.				
(e) Ratio represents the area of planted or managed vegetation in relation to the area of scattered trees cleared. This figure assumes that a scattered tree has an area of 0.05ha.				
(f) The monitoring of this performance indicator will discontinue from 2009-10 as the target has been met. Ongoing monitoring will be undertaken through reporting against <i>South Australia's Strategic Plan Target T3.2 'Land biodiversity'</i> .				
(g) The monitoring of this performance indicator will not be undertaken in 2010-11. A new target may be developed for 2011-12, pending outcomes of the integration of natural resources management planning into one state agency.				
(h) The need for this performance indicator was revised during 2009-10. More flexible and adaptable conservation planning tools that support NRM decision making have been adopted, and these tools replace the need for static biodiversity plans for each region.				
(i) This indicator will discontinue from 2009-10 as the target has been met. Ongoing monitoring will be undertaken through reporting against <i>South Australia's Strategic Plan Target T3.4 'Marine biodiversity'</i> .				
(j) Coast Protection Board results are reported in calendar years. In some cases, the planning authorities disregarded board advice.				

## Sub-program 1.2: Regional Delivery

Integrated delivery in the regions with a direct connection to NRM boards.

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
<b>Net Cost of Sub-program</b>	<b>44 215</b>	<b>56 805</b>	<b>48 106</b>	<b>48 453</b>

### Performance Commentary

Regional Delivery plays a major role in providing services including fire management in the state's reserve and crown lands; protecting life, property and environmental assets; and conserving natural and cultural heritage across the state's seven regions.

The department reviewed its fire management activities and completed its largest prescribed burning program. Across the state, 92 burns were completed on almost 11 000 hectares. This nearly doubled the number of burns in 2008-09 and represented a 40 per cent increase in the area burned.

In the Mount Lofty Ranges, 555 hectares were burned across department managed land, representing a 75 per cent increase on the previous year's total. Another 12 burns covering 231 hectares were undertaken on SA Water and ForestrySA managed land, for a total of 786 hectares in the region.

The completed Ministerial Review of Native Vegetation led to new regulations. The review of public land fire management resulted in a Heads of Agency Agreement between DENR, the South Australian Country Fire Service, SA Water and ForestrySA.

DENR completed 10 comprehensive fire management plans for South Australia's reserves in 2009-10. In total, 12 fire management plans have now been adopted, covering 135 parks and reserves or about 45 per cent of DENR managed parks and reserves. Another two plans are being prepared.

A cooperative fire management plan was initiated for the far west of the state. This is an arrangement between DENR and the Alinytjara Wilurara Natural Resources Management Board, in partnership with Mamungari Conservation Park Co-management Board and the Anangu Pitjantjatjara and Yankunytjatjara (APY), Yalata and Maralinga Tjarutja Land councils.

As part of a partnership approach in 2009-10, 6460 camels were removed through the four-year Australian Feral Camel Management Project.

The third tender round of the River Murray Forest project has been completed and resulted in a further six sites and 1900 hectares of plantings. A total of approximately 2450 hectares has now been commissioned for planting. Further plantings will occur in 2010-11 in order to reach a project goal of 3400 hectares.

New visitor facilities were built at Innes, Mt Remarkable and Coongie Lakes National Parks and at Innamincka Regional Reserve. The first stage of bitumising the road in Lincoln National Park was completed (6.3 kilometres) and camping facilities upgraded at Surfleet Cove campground to cater for increasing visitor numbers. Northern floods will require repairs to facilities in Innamincka Regional Reserve and Coongie Lakes National Park.

At Belair National Park, the Dianella Precinct has been upgraded, with new toilets and shelters added. Construction of the Belair entry precinct is due for completion in August 2010. The Belair National Park Interpretation Project received the Interpretation Australia Excellence in Interpretative Practice Award in November 2009. Other interpretation plans have been prepared and interpretive signage installed around the state.

In 2010-11, the Wilpena Pound Visitor Centre refurbishment plan will be implemented by DENR, the South Australian Tourism Commission and Anthology, who recently took over the Wilpena Pound Resort.

The development of iconic walking trails continues, with a new trail constructed in Alligator Gorge and trail plans completed for Belair National Park and Sturt Gorge Recreation Park. Stage 1 of the Waterfall Gully to Mount Lofty Trail upgrade was completed, and improvements to the Heysen Trail on the Fleurieu Peninsula should be finished by November 2010.

In 2010-11, development of new multi-day walks for the Flinders Ranges will continue, and private-sector partners sought for a multi-day walk experience on Kangaroo Island.

New tours will be introduced at Seal Bay on Kangaroo Island. Stage 2 of the Waterfall Gully to Mount Lofty Trail redevelopment will be completed and facility improvements will proceed at Belair National Park, Seal Bay, Mambray Creek in the Southern Flinders Ranges and 42 Mile Crossing in the Coorong.

Online systems for booking accommodation and accessing entry and fee information are being investigated.

A consumer focused parks marketing strategy, branding and website will be developed. All visitor sites will be serviced and managed to ensure safety and satisfaction levels reach 90 per cent.

Almost 6000 Friends of Parks and other DENR volunteers helped conserve the state's natural and cultural heritage during 2009-10.

A working group of DENR staff and Friends of Parks Inc representatives are implementing recommendations from last year's Volunteer Stocktake to improve the relationship between Friends of Parks and the department.

Commonwealth Government funding of \$21 million was provided for five early-works projects at the Coorong, Lower Lakes and Murray Mouth (CLLMM) site: bioremediation and revegetation, acid-sulphate soils management, Lake Albert water-level management, Coorong South Lagoon pumping and Meningie lakefront habitat restoration.

The Kungan Ngarrindjeri Yunnan (KNY) Agreement is in operation, supporting the participation of Ngarrindjeri in CLLMM decision making and project delivery. In particular, a grant to the Ngarrindjeri to undertake plant propagation and revegetation for the Lower Lakes is planned for 2010-11.

In 2010-11, funding will be sought for other management activity detailed in the long-term plan and business case and work will start on this activity.

<b>Sub-program 1.2: Regional Delivery <i>continued</i></b>				
<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
No. of visits to all parks	4 650 000	4 500 000	4 300 000	4 157 000
Satisfaction rate with facilities	90%	88%	90%	87%
Park revenue	9 963 000	9 470 500	9 318 000	9 266 000
Volunteer days spent on land management projects in parks each year	21 000 <sup>(a)</sup>	18 893	21 000	20 000
% of River Murray Forest project sites audited	100%	N/A	N/A	N/A
No. and % of DENR staff who are trained and accredited fire fighters (including contractors)	396 36% <sup>(b)</sup>	323 71%	383 85%	326 71%
% of annual works programs implemented to achieve fire management targets	100%	90%	100%	100%
Appoint additional staff under Twenty New Rangers initiative	Recruit and appoint 4 park rangers, as part of the 2011 new rangers program	5 park rangers recruited and appointed	Recruit and appoint 5 park rangers	5 park rangers recruited and appointed
<b>Footnotes</b>				
(a) Volunteer days are calculated based on a 7.5 hour day to bring in line with Volunteering Australia standards.				
(b) This is now based on 1100 DENR staff for 2010-11 (including staff transferred in from the Department for Water). In previous years the percentage figure was based on 400 regional staff only.				

**Sub-program 1.3: Client Services**

Technical services, advice and information, largely to external clients.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>21 228</b>	<b>22 107</b>	<b>23 088</b>	<b>23 132</b>

**Performance Commentary**

The Client Services Plan sets the strategic direction for the department's effective use of information, science and technology. It establishes the department's policies and activities for building an innovative and sustainable knowledge and information capability. It includes the research, analysis, monitoring and coordination of information, science and technological business activities and outlines how the directorate will work with other DENR programs, partner organisations and the community to achieve its goals.

The department administers a Fauna Permit System to keep native animals (including mammals, birds and reptiles) in captivity under the *National Parks and Wildlife Act 1972*. The permit system provides a framework that identifies legally acquired native animals and allows the detection of those animals that have been illegally acquired and brought into captivity.

The department also manages permits in relation to ethical scientific research on wildlife and in DENR Reserves, and establishing policies and conditions to minimise research impacts on wildlife and in government reserves.

The Crown Lands property staff provide information, policy advice and a comprehensive and professional property and conveyancing service to the Minister for Environment and Conservation, other state and local government departments, Crown lessees, licensees and the general public, in relation to the Crown Estate.

The Enterprise Business Information Strategy (EBIS) initiative aims to achieve cost-effective and sustainable investment strategies for the department's information technology systems and to ensure suitable governance of the data and information. Many EBIS related activities commenced in 2009-10. The e-commerce Product Finder project has improved the delivery of online mapping products and an environmental information project is improving the capture, management and delivery of biological data.

Activities to profile ICT capability and align ICT investment with optimal business outcomes included the Electronic Document Records Management System (EDRMS) project. A feasibility study assessed options for hosting DENR ICT infrastructure, and rationalisation of the department's ICT infrastructure continued.

The Resource and Infrastructure Cluster initiative was established to identify and investigate opportunities for more cost-effective ICT operations across clusters of government agencies. Activities included the review of information technology architecture, spatial information distribution systems, open data networks, desktop communications, video conferencing, quality data and information sharing. The challenge for 2010-11 is to develop and introduce a clustered service.

Science Directions was refined to reflect the strategic priorities of the department and its stakeholders, and was published as *DENR Science Directions 2010-15*. In 2010-11, the directorate will make available tools, resources, information and knowledge to improve evidence based policy decision making and the effectiveness of research partnerships.

Key strategic objectives for 2010-11 include implementing the EBIS, the Resource and Infrastructure Cluster Initiative and Science Directions.

**Footnotes**

- (a) The new Client Services Sub-program commenced in the 2010-11 Budget, and performance indicators for all initiatives will be developed in 2011.

## AGENCY: DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

### Program information

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**Program 2:**            *Agency Leadership and Support*

**Description/Objective:**        Provides strategic direction and positioning of DENR, the development of organisational capability, evaluation and reporting of its performance, and the provision of a range of business support services.

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### Summary income statement

Program 2: Agency Leadership and Support	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<b>Expenses</b>				
Employee Benefits and Costs .....	17 760	24 344	15 345	18 210
Supplies and Services .....	15 291	15 750	14 784	15 600
Grants and Subsidies .....	182	255	155	343
Depreciation and Amortisation .....	273	319	319	281
Other .....	295	307	303	5 023
<b>Total expenses</b>	<b>33 801</b>	<b>40 975</b>	<b>30 906</b>	<b>39 457</b>
<b>Income</b>				
Sale of Goods and Services .....	199	94	184	389
Other .....	1 046	1 501	961	1 225
<b>Total income</b>	<b>1 245</b>	<b>1 595</b>	<b>1 145</b>	<b>1 614</b>
<b>Net cost of providing services</b>	<b>32 556</b>	<b>39 380</b>	<b>29 761</b>	<b>37 843</b>

## Sub-program information

<b>Sub-program 2.1: Strategy</b>				
Departmental strategic direction, governance and community engagement.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>7 881</b>	<b>8 508</b>	<b>8 322</b>	<b>8 445</b>
<b>Performance Commentary</b>				
<p>The new Strategy sub-program will operate as part of DENR from 1 July 2010. It will support the minister and the chief executive, liaise across government agencies and lead communication between the department and the public. Within DENR, Strategy will ensure corporate plan objectives are translated into business plans, projects and activities, and develop and maintain governance, risk-management and organisational development systems.</p> <p>In February 2010, the department worked with the Department of Trade and Economic Development and Zero Waste SA to stage CleverGreen Conference and Showcase, South Australia's first CleanTech conference. All targets for participation were exceeded in an event that highlighted the state's position as a leader in clean technologies and renewable energy.</p> <p>The DENR governance framework was developed in 2009-10 outlining how the department will be managed, taking into account legislation, DENR planning strategies, and accountability and compliance mechanisms.</p> <p>A new corporate plan was developed for the restructured DENR that details its organisational structure and priorities, including the integration of natural resources management within the department. It will be released in late 2010.</p> <p>A framework for community engagement is being developed to support policy development and project delivery across the department. This framework will help engage South Australians in caring for the environment and the sustainable use of our natural resources. A series of free community events will be held during 2010-11 under the 'Stirring the Possum' banner. They are aimed at engaging the community and the corporate sector in creating a sustainable South Australia.</p> <p>DENR produces a comprehensive range of publications, including information brochures for national parks, a quarterly online publication called Landscapes and a collection of stories that celebrate the environmental achievements of the department.</p> <p>A marketing strategy for parks of South Australia will be implemented in 2010-11.</p> <p>A new user-friendly DENR website that will provide valuable, easily accessible information will be ready for public use in late 2010.</p>				
<b>Footnotes</b>				
(a) The new Strategy sub-program commenced in the 2010-11 Budget, and performance indicators for its initiatives will be developed in 2011.				

<b>Sub-program 2.2: Corporate Services</b>				
Financial, facilities and assets, risk management, human resources and occupational health and safety.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>24 675</b>	<b>30 872<sup>(a)</sup></b>	<b>21 439</b>	<b>29 398</b>
<b>Performance Commentary<sup>(b)</sup></b>				
<p>Corporate Services supports DENR to be a high performing government department, including offering effective financial, business operations, asset management, human resources and occupational health and safety policies and services.</p> <p>Project management services for major capital works and annual provisions, as well as maintenance programs, were successfully completed during 2009-10.</p> <p>The procurement phase for a new electronic document and records management system (EDRMS) was completed with contracts finalised for software licences, configuration services and support and maintenance services.</p> <p>Development of the strategic accommodation plan commenced. Extensive support was provided to the executive for the determination of targeted voluntary separation packages, the transfer of NRM Group and State Flora activities due to the restructure, and budget savings options. Significant business analysis was also undertaken to support commercial site management, fees and charges review and major project business cases/Cabinet submissions.</p> <p>Key strategic objectives for 2010-11 include the completion of the build phase of the EDRMS project and finalisation of the strategic accommodation plan.</p> <p>A leadership development framework and online induction and assessment systems will be introduced. A whole-of-government e-procurement system will be implemented, and the agency's performance review and development program will be reviewed and revised.</p> <p>The DENR project management framework was endorsed for introduction across the department in 2010-11. Staff will use the framework to ensure projects are aligned to strategic priorities.</p>				
<b>Footnotes</b>				
<p>(a) The variation between the 2009-2010 Budget and the 2009-10 Estimated Result is primarily due to targeted voluntary separation package payments made during 2009-10.</p> <p>(b) The new Corporate Services sub-program commenced in the 2010-11 Budget and performance indicators for its initiatives will be developed in 2011.</p>				

**AGENCY: DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**Program information**

*Program 3: Botanic Gardens*

*Description/Objective:* Manages the natural and cultural resources of the Botanic Gardens and State Herbarium to advance plant appreciation, knowledge and conservation through our natural and cultural collections and programs.

*Summary income statement*

Program 3: Botanic Gardens	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<b>Expenses</b>				
Employee Benefits and Costs .....	5 448	5 659	5 510	5 465
Supplies and Services .....	2 690	2 569	2 344	2 815
Grants and Subsidies .....	0	0	0	75
Depreciation and Amortisation .....	96	103	103	90
Other .....	90	97	97	80
<b>Total expenses</b>	<b>8 324</b>	<b>8 428</b>	<b>8 054</b>	<b>8 525</b>
<b>Income</b>				
Sale of Goods and Services .....	4	5	—	—
Other .....	2 304	2 789	721	2 348
<b>Total income</b>	<b>2 308</b>	<b>2 794</b>	<b>721</b>	<b>2 348</b>
<b>Net cost of providing services</b>	<b>6 016</b>	<b>5 634</b>	<b>7 333</b>	<b>6 177</b>

## Program performance information

<b>Program 3: Botanic Gardens</b>				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Program</b>	<b>6 016</b>	<b>5 634<sup>(a)</sup></b>	<b>7 333</b>	<b>6 177</b>
<b>Performance Commentary</b>				
<p>The Adelaide Botanic Garden's <i>Catalogue of Plants 2010</i> has been published. Other publishing projects included progress on the new online version of Flora of South Australia, for which about 25 per cent of plant descriptions have been gathered, and the release of <i>The Museum of Economic Botany at the Adelaide Botanic Gardens — A Souvenir</i>.</p> <p>More than 9000 specimens were added to the State Herbarium collection, which now numbers more than one million.</p> <p>The Botanic Gardens and State Herbarium became the first organisation outside of the United States to gain accreditation with the American Association of Museums when the award for collections based cultural and scientific institutions was announced in March 2010.</p> <p>The Botanic Gardens Seed Conservation funding agreement with the Millennium Seed Bank Project (UK) was extended until 2011 and will support continuation of seed collection, germination and storage research. Seeds were collected from 147 native plant species, including 83 'at risk' species.</p> <p>Demonstration of efficient use of water presents an ongoing challenge to the Botanic Gardens. More than 30 per cent of the Adelaide Botanic Garden lawn areas were left to dry out and water schedules were adjusted. Commonwealth Government funding was approved for the First Creek Wetland and aquifer storage and recovery (ASR) project, which will provide an alternate water option for the Adelaide Botanic Garden.</p> <p>A Kitchen Garden program was established and two projects officers appointed with the support of the Department of Health and private sponsorship.</p> <p>Through partnerships with community and other organisations, 60 activities were staged in the botanic gardens, all of which encouraged community engagement and connection with the gardens and the natural world. In addition, nine major cultural events were held.</p> <p>A major redevelopment of the Botanic Park-Adelaide Zoo precinct was completed in conjunction with Adelaide City Council and ZoosSA.</p> <p>The Sustainable Landscapes project worked with government and industry partners to demonstrate suitable landscaping practices for the South Australian environment. The Minister for Environment and Conservation opened an Australian native demonstration garden in the Adelaide Botanic Garden to promote the benefits of native plants and gardens. Additional community engagement occurred through a Birds, Bugs and Banksia family day.</p> <p>An increased focus on living collections will improve community engagement. Tree planting and replacement will occur to preserve the mature tree canopy of the gardens.</p> <p>The Garden of Health will be completed and the new Western Entrance to the Adelaide Botanic Garden opened. At least eight major cultural events are scheduled to be staged at the Adelaide Botanic Garden.</p> <p>Completion of the Plane Tree Drive car park modifications and pedestrian and bicycle pathways will improve visitor access and safety.</p> <p>Plans for a kitchen garden and interpretive program to support community health and education programs will be developed.</p> <p>The Botanic Gardens Seed Conservation program will continue to collect, store and study South Australian plant species, and pursue national and international partnerships.</p> <p>The Botanic Gardens and State Herbarium's efforts in managing biodiversity and increasing public understanding of the impacts of climate change will continue through research on seed of South Australian plant species and indicators from preserved plant specimens. Compilation of information for progressive online publication of the Flora of South Australia will also continue.</p> <p>With the University of Adelaide and other partners, the State Herbarium will contribute to the international DNA Barcode of Life which was initiated by State Herbarium staff.</p>				
<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
No. of visits to the Botanic Gardens	1 800 000	1 780 000	1 805 000	1 800 000
No. of major cultural events	8	9 <sup>(b)</sup>	7 <sup>(c)</sup>	8 <sup>(d)</sup>
% satisfaction rate with facilities	97%	97% <sup>(e)</sup>	97%	97%

continued

**Program 3:****Botanic Gardens *continued*****Footnotes**

- (a) The variation between the 2009-10 Budget and the 2009-10 Estimated Result is due to additional revenue received from the Board of the Botanic Gardens and State Herbarium being used for various capital works projects.
- (b) WOMAdelaide, Moonlight Cinema, Park Life, Fringe Festival, SALA Festival, Blackwood Lions Music Festival, ASO Alfresco Mount Lofty, ASO Alfresco Adelaide, Tasting Australia.
- (c) WOMAdelaide, Moonlight Cinema, Park Life, Fringe Festival, SALA Festival, Tasting Australia, Three Red Letters
- (d) WOMAdelaide, Moonlight Cinema, Park Life, Fringe Festival, SALA Festival, Blackwood Lions Jazz Festival, ASO Alfresco Adelaide, Royal Adelaide Show.
- (e) Botanic Gardens 2009-10 Visitor Perception Survey.

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	<b>68 936</b>	68 394	63 404	65 617
Long service leave .....	<b>2 700</b>	2 635	2 590	2 645
Payroll tax .....	<b>3 703</b>	3 784	3 711	3 818
Superannuation .....	<b>7 090</b>	7 211	6 884	7 854
Other .....	<b>3 027</b>	11 618	2 066	3 392
Supplies and services —				
General supplies and services .....	<b>79 657</b>	77 359	57 453	64 077
Consultancy expenses .....	<b>215</b>	209	212	221
Depreciation and amortisation expenses .....	<b>21 255</b>	22 815	22 815	19 911
Grants and subsidies .....	<b>3 229</b>	4 635	2 287	3 509
Intra government transfers .....	<b>3 532</b>	493	517	659
Other expenses .....	<b>1 111</b>	1 088	1 073	5 800
<b>Total expenses</b>	<b>194 455</b>	<b>200 241</b>	<b>163 012</b>	<b>177 503</b>
<b>Income</b>				
Commonwealth revenues .....	<b>3 997</b>	9 315	3 897	1 727
Intra government transfers .....	<b>31 825</b>	24 039	11 064	15 295
Other grants .....	<b>2 233</b>	1 476	1 416	595
Fees, fines and penalties .....	<b>732</b>	582	676	703
Sales of goods and services .....	<b>17 113</b>	16 757	16 366	20 789
Interest revenues .....	<b>119</b>	115	122	133
Net gain or loss from disposal of assets .....	<b>—</b>	—	—	-987
Other income .....	<b>3 263</b>	2 365	586	1 591
<b>Total income</b>	<b>59 282</b>	<b>54 649</b>	<b>34 127</b>	<b>39 846</b>
<b>Net cost of providing services</b>	<b>135 173</b>	<b>145 592</b>	<b>128 885</b>	<b>137 657</b>
<b>Income from / Expenses to SA Government</b>				
Income —				
Appropriation .....	<b>136 273</b>	119 456	128 885	132 009
Other income .....	<b>—</b>	8 165	—	250
Expenses —				
Cash alignment .....	<b>—</b>	—	—	6 350
<b>Net income from / Expenses to SA Government</b>	<b>136 273</b>	<b>127 621</b>	<b>128 885</b>	<b>125 909</b>
<b>Net result</b>	<b>1 100</b>	<b>-17 971</b>	<b>—</b>	<b>-11 748</b>
<b>Other comprehensive income</b>				
Changes in property, plant and equipment asset revaluation surplus .....	<b>—</b>	—	—	16 121
<b>Total comprehensive result</b>	<b>1 100</b>	<b>-17 971</b>	<b>—</b>	<b>4 373</b>

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	<b>84 331</b>	90 466	96 088	103 408
Receivables .....	<b>9 539</b>	9 539	6 359	9 539
Inventories .....	<b>2 303</b>	1 141	1 394	1 141
Other current assets .....	<b>436</b>	436	421	436
<b>Total current assets</b>	<b>96 609</b>	<b>101 582</b>	<b>104 262</b>	<b>114 524</b>
<i>Non current assets</i>				
Financial assets .....	<b>3</b>	3	8	3
Land and improvements .....	<b>260 433</b>	251 636	258 593	263 317
Plant and equipment .....	<b>50 559</b>	50 113	39 770	44 260
Heritage assets .....	<b>1 564</b>	1 564	1 586	1 564
Intangible assets .....	<b>2 382</b>	2 502	1 275	2 747
Other non-current assets .....	<b>555</b>	—	13	—
<b>Total non-current assets</b>	<b>315 496</b>	<b>305 818</b>	<b>301 245</b>	<b>311 891</b>
<b>Total assets</b>	<b>412 105</b>	<b>407 400</b>	<b>405 507</b>	<b>426 415</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	<b>22 239</b>	21 916	16 414	22 073
Short-term borrowings .....	—	—	41	—
Employee benefits —				
Salaries and wages .....	—	2 082	1 510	2 082
Annual leave .....	<b>5 788</b>	4 980	5 054	5 319
Long service leave .....	<b>1 782</b>	1 697	1 192	1 608
Short-term provisions .....	<b>310</b>	351	436	345
Other current liabilities .....	<b>637</b>	637	538	637
<b>Total current liabilities</b>	<b>30 756</b>	<b>31 663</b>	<b>25 185</b>	<b>32 064</b>
<i>Non current liabilities</i>				
Long-term employee benefits —				
Long service leave .....	<b>18 363</b>	14 337	17 351	15 037
Long-term provisions .....	<b>1 180</b>	1 074	1 196	1 017
Other non-current liabilities .....	<b>1 633</b>	1 633	1 989	1 633
<b>Total non-current liabilities</b>	<b>21 176</b>	<b>17 044</b>	<b>20 536</b>	<b>17 687</b>
<b>Total liabilities</b>	<b>51 932</b>	<b>48 707</b>	<b>45 721</b>	<b>49 751</b>
<b>Net assets</b>	<b>360 173</b>	<b>358 693</b>	<b>359 786</b>	<b>376 664</b>
<b>Equity</b>				
Retained earnings .....	<b>174 322</b>	172 842	189 304	190 813
Asset revaluation reserve .....	<b>185 851</b>	185 851	170 482	185 851
<b>Total equity</b>	<b>360 173</b>	<b>358 693</b>	<b>359 786</b>	<b>376 664</b>

Balances as at 30 June end of period.

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Employee benefit payments .....	<b>85 739</b>	94 749	76 931	81 381
Payments for supplies and services .....	<b>79 872</b>	77 568	57 665	69 292
Grants and subsidies .....	<b>3 229</b>	4 635	2 287	3 724
GST paid .....	—	—	—	95
Intra government transfers .....	<b>3 532</b>	493	517	659
Other payments .....	<b>1 046</b>	1 025	1 010	600
<b>Cash used in operations</b>	<b>173 418</b>	<b>178 470</b>	<b>138 410</b>	<b>155 751</b>
<i>Cash inflows</i>				
Intra government transfers .....	<b>31 825</b>	24 039	11 064	15 295
Commonwealth receipts .....	<b>3 997</b>	9 315	3 897	1 727
Other grants .....	<b>2 233</b>	1 476	1 416	2 063
Fees, fines and penalties .....	<b>732</b>	582	676	703
Sales of goods and services .....	<b>17 113</b>	16 757	16 366	20 382
Interest received .....	<b>119</b>	115	122	142
GST received .....	—	—	—	5 832
Other receipts .....	<b>3 263</b>	2 365	586	1 591
<b>Cash generated from operations</b>	<b>59 282</b>	<b>54 649</b>	<b>34 127</b>	<b>47 735</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	<b>136 273</b>	119 456	128 885	132 009
Other receipts .....	—	8 165	—	250
Payments —				
Cash alignment .....	—	—	—	6 350
<b>Net cash provided by SA Government</b>	<b>136 273</b>	<b>127 621</b>	<b>128 885</b>	<b>125 909</b>
<b>Net cash provided by (+) / used (-) in operating activities</b>	<b>22 137</b>	<b>3 800</b>	<b>24 602</b>	<b>17 893</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	<b>28 272</b>	16 742	24 950	13 879
Purchase of intangibles .....	—	—	—	1 315
<b>Cash used in investing activities</b>	<b>28 272</b>	<b>16 742</b>	<b>24 950</b>	<b>15 194</b>
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment .....	—	—	—	139
Other receipts .....	—	—	—	5
<b>Cash generated from investing activities</b>	—	—	—	<b>144</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-28 272</b>	<b>-16 742</b>	<b>-24 950</b>	<b>-15 050</b>

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-6 135</b>	<b>-12 942</b>	<b>-348</b>	<b>2 843</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>90 466</b>	<b>103 408</b>	<b>96 436</b>	<b>100 565</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>84 331</b>	<b>90 466</b>	<b>96 088</b>	<b>103 408</b>
<b>NON CASH TRANSACTIONS:</b>				
Assets received (+) / donated (-) free of charge .....	—	—	—	-2 859

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Income from SA Government</b>				
Income —				
Appropriation .....	<b>22 072</b>	5 350	5 275	5 125
<b>Net income from / Expenses to SA Government</b>	<b>22 072</b>	<b>5 350</b>	<b>5 275</b>	<b>5 125</b>
<b>Income from other sources</b>				
Taxation .....	<b>18</b>	—	—	—
Intra government transfers .....	<b>28 666</b>	45	—	147
Other grants .....	<b>89</b>	119	89	—
Fees, fines and penalties .....	<b>1 998</b>	1 349	1 122	1 211
Sales of goods and services .....	<b>681</b>	785	558	900
Interest revenues .....	<b>567</b>	142	71	144
Net gain or loss from disposal of assets .....	—	—	—	8 372
Resources received free of charge .....	<b>5 250</b>	—	—	2 862
Other income .....	<b>944</b>	823	209	1 393
<b>Total income from other sources</b>	<b>38 213</b>	<b>3 263</b>	<b>2 049</b>	<b>15 029</b>
<b>Total income</b>	<b>60 285</b>	<b>8 613</b>	<b>7 324</b>	<b>20 154</b>
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	<b>380</b>	368	291	245
Long service leave .....	<b>3</b>	3	—	—
Payroll tax .....	<b>7</b>	7	1	5
Superannuation .....	<b>12</b>	12	1	5
Other .....	—	—	—	116
Supplies and services —				
General supplies and services .....	<b>14 363</b>	3 030	1 231	1 913
Consultancy expenses .....	—	—	—	3
Depreciation and amortisation expenses .....	<b>2 163</b>	2 163	2 163	2 268
Grants and subsidies .....	<b>9 646</b>	4 937	5 209	5 009
Intra government transfers .....	<b>40 504</b>	1 543	580	1 471
Other expenses .....	<b>1 111</b>	6 005	96	11 148
<b>Total expenses</b>	<b>68 189</b>	<b>18 068</b>	<b>9 572</b>	<b>22 183</b>
<b>Net result</b>	<b>-7 904</b>	<b>-9 455</b>	<b>-2 248</b>	<b>-2 029</b>
<b>Other comprehensive income</b>				
Changes in property, plant and equipment asset revaluation surplus .....	—	—	—	3 963
<b>Total comprehensive result</b>	<b>-7 904</b>	<b>-9 455</b>	<b>-2 248</b>	<b>1 934</b>

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	<b>12 864</b>	5 192	10 535	6 149
Receivables .....	<b>1 013</b>	549	487	549
Inventories .....	<b>154</b>	154	149	154
Other current assets .....	—	—	50	—
<b>Total current assets</b>	<b>14 031</b>	<b>5 895</b>	<b>11 221</b>	<b>6 852</b>
<i>Non current assets</i>				
Land and improvements .....	<b>111 460</b>	75 926	71 855	77 867
Plant and equipment .....	<b>2 038</b>	2 285	878	2 498
Heritage assets .....	<b>5 878</b>	5 878	5 226	5 878
<b>Total non-current assets</b>	<b>119 376</b>	<b>84 089</b>	<b>77 959</b>	<b>86 243</b>
<b>Total assets</b>	<b>133 407</b>	<b>89 984</b>	<b>89 180</b>	<b>93 095</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	<b>1 318</b>	769	791	769
Short-term borrowings .....	<b>796</b>	796	1 309	796
Other current liabilities .....	—	—	76	—
<b>Total current liabilities</b>	<b>2 114</b>	<b>1 565</b>	<b>2 176</b>	<b>1 565</b>
<b>Total liabilities</b>	<b>2 114</b>	<b>1 565</b>	<b>2 176</b>	<b>1 565</b>
<b>Net assets</b>	<b>131 293</b>	<b>88 419</b>	<b>87 004</b>	<b>91 530</b>
<b>Equity</b>				
Retained earnings .....	<b>71 033</b>	37 514	40 061	40 625
Asset revaluation reserve .....	<b>60 260</b>	50 905	46 943	50 905
<b>Total equity</b>	<b>131 293</b>	<b>88 419</b>	<b>87 004</b>	<b>91 530</b>

Balances as at 30 June end of period.

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Taxation .....	<b>18</b>	—	—	—
Intra government transfers .....	<b>28 666</b>	45	—	147
Other grants .....	<b>89</b>	119	89	—
Fees, fines and penalties .....	<b>1 998</b>	1 349	1 122	1 211
Sales of goods and services .....	<b>681</b>	785	558	832
Interest received .....	<b>567</b>	142	71	155
Other receipts .....	<b>944</b>	823	209	1 393
<b>Cash generated from operations</b>	<b>32 963</b>	<b>3 263</b>	<b>2 049</b>	<b>3 738</b>
<i>Cash outflows</i>				
Employee benefit payments .....	<b>402</b>	390	293	373
Payments for supplies and services .....	<b>14 363</b>	3 030	1 231	2 561
Grants and subsidies .....	<b>9 646</b>	4 937	5 209	5 009
Intra government transfers .....	<b>40 504</b>	1 543	580	1 471
Other payments .....	<b>1 111</b>	6 005	96	11 018
<b>Cash used in operations</b>	<b>66 026</b>	<b>15 905</b>	<b>7 409</b>	<b>20 432</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	<b>22 072</b>	5 350	5 275	5 125
<b>Net cash provided by SA Government</b>	<b>22 072</b>	<b>5 350</b>	<b>5 275</b>	<b>5 125</b>
<b>Net cash provided by (+) / used in (-) operating activities</b>	<b>-10 991</b>	<b>-7 292</b>	<b>-85</b>	<b>-11 569</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment .....	<b>937</b>	6 465	96	9 085
<b>Cash generated from investing activities</b>	<b>937</b>	<b>6 465</b>	<b>96</b>	<b>9 085</b>
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	<b>3</b>	130	—	70
<b>Cash used in investing activities</b>	<b>3</b>	<b>130</b>	<b>—</b>	<b>70</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>934</b>	<b>6 335</b>	<b>96</b>	<b>9 015</b>

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>FINANCING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Proceeds from restructuring activities .....	17 729	—	—	—
<b>Cash generated from financing activities</b>	<b>17 729</b>	—	—	—
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>17 729</b>	—	—	—
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>7 672</b>	<b>-957</b>	<b>11</b>	<b>-2 554</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>5 192</b>	<b>6 149</b>	<b>10 524</b>	<b>8 703</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>12 864</b>	<b>5 192</b>	<b>10 535</b>	<b>6 149</b>
<b>NON CASH TRANSACTIONS:</b>				
Assets received (+) / donated (-) free of charge .....	5 250	—	—	2 862

## **AGENCY: DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

### **Financial commentary — major variations**

The Department for Environment and Heritage (DEH) program structure has been reviewed as part of the machinery of government changes that resulted in the formation of the Department of Environment and Natural Resources (DENR) from 1 July 2010.

The following commentary relates to the agency financial statements presented in the previous section.

#### ***Statement of comprehensive income — controlled***

The \$5.8 million decrease in expenditure between the 2009-10 Estimated Result and the 2010-11 Budget is primarily a result of:

- once-off expenditure relating to targeted voluntary separation package payments in 2009-10 (\$7.1 million);
- decrease in expenditure in 2010-11 related to Lower Lakes and Coorong projects (\$6.7 million);
- once-off expenditures in 2009-10 primarily funded by external parties and other government bodies (\$4.2 million);
- decrease in expenditure due to FTE savings implemented by the department for 2010-11, as announced in the 2008-09 Mid-Year Budget Review (\$2.5 million); and
- decrease in expenditure relating to savings as part of the 2010-11 Budget process (\$5 million).

Partially offset by:

- increase in expenditure relating to the transfer of NRM and State Flora functions of the Department of Water, Land and Biodiversity Conservation (DWLBC) to DENR (\$17.8 million); and
- increase in expenditure related to Shared Services SA price review for 2010-11 (\$1.5 million).

The \$4.6 million increase in revenue between the 2009-10 Estimated Result and the 2010-11 Budget is primarily a result of the following:

- increase in revenue in 2010-11 related to Lower Lakes and Coorong projects (\$5.2 million);
- increase in revenue relating to the transfer of NRM and State Flora functions of DWLBC to DENR (\$4.3 million); and
- increase in revenue relating to cost recovery as part of the 2010-11 Budget process (\$1.1 million).

Partially offset by:

- once-off revenues in 2009-10 primarily funded by external parties and other government bodies (\$4.2 million); and

- once-off revenues in 2009-10 primarily funded by external parties and other government bodies for capital works (\$1.8 million).

The following discussion relates to variations between the 2009-10 Budget and the 2009-10 Estimated Result.

The \$37.2 million increase in expenditure is primarily the result of:

- increase in expenditure related to Lower Lakes and Coorong projects (\$19.0 million);
- once-off expenditure relating to targeted voluntary separation package payments (\$7.1 million); and
- once-off expenditure funded by external parties and other government bodies (\$5.5 million).

The \$20.5 million increase in revenue is primarily the result of:

- increase in revenue related to Lower Lakes and Coorong projects (\$13.1 million); and
- once-off revenue funded by external parties and other government bodies (\$5.6 million).

### ***Statement of financial position — controlled***

The \$5.0 million decrease in current assets between the 2009-10 Estimated Result and the 2010-11 Budget, is primarily due to a decline in the accrual appropriation excess funds account (\$11.8 million) as a result of the annual Department of Treasury and Finance review. This is partially offset by the delay in receipt of cash for the Coorong and Lower Lakes Early Works project (\$5.9 million) and the transfer in of State Flora inventory from 2010-11 (\$1.2 million).

Non-current assets will increase by \$9.7 million in 2010-11, primarily due to the extended capital investment program of the department and assets from State Flora which were transferred in from DWLBC (\$1.9 million).

Current liabilities will decrease by \$0.9 million primarily due to a reduction in salaries and wages liability in 2010-11.

Non-current liabilities will increase by \$4.1 million primarily due to growth in accruing leave entitlements and the transfer in of long service leave entitlements from DWLBC (\$2.0 million).

### ***Statement of cash flows — controlled***

The commentary regarding the statement of comprehensive income above provides information regarding the major variations for the cash flow movement from operating activities.

The \$11.5 million increase in investing payments in 2010-11 is primarily due to the construction of the sand infrastructure for the Adelaide Living Beaches project (\$13.0 million).

### ***Income statement — administered items***

The \$50.1 million increase in expenditure between the 2009-10 Estimated Result and the 2010-11 Budget is primarily a result of the following:

- an increase in expenditure relating to the transfer of NRM functions from DWLBC to the department (\$57.5 million). These functions include the NRM Fund, State NRM Program, National Action Plan for Salinity and Water Quality, Natural Heritage Trust, Caring for our Country and the Native Vegetation Fund.

Partially offset by:

- payments to Consolidated Account in 2009-10 relating to the sale of surplus Crown lands (\$5.8 million);
- carryovers into 2009-10 for Adelaide Botanic Garden Western Entrance (\$0.3 million), Museum of Economic Botany (\$0.2 million), Dog and Cat Management Fund (\$0.2 million) and Board of the Botanic Gardens and State Herbarium (\$0.2 million); and
- decrease in expenditure relating to savings as part of the 2010-11 Budget process (\$0.2 million).

The \$35.0 million increase in revenue between the 2009-10 Estimated Result and the 2010-11 Budget is primarily a result of the following:

- increase in revenue relating to the transfer of NRM functions from DWLBC to the department (\$29.7 million); and
- once-off contributed asset revenue in 2010-11 for the receipt of land at Oaklands Park (\$5.3 million).

#### ***Statement of financial position — administered items***

The \$8.1 million increase in current assets between the 2009-10 Estimated Result and the 2010-11 Budget is primarily due to the transfer in of NRM functions.

Non-current assets will increase by \$35.3 million in 2010-11, primarily due to the transfer of pastoral land from DWLBC (\$32.9 million) and the receipt of land at Oaklands Park (\$5.3 million).

Liabilities will also increase in 2010-11, primarily due to the transfer of NRM functions from DWLBC to the department (\$0.5 million).

#### ***Statement of cash flows — administered items***

The major variations described in the statement of comprehensive income also influence the statement of cash flows.

The \$5.5 million decrease in investing receipts between the 2009-10 Estimated Result and the 2010-11 Budget is primarily due to additional sales of surplus Crown lands in 2009-10.

#### ***Additional information for administered items***

Detailed information on administered items is included in the following table.

**Additional information for administered items  
Department of Environment and Natural Resources**

**Statement of cash flows**

	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<b>CASH FLOWS FROM:</b>				
<b>Operating activities</b>				
<i>Cash inflows</i>				
Taxation —				
NRM Fund.....	18	—	—	—
Intra-government Transfers —				
Botanic Gardens and State Herbarium Board.....	—	—	—	138
Dog and Cat Management Board.....	—	—	—	9
Surplus Land and Property Sales Account.....	—	45	—	—
NRM Fund <sup>(a)</sup> .....	11 320	8 684	8 756	8 446
Caring for Our Country.....	17 346	17 492	—	18 980
Native Vegetation Fund.....	—	916	916	572
Grants —				
Botanic Gardens and State Herbarium Board.....	89	119	89	—
NAP for Salinity and Water Quality.....	—	712	—	429
Natural Heritage Trust.....	—	635	—	498
Complementary State NRM Program.....	—	—	—	263
Sales of Goods and Services —				
Botanic Gardens and State Herbarium Board.....	671	785	531	796
Coast Protection Fund.....	—	—	27	31
Dog and Cat Management Board.....	—	—	—	5
Natural Heritage Trust.....	—	471	—	—
Native Vegetation Fund.....	10	10	10	16
Fees, Fines and Penalties —				
Dog and Cat Management Board.....	1 289	1 282	1 075	1 150
Botanic Gardens and State Herbarium Board.....	64	47	47	61
Coast Protection Fund.....	20	20	—	—
Native Vegetation Fund.....	625	624	641	2 214
NRM Fund.....	—	—	1 159	457
Interest —				
Botanic Gardens and State Herbarium Board.....	121	121	50	122
Dog and Cat Management Board.....	21	21	21	33
Native Vegetation Fund.....	190	270	270	346
NAP for Salinity and Water Quality.....	235	373	—	1 167
NRM Fund.....	—	—	—	151
State Government — Appropriation —				
Coast Protection Fund.....	508	565	565	479
Royal Zoological Society of SA Inc.....	3 126	3 126	3 126	3 126
War Concessions.....	8	8	8	—
Minister's Salary.....	251	246	261	244

**Additional information for administered items  
Department of Environment and Natural Resources**

**Statement of cash flows**

	<b>2010-11 Budget \$000</b>	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
Adelaide City Council Parklands.....	1 356	1 315	1 315	1 276
Surplus Land and Property Sales Account.....	—	90	—	—
NRM Fund.....	400	2 676	2 676	2 620
Native Vegetation Fund.....	956	933	647	550
Payroll Tax Subsidy Paid to NRM Boards.....	1 035	1 002	1 002	978
NAP for Salinity and Water Quality .....	1 919	—	—	—
Complementary State NRM Program.....	12 500	14 500	—	16 000
Pastoral Board .....	13	13	13	3
Other —				
Botanic Gardens and State Herbarium Board.....	944	823	209	1 393
Native Vegetation Fund.....	—	—	—	31
<b>Cash generated from operations</b>	<b>55 035</b>	<b>57 924</b>	<b>23 414</b>	<b>62 584</b>

**Cash outflows**

Employee Payments —

Botanic Gardens and State Herbarium Board.....	90	85	32	77
Minister's salary .....	251	246	261	244
Dog and Cat Management Board.....	61	59	—	40
Coast Protection Fund .....	—	—	—	12

Supplies and Services —

Botanic Gardens and State Herbarium Board.....	1 083	920	288	208
Coast Protection Fund .....	111	111	65	82
Dog and Cat Management Board.....	1 247	1 452	870	630
War Concessions .....	8	8	8	8
Surplus Land and Property Sales Account.....	93	539	—	1 633
Native Vegetation Fund.....	69	167	167	140
Pastoral Board .....	10	10	10	10
NRM Fund.....	—	—	—	25
Complementary State NRM Program.....	11 742	—	—	—

Grants and Transfers —

Botanic Gardens and State Herbarium Board.....	580	1 558	595	1 469
Coast Protection Fund .....	505	475	527	420
Dog and Cat Management Board.....	—	6	226	189
Royal Zoological Society of SA Inc .....	3 126	3 126	3 126	3 126
Adelaide City Council Parklands.....	1 356	1 315	1 315	1 276
NRM Fund.....	11 738	11 432	11 503	11 006
Natural Heritage Trust.....	2 256	93	2 517	4 213
NAP for Salinity and Water Quality.....	8 542	7 612	—	8 863
Caring for Our Country .....	17 492	19 297	—	17 148

**Additional information for administered items  
Department of Environment and Natural Resources**

**Statement of cash flows**

	<b>2010-11 Budget \$000</b>	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
Complementary State NRM Program.....	758	14 500	—	15 580
Payroll Tax Subsidy Paid to NRM Boards .....	1 035	1 002	1 002	1 176
Native Vegetation Fund.....	2 762	2 936	4 936	1 859
Other —				
Surplus Land and Property Sales Account.....	193	5 971	96	10 984
Botanic Gardens and State Herbarium Board .....	35	34	—	34
NAP for Salinity and Water Quality.....	883	—	—	—
Native Vegetation Fund.....	—	—	—	25
<b>Cash used in operations</b>	<b>66 026</b>	<b>72 954</b>	<b>27 544</b>	<b>80 477</b>
<b>Net cash provided by (+) / used in (-) operating activities</b>	<b>-10 991</b>	<b>-15 030</b>	<b>-4 130</b>	<b>-17 893</b>
<b>Investing activities</b>				
<i>Cash inflows</i>				
Surplus Land and Property Sales Account.....	937	6 465	96	9 085
<b>Cash generated from investing activities</b>	<b>937</b>	<b>6 465</b>	<b>96</b>	<b>9 085</b>
<i>Cash outflows</i>				
Botanic Gardens and State Herbarium Board .....	—	40	—	70
Surplus Land and Property Sales Account.....	—	90	—	—
Pastoral Board .....	3	3	3	—
<b>Cash used in investing activities</b>	<b>3</b>	<b>133</b>	<b>3</b>	<b>70</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>934</b>	<b>6 332</b>	<b>93</b>	<b>9 015</b>
<b>Financing activities</b>				
<i>Cash inflows</i>				
Proceeds from Restructuring Activities.....	17 729	—	—	—
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>17 729</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>7 672</b>	<b>-8 698</b>	<b>-4 037</b>	<b>-8 878</b>
<b>Opening cash balance as at 1 July</b>	<b>5 192</b>	<b>31 619</b>	<b>26 357</b>	<b>40 497</b>
<b>Closing cash balance as at 30 June</b>	<b>12 864</b>	<b>22 921</b>	<b>22 320</b>	<b>31 619</b>

## Additional information for administered items

### Reconciliation to statement of cash flows

	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<b>Reconciliation to operating receipts</b> (as per administered items statement of cash flows)				
<b>Operating receipts</b> (as per additional information for administered items) .....				
	55 035	57 924	23 414	62 584
<i>Less:</i> Receipts transferred in from Department of Water, Land and Biodiversity Conservation administered items				
Various NRM Functions .....	—	49 311	16 090	53 721
<b>Equals: Operating receipts</b> (as per administered items statement of cash flows)	<b>55 035</b>	<b>8 613</b>	<b>7 324</b>	<b>8 863</b>
<b>Reconciliation to operating payments</b> (as per administered items statement of cash flows)				
<b>Operating payments</b> (as per additional information for administered items) .....				
	66 026	72 954	27 544	80 477
<i>Less:</i> Payments transferred in from Department of Water, Land and Biodiversity Conservation administered items				
Various NRM Functions .....	—	57 049	20 135	60 045
<b>Equals: Operating payments</b> (as per administered items statement of cash flows)	<b>66 026</b>	<b>15 905</b>	<b>7 409</b>	<b>20 432</b>
<b>Reconciliation to investing activities</b> (as per administered items statement of cash flows)				
<b>Investing activities</b> (as per additional information for administered items) .....				
	934	6 332	93	9 015
<i>Less:</i> Costs transferred in Department of Water, Land and Biodiversity Conservation administered items				
Various NRM Functions .....	—	-3	-3	—
<b>Equals: Investing activities</b> (as per administered items statement of cash flows)	<b>934</b>	<b>6 335</b>	<b>96</b>	<b>9 015</b>

- (a) The NRM Fund was transferred from the Department for Water (DFW) on 1 July 2010. In previous years, NRM water levy revenue was recognised as taxation revenue in DFW. From 2010-11, DFW will collect the NRM water levy and transfer it to DENR for receipt into the NRM Fund.

The intra-government transfer for the NRM Fund includes \$5.3 million 2009-10 Estimated Result, \$5.3 million 2009-10 Budget and \$5.1 million 2008-09 Actual, previously recognised as NRM water levy taxation revenue by DFW.

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# PORTFOLIO: ENVIRONMENT

## AGENCY: ENVIRONMENT PROTECTION AUTHORITY

### Objective

To achieve a clean, healthy and valued environment that supports social and economic wellbeing for all South Australians now and into the future.

### 2010-11 Targets/2009-10 Highlights

Targets 2010-11	Highlights 2009-10
<ul style="list-style-type: none"> <li>• Implement the first year of the three year implementation program for the Environment Protection (Waste to Resources) Policy</li> <li>• Continue implementing third party accredited testing of X-ray apparatus (stages two to four)</li> <li>• Work actively with South Australian businesses to expand on the sustainable licence program that promotes beyond compliance and sustainability outcomes</li> <li>• Work with key stakeholders to address water quality environmental values (EVs) incorporated into the Murray-Darling Basin Plan</li> <li>• Complete and implement the Code of Practice for Managed Aquifer Recharge and the Code of Practice for Industrial Retail and Commercial Premises</li> <li>• Complete a consultative review of the Guidelines for the Site Contamination Audit System and the Guidelines for Assessment and Remediation of Groundwater Contamination</li> <li>• Complete further changes to Schedule 1 of the <i>Environment Protection Act 1993</i> for activities of environmental significance and prepare implementation plan</li> <li>• Consult on a revised Environment Protection (Water Quality) Policy</li> <li>• Implement changes to allow for responding to new questions under the <i>Land and Business (Sale and Conveyancing) Act 1994</i></li> <li>• Provide management, scientific and operational input into the delivery of the Save the River Murray program and the SA Drought Response program</li> <li>• Develop and publish water quality report cards in conjunction with other portfolio partners and in support of <i>Water For Good</i> Action 46</li> </ul>	<ul style="list-style-type: none"> <li>• Launched new sustainability licences, which include voluntary sustainability commitments to augment traditional mandatory regulatory requirements — issued to New Castalloy and Yalumba</li> <li>• Implemented the site contamination provisions of the <i>Environment Protection Act 1993</i></li> <li>• Implemented revised State Ambient Water Quality Monitoring Program incorporating the use of water quality report cards and drafted first 84 report cards for release in late 2010</li> <li>• Completed identification of agreed EVs for water quality in the Adelaide and Mount Lofty Ranges Natural Resources Management (NRM) region and commenced identification of EVs in the SA Murray-Darling Basin NRM region as per <i>Water for Good</i> Action 63</li> <li>• Achieved major stakeholder commitment to water quality targets from the Adelaide Coastal Waters Study and reflected this in the revision of the Adelaide Coastal Water Quality Improvement Plan, in preparation for its release, part of <i>Water for Good</i> Action 49</li> <li>• Developed draft Managed Aquifer Recharge Code of Practice</li> <li>• Completed a comprehensive business case for cost effective reform of EPA’s licensing IT system</li> <li>• Completed Waste to Resources Environment Protection Policy and issued standards to provide greater clarity for waste and resource recovery industry</li> <li>• Consolidated all <i>Environment Protection Act 1993</i> regulations</li> <li>• Received approval to add desalination to Schedule 1 of the <i>Environment Protection Act 1993</i> for activities of environmental significance</li> <li>• Undertook internal consultation on a policy for complaints management and internal review of decisions</li> <li>• Commenced roll out of stage two of the third party accredited testing program for registration of medical, chiropractic and veterinary X-ray apparatus used for plain film radiography</li> <li>• Provided management, scientific and operational input into the delivery of the Save the River Murray program and the SA Drought Response program</li> <li>• Implemented the Code of Practice for Vessel and Facility Management (Marine and Inland Waters), including new greywater management requirements for all vessels operating on South Australian waters</li> </ul>

## Program net cost of services summary

Program	Net Cost of Services			
	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
1. Environment and Radiation Protection.....	3 578	6 612	2 124	5 300
<b>Total</b>	<b>3 578</b>	<b>6 612</b>	<b>2 124</b>	<b>5 300</b>

## Investing expenditure summary

Investments	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<i>New projects</i>				
Licensing IT System .....	1 500	—	—	—
Accommodation Fit-out .....	—	187	—	4 224
<b>Total new projects</b>	<b>1 500</b>	<b>187</b>	<b>—</b>	<b>4 224</b>
<i>Annual programs</i>				
<b>Total annual programs</b>	<b>541</b>	<b>810</b>	<b>528</b>	<b>512</b>
<b>Total investing expenditure</b>	<b>2 041</b>	<b>997</b>	<b>528</b>	<b>4 736</b>

## AGENCY: ENVIRONMENT PROTECTION AUTHORITY

### Program information

**Program 1:**                    *Environment and Radiation Protection*

**Description/Objective:**        To achieve a clean, healthy and valued environment that supports social and economic wellbeing for all South Australians now and into the future.

### Summary income statement

<b>Program 1: Environment and Radiation Protection</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	19 518	21 751	19 060	19 191
Supplies and Services .....	6 812	7 693	7 070	8 032
Grants and Subsidies .....	147	363	150	401
Depreciation and Amortisation.....	1 499	1 364	1 361	849
Other.....	11 486	12 103	11 773	12 061
<b>Total expenses</b>	<b>39 462</b>	<b>43 274</b>	<b>39 414</b>	<b>40 534</b>
<b>Income</b>				
Sale of Goods and Services .....	164	265	402	379
Fees, Fines and Penalties .....	35 094	35 205	36 357	33 275
Commonwealth Revenue.....	90	291	—	377
Other.....	536	901	531	1 203
<b>Total income</b>	<b>35 884</b>	<b>36 662</b>	<b>37 290</b>	<b>35 234</b>
<b>Net cost of providing services</b>	<b>3 578</b>	<b>6 612</b>	<b>2 124</b>	<b>5 300</b>

## Sub-program information

<b>Sub-program 1.1: Environment Protection</b>				
<p>Environmental Goals — these goals have a long time horizon and are met through both direct EPA regulatory and policy effort as well as through collaboration with others in government, industry and the community. The environmental goals associated with the purpose and objectives for this sub-program are:</p> <ul style="list-style-type: none"> <li>• clean and healthy air;</li> <li>• land and water that is fit for purpose;</li> <li>• communities protected from unacceptable noise; and</li> <li>• sustainable use of resources.</li> </ul> <p>The Environment Protection Authority (EPA) exercises the powers, functions and duties of the <i>Environment Protection Act 1993</i> to minimise, monitor and evaluate human impacts on the environment by:</p> <ul style="list-style-type: none"> <li>• administering and enforcing the Act;</li> <li>• licensing, inspecting and auditing activities that have an impact on the environment;</li> <li>• undertaking environmental assessment of new developments;</li> <li>• delivering avoidance and reduction programs for water, catchments, air, noise and waste;</li> <li>• promoting industry eco-efficiency training programs;</li> <li>• providing support to local government;</li> <li>• monitoring and reporting on air and water quality;</li> <li>• assessing and reporting on industry monitoring programs;</li> <li>• delivery of a program of works to improve water quality in the Mount Lofty Ranges watershed and Murraylands;</li> <li>• development of statutory and non-statutory environmental policies; and</li> <li>• undertaking state of the environment reporting.</li> </ul>				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	\$3 827 000 <sup>(a)</sup>	\$6 402 000	\$2 064 000	\$5 432 000
<b>Performance Commentary</b>				
<p>The new EPA Board established a new EPA strategic plan 2009–2012, which took effect on 1 July 2009. The plan set revised strategic priorities to better focus the EPA's efforts in pursuing the environmental goals. The strategic priorities are:</p> <ul style="list-style-type: none"> <li>• business success and sustainability;</li> <li>• more effective relationships;</li> <li>• improved regulation;</li> <li>• a reputation for excellence; and</li> <li>• supporting our people.</li> </ul> <p>The EPA Board continued its consultative program with stakeholders during 2009-10 including its key forum, the EPA Round Table, held in June 2010. This year's EPA Round Table theme was 'getting the balance right', and sought feedback from a diverse cross section of the South Australian public (industry, state and local government, community) on whether the EPA's balance between environmental, social and economic considerations was right and gathered views on better ways to achieve balanced outcomes for environment protection and enhancement.</p>				
	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
<b>Performance Indicators</b>				
<p>Improve air quality as indicated by the number of days per calendar year where the air quality NEPM PM<sub>10</sub> particle standard of 50 micrograms of particles per cubic meter air is exceeded at the following sites<sup>(b)</sup>:</p> <ul style="list-style-type: none"> <li>• LeFevre</li> <li>• Christie Downs</li> <li>• Elizabeth</li> <li>• Netley</li> </ul>	<p>No more than 5</p> <p>No more than 5</p> <p>No more than 5</p> <p>No more than 5</p>	<p>6 exceedence days</p> <p>7 exceedence days</p> <p>4 exceedence days</p> <p>6 exceedence days</p>	<p>No more than 5</p> <p>No more than 5</p> <p>No more than 5</p> <p>No more than 5</p>	<p>4 exceedence days</p> <p>1 exceedence day</p> <p>10 exceedence days</p> <p>4 exceedence days</p>

<b>Sub-program 1.1: Environment Protection <i>continued</i></b>				
<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
Improved air quality in Port Pirie as measured by the annual average concentration for airborne lead:				
• Frank Green Park <sup>(c)</sup>	Not to exceed 0.5 µg/m <sup>3</sup>	0.21 µg/m <sup>3</sup>	Not to exceed 0.5 µg/m <sup>3</sup>	0.16 µg/m <sup>3</sup>
• Port Pirie Ellen Street <sup>(d)(e)</sup>	Not to exceed 2.0 µg/m <sup>3</sup>	2.49 µg/m <sup>3(f)</sup>	Not to exceed 2.2 µg/m <sup>3</sup>	
• Port Pirie Oliver Street <sup>(e)</sup>	Not to exceed 0.5 µg/m <sup>3</sup>	0.32 µg/m <sup>3</sup>	Not to exceed 0.5 µg/m <sup>3</sup>	0.40 µg/m <sup>3</sup>
• Pirie West Primary School <sup>(e)</sup>	Not to exceed 0.5 µg/m <sup>3</sup>	0.63 µg/m <sup>3(f)</sup>	Not to exceed 0.5 µg/m <sup>3</sup>	0.38 µg/m <sup>3</sup>
Improve air quality in Whyalla as indicated by a decrease in the number of exceedences of the air quality NEPM PM <sub>10</sub> particle standard (50 micrograms of particles per cubic meter air), measured at Schulz Reserve	No more than 5 exceedences	9 exceedence days <sup>(g)</sup>	No more than 5 exceedences	8 exceedence days
% of priority water bodies where community agreed environmental values and water quality objectives have been developed <sup>(h)</sup>	n.a. <sup>(i)</sup>	1 of 8 NRM regions completed (12.5%) and 1 region commenced <sup>(i)</sup>	2 of 8 of NRM regions completed (25%)	Process commenced for 2 of 8 NRM regions
% of water bodies meeting water quality objectives	n.a. <sup>(i)</sup>	n.a. <sup>(k)</sup>	40%	25%
Minimise industrial emission loads to air and water across South Australia as indicated by:				
• % change per financial year reported for calculated key pollutant loads of air and water emissions from major point sources and licensees reporting to the National Pollutant Inventory in both years over the 5-year timeframe	No increase	Decreases in all water discharges and decreases in all air emissions <sup>(l)</sup>  Comparing 2008–09 to 2003–04	No increase	Increase in Zn for water discharges and increases in CO, Pb, PM <sub>10</sub> and SO <sub>2</sub> for air emissions <sup>(m)</sup>  Comparing 2007–08 to 2002–03
Ensuring activities of licensees comply with the Act, through the number of inspections of licensed premises, audits and other environmental measures	900 inspections <sup>(n)</sup>	961 inspections <sup>(o)</sup>	1050 inspections	1020 inspections
% of development plan amendment responses made within statutory timeframes	100%	94%	100%	74%
% of development application responses and approvals made within statutory timeframe	100%	96%	100%	96%
Support to local government to deliver local environment protection services	50 councils supported by EPA	50 councils supported by EPA	50 councils supported by EPA	50 councils supported by EPA

continued

**Sub-program 1.1: Environment Protection *continued***

**Footnotes**

- (a) The net cost of the sub-program has reduced significantly in 2010-11 comparing to the 2009-10 Estimated Result. This is mainly due to once-off expenditure in 2009-10 for targeted voluntary separation package reimbursements and for several externally funded projects.
- (b) Data de-aggregated since 2009-10 Portfolio Statement to identify specific sites.
- (c) The National Environment Protection Measure (NEPM) Standard is 0.5 micrograms per metre cubed ( $\mu\text{g}/\text{m}^3$ ).
- (d) Indicator commenced in 2009-10.
- (e) The target is a progressive reduction of airborne lead, based on the actual figures to the NEPM Standard.
- (f) Results are due to plant stability issues experienced during September 2009 to March 2010. EPA is currently investigating.
- (g) Exceedence days attributed as follows: two days industry, three days wind blown dust, four days local development.
- (h) Priority water bodies include the major inland surface and groundwater resources and marine waters.
- (i) 2009-10 was the last year for this indicator.
- (j) NRM regions are the natural resources management regions as defined in the *Natural Resources Management Act 2004*. Adelaide Mount Lofty Ranges completed, SA Murray-Darling Basin commenced but on hold due to drought and pending release of Murray-Darling Basin Plan.
- (k) Monitoring method discontinued due to implementation of revised State Ambient Water Quality Monitoring Program. New measurement process under development as part of water quality report cards. See targets 2010-11 final point regarding water quality report cards.
- (l) Decrease in levels for water: Cu (27%), Pb (37%), TN (20%), TP (7%) and Zn (18%) for National Pollutant Inventory (NPI) report comparing 2004 and 2009 financial years. Decrease in levels for air: Nox (3%), TVOCs (35%), CO (5%), Pb (6%),  $\text{PM}_{10}$  (13%),  $\text{SO}_2$  (1%) for NPI report comparing 2004 and 2009 financial years.
- (m) Decrease of levels in water (Cu, Pb, TN, TP) and air (Nox, TVOCs) for NPI report comparing 2003 and 2008 financial years.
- (n) Target reflects increased focus on higher risk and more complex sites.
- (o) The figures listed include all inspections. Result due to increased focus on higher risk and more complex sites in 2009-10.

## Sub-program 1.2: Radiation Protection

Environmental Goals — these goals have a long time horizon and are met through both direct EPA regulatory and policy effort as well as through collaboration with others in government, industry and the community. The environmental goal associated with the purpose and objectives for this sub-program is:

- communities protected from unacceptable radiation.

The EPA exercises the powers, functions and duties of the *Radiation Protection and Control Act 1982* to minimise adverse impacts of radiation on human health and the environment by:

- administration and enforcement of the Act;
- assessment of applications for new radiation sources, premises and users;
- monitoring and surveillance of radiation management at operating uranium mines and former mining and milling sites;
- monitoring and surveillance of radiation use by industry, science, medicine, the public and in the environment;
- development of options and assessment of proposals for radioactive waste management;
- assessment of proposals for new projects involving radiation or radioactive materials;
- development and review of statutory and non-statutory radiation protection policies; and
- provision of advice on ionising and non-ionising radiation protection to government departments, workers, industry and the public.

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
<b>Net Cost of Sub-program</b>	-\$249 000 <sup>(a)</sup>	\$210 000 <sup>(b)</sup>	\$60 000	-\$132 000

### Performance Commentary

In 2009-10 the EPA in its Radiation Protection Program:

- continued to develop protocols for the program for accredited third party compliance testing of X-ray apparatus;
- assessed licences and approvals for uranium mines;
- provided presentations, education and training to the public, the International Atomic Energy Authority, professional bodies, and emergency services; and
- contributed to national codes and guidelines.

Performance Indicators	2010-11 Target	2009-10 Estimated Result	2009-10 Target	2008-09 Actual
Ensure radioactive sources, premises and users of radiation comply with the <i>Radiation Protection and Control Act 1982</i> through assessments, inspections and audits	100% of new applications for registration of radioactive sources and premises assessed	100% of new sources and user applications assessed	100% of new sources and user applications assessed	100% of new sources and user applications assessed
Ensure licensed uranium mines and proposals for new projects comply with the <i>Radiation Protection and Control Act 1982</i>	100% of radiation reports from uranium mines and all new projects are assessed	100% of radiation reports from uranium mines and all new projects are assessed	100% of radiation reports from uranium mines and all new projects are assessed	100% of radiation reports from uranium mines and all new projects are assessed
Ensure X-ray machines comply with regulations	80% of all new dental, medical and veterinary X-ray machines registered in a timely fashion <sup>(c)</sup>	100% high risk machines registered and 50% new low risk machines registered <sup>(d)</sup>	100% high risk machines and 80% of new low risk machines registered in a timely fashion <sup>(e)</sup>	100% high risk machines registered and 20% new low risk machines registered

### Footnotes

- (a) There is a negative net cost to the sub-program in the 2010-11 Budget as a result of increased radiation licence fee revenue.
- (b) Mid-year budget review approved revised figure due to licence fee not required from uranium mine not in commercial production.
- (c) Within six months of application (metro apparatus) or 12 months of application (rural and remote apparatus). New description of machine type in place for reporting from 2010-11. Note that machines previously classed as 'high risk' will continue to be given priority for 100% registration within appropriate timeframe.
- (d) Number of new machines to be registered each year has doubled compared to four years ago from 158 in 2005-06 to 320 in 2008-09 and 334 in 2009-10. New system of third-party accreditation currently being implemented will continue to improve percentages as each new stage is rolled out. Stages two to four to be implemented in 2010-11.
- (e) Within two months of application (metro apparatus) or four months of application (rural and remote apparatus).

**ENVIRONMENT PROTECTION AUTHORITY**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	<b>15 895</b>	16 075	18 029	15 439
Long service leave .....	<b>720</b>	720	577	424
Payroll tax .....	<b>797</b>	819	54	891
Superannuation .....	<b>1 394</b>	1 446	179	1 884
Other .....	<b>712</b>	2 691	221	553
Supplies and services —				
General supplies and services .....	<b>6 812</b>	7 693	7 070	8 032
Consultancy expenses .....	—	—	—	10
Depreciation and amortisation expenses .....	<b>1 499</b>	1 364	1 361	849
Grants and subsidies .....	<b>147</b>	363	150	401
Intra government transfers .....	<b>11 258</b>	11 875	11 623	11 951
Other expenses .....	<b>228</b>	228	150	100
<b>Total expenses</b>	<b>39 462</b>	<b>43 274</b>	<b>39 414</b>	<b>40 534</b>
<b>Income</b>				
Commonwealth revenues .....	<b>90</b>	291	—	377
Intra government transfers .....	<b>434</b>	802	432	1 326
Fees, fines and penalties .....	<b>35 094</b>	35 205	36 357	33 275
Sales of goods and services .....	<b>164</b>	265	402	379
Interest revenues .....	<b>102</b>	99	99	132
Net gain or loss from disposal of assets .....	—	—	—	-328
Other income .....	—	—	—	73
<b>Total income</b>	<b>35 884</b>	<b>36 662</b>	<b>37 290</b>	<b>35 234</b>
<b>Net cost of providing services</b>	<b>3 578</b>	<b>6 612</b>	<b>2 124</b>	<b>5 300</b>
<b>Income from / Expenses to SA Government</b>				
Income —				
Appropriation .....	<b>3 578</b>	4 412	2 957	3 852
Other income .....	—	2 121	—	15
<b>Net income from / Expenses to SA Government</b>	<b>3 578</b>	<b>6 533</b>	<b>2 957</b>	<b>3 867</b>
<b>Total comprehensive result</b>	<b>—</b>	<b>-79</b>	<b>833</b>	<b>-1 433</b>

**ENVIRONMENT PROTECTION AUTHORITY**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	4 436	5 067	8 519	5 123
Receivables .....	2 090	2 090	2 375	2 090
Other current assets .....	207	88	80	88
<b>Total current assets</b>	<b>6 733</b>	<b>7 245</b>	<b>10 974</b>	<b>7 301</b>
<i>Non current assets</i>				
Financial assets .....	—	—	5	—
Land and improvements .....	4 753	5 279	5 228	5 618
Plant and equipment .....	2 271	1 072	2 077	969
Heritage assets .....	—	—	2	—
Intangible assets .....	906	1 037	363	1 168
<b>Total non-current assets</b>	<b>7 930</b>	<b>7 388</b>	<b>7 675</b>	<b>7 755</b>
<b>Total assets</b>	<b>14 663</b>	<b>14 633</b>	<b>18 649</b>	<b>15 056</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	1 691	1 786	2 378	1 814
Employee benefits —				
Salaries and wages .....	—	485	368	485
Annual leave .....	1 140	1 138	1 175	1 192
Long service leave .....	599	609	288	584
Short-term provisions .....	23	27	35	27
Other current liabilities .....	81	81	52	81
<b>Total current liabilities</b>	<b>3 534</b>	<b>4 126</b>	<b>4 296</b>	<b>4 183</b>
<i>Non current liabilities</i>				
Long-term employee benefits —				
Long service leave .....	3 224	2 732	3 785	2 954
Long-term provisions .....	171	82	92	80
Other non-current liabilities .....	777	844	799	911
<b>Total non-current liabilities</b>	<b>4 172</b>	<b>3 658</b>	<b>4 676</b>	<b>3 945</b>
<b>Total liabilities</b>	<b>7 706</b>	<b>7 784</b>	<b>8 972</b>	<b>8 128</b>
<b>Net assets</b>	<b>6 957</b>	<b>6 849</b>	<b>9 677</b>	<b>6 928</b>
<b>Equity</b>				
Contributed capital .....	3 195	3 087	3 087	3 087
Retained earnings .....	2 540	2 540	5 368	2 619
Asset revaluation reserve .....	1 222	1 222	1 222	1 222
<b>Total equity</b>	<b>6 957</b>	<b>6 849</b>	<b>9 677</b>	<b>6 928</b>

Balances as at 30 June end of period.

## ENVIRONMENT PROTECTION AUTHORITY

### Statement of cash flows

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Employee benefit payments .....	19 653	22 033	18 827	19 198
Payments for supplies and services .....	6 879	7 760	7 137	8 406
Grants and subsidies .....	147	363	150	401
Intra government transfers .....	11 258	11 875	11 623	11 951
Other payments .....	223	223	145	86
<b>Cash used in operations</b>	<b>38 160</b>	<b>42 254</b>	<b>37 882</b>	<b>40 042</b>
<i>Cash inflows</i>				
Intra government transfers .....	434	802	432	1 326
Commonwealth receipts .....	90	291	—	377
Fees, fines and penalties .....	35 094	35 205	36 357	33 275
Sales of goods and services .....	164	265	402	649
Interest received .....	102	99	99	139
Other receipts .....	—	—	—	67
<b>Cash generated from operations</b>	<b>35 884</b>	<b>36 662</b>	<b>37 290</b>	<b>35 833</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	3 578	4 412	2 957	3 852
Other receipts .....	—	2 121	—	15
<b>Net cash provided by SA Government</b>	<b>3 578</b>	<b>6 533</b>	<b>2 957</b>	<b>3 867</b>
<b>Net cash provided by (+) / used (-) in operating activities</b>	<b>1 302</b>	<b>941</b>	<b>2 365</b>	<b>-342</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	2 041	997	528	4 004
Purchase of intangibles .....	—	—	—	732
<b>Cash used in investing activities</b>	<b>2 041</b>	<b>997</b>	<b>528</b>	<b>4 736</b>
<i>Cash inflows</i>				
Other receipts .....	—	—	—	6
<b>Cash generated from investing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-2 041</b>	<b>-997</b>	<b>-528</b>	<b>-4 730</b>

**ENVIRONMENT PROTECTION AUTHORITY**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>FINANCING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Capital contributions from SA Government .....	<b>108</b>	—	—	3 087
<b>Cash generated from financing activities</b>	<b>108</b>	—	—	<b>3 087</b>
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>108</b>	—	—	<b>3 087</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-631</b>	<b>-56</b>	<b>1 837</b>	<b>-1 985</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>5 067</b>	<b>5 123</b>	<b>6 682</b>	<b>7 108</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4 436</b>	<b>5 067</b>	<b>8 519</b>	<b>5 123</b>

## **AGENCY: ENVIRONMENT PROTECTION AUTHORITY**

### **Financial commentary — major variations**

The following commentary relates to the agency financial statements presented in the previous section. The discussion relates to variations between the 2009-10 Estimated Result and the 2010-11 Budget.

#### ***Statement of comprehensive income — controlled***

##### *Expenditure*

The 2010-11 Budget has decreased by \$3.8 million from the 2009-10 Estimated Result. This has occurred primarily as a result of:

- once-off expenditure in 2009-10 for targeted voluntary separation packages reimbursements (\$2.0 million);
- once-off expenditure in 2009-10 as a result of a number of carryovers from 2008-09 (\$544 000); and
- once-off expenditure in 2009-10 for several external funded projects (\$650 000).

##### *Revenue*

The 2010-11 revenue has decreased by \$778 000 from the 2009-10 Estimated Result. This is mainly due to a once-off increase in 2009-10 in funding received from the Commonwealth Government (\$201 000) and an intra-government transfer (\$449 000) for several projects, such as the Currency Creek/Goolwa Channel Monitoring project.

#### ***Statement of financial position — controlled***

No major variation.

#### ***Statement of cash flows — controlled***

The commentary regarding the income statement above provides information for the major variations for the cash movement from operating activities. The increase in investing expenditure in the 2010-11 Budget is due to new investment (\$1.5 million) to upgrade the EPA's Licensing IT System to achieve efficiency savings through more streamlined processes.



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# PORTFOLIO: ENVIRONMENT

## AGENCY: ZERO WASTE SA

### Objective

To eliminate waste or its consignment to landfill and advance the development of resource recovery and recycling based on an integrated strategy for the state.

### 2010-11 Targets/2009-10 Highlights

Targets 2010-11	Highlights 2009-10
<ul style="list-style-type: none"> <li>• New <i>South Australia's Waste Strategy 2010-15</i> in place by the end of 2010</li> <li>• Provide financial support for the regional implementation program to enhance resource recovery of materials from country South Australia by August 2010</li> <li>• Provide financial support for the food organics incentive scheme to assist local government metro and non-metro councils to implement sustainable and efficient food organics recycling, to be incorporated with the kerbside green organics bin collections by August 2010</li> <li>• Provide financial support for the metropolitan recycling and resource recovery infrastructure investment program, to support recycling and resource recovery businesses to increase the recovery of materials, reduce the amount of waste sent to landfill and create more green jobs in this sector by August 2010</li> <li>• Continue the Wipe Out Waste program for regional and metropolitan schools spanning kindergarten through to primary and secondary schools</li> <li>• Provide increased assistance to industry, businesses, local and state government to implement better resource management, focussing on reducing the amount of waste that is sent to landfill by minimising resource use, and the energy and water tied up in using resources, so that it reaches up to approximately 150 sites and 60 companies in 2010-11</li> <li>• Continue the household and farm chemicals collection service across South Australia with up to 12 collections planned for 2010-11</li> <li>• Provide further financial support to metro and non-metro councils to assist householders to recycle a number of problematic wastes, including the phase-out of analogue televisions, computers and other electronic waste (e-waste)</li> <li>• Provide financial support to pilot a South Australian light globe recycling program that will provide households across the state with a convenient and responsible way to dispose of their fluoro light globes and mercury containing lamps</li> <li>• Continue funding support to UniSA in partnering the Zero Waste Centre of Excellence as a focal point for waste related research and build long-term capacity to undertake activities at the higher end of the waste hierarchy</li> </ul>	<ul style="list-style-type: none"> <li>• Completed a draft of the new <i>South Australia's Waste Strategy 2010-2015</i>, for public consultation</li> <li>• Reviewed the regional implementation program to identify potential gaps in resource recovery of materials from country South Australia</li> <li>• Piloted and evaluated domestic food waste collections incorporated with the kerbside green organics bin collections across eight metro and two non-metro councils covering 17 000 households</li> <li>• Provided continued assistance to businesses, institutions, local and state government through the Business Sustainability Alliance (memorandum of understanding between Department of Trade and Economic Development, Environment Protection Authority, SA Water and Zero Waste SA) on reducing the amount of waste that is sent to landfill, by minimising resource use, and the energy and water tied up in using resources</li> <li>• Encouraged effective collection systems to increase recycling from the commercial and industrial sector through continued incentive funding to major waste collectors with financial contribution from the Australian Packaging Covenant</li> <li>• Continued with funding the household and farm chemicals collection services across 11 council areas in South Australia</li> <li>• Continued the Wipe Out Waste program for regional and metropolitan schools spanning kindergarten through to primary and secondary schools</li> <li>• Provided funding for the continued implementation of waste management, resource recovery and recycling pilots in Anangu Pitjantjatjara Yankunytjatjara (APY) Lands communities and homelands with financial contribution from the Australian Government Department for Families, Housing, Community Services and Indigenous Affairs</li> <li>• Continued funding support to UniSA in partnering the Zero Waste Centre of Excellence to be a focal point for waste related research and build long-term capacity to undertake activities at the higher end of the waste hierarchy</li> <li>• Provided grant funding of \$264 948 directed to 46 schools, communities, and not for profit organisations involved with the recycling and recovery of reusable resources</li> </ul>

## Program net cost of services summary

Program	Net Cost of Services			
	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
1. Waste Reduction and Resource Recovery .....	-3 076	-4 044	-3 662	-3 791
<b>Total</b>	<b>-3 076</b>	<b>-4 044</b>	<b>-3 662</b>	<b>-3 791</b>

## Investing expenditure summary

Investments	2010-11	2009-10	2009-10	2008-09
	Budget \$000	Estimated Result \$000	Budget \$000	Actual \$000
<i>Existing projects</i>				
Waste Management Trial — Anangu Pitjantjatjara Yankunytjatjara Lands .....	—	25	60	13
<b>Total existing projects</b>	<b>—</b>	<b>25</b>	<b>60</b>	<b>13</b>
<b>Total investing expenditure</b>	<b>—</b>	<b>25</b>	<b>60</b>	<b>13</b>

## AGENCY: ZERO WASTE SA

### Program information

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**Program 1:**                    *Waste Reduction and Resource Recovery*

**Description/Objective:**        To eliminate waste or its consignment to landfill and advance the development of resource recovery and recycling based on an integrated strategy for the state.

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### Summary income statement

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<b>Program 1: Waste Reduction and Resource Recovery</b>	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	2 223	2 086	1 863	2 049
Supplies and Services .....	2 943	3 693	4 986	4 221
Grants and Subsidies .....	3 869	3 049	1 863	2 593
Depreciation and Amortisation.....	—	—	—	50
Other.....	—	151	—	66
<b>Total expenses</b>	<b>9 035</b>	<b>8 979</b>	<b>8 712</b>	<b>8 979</b>
<b>Income</b>				
Other.....	12 111	13 023	12 374	12 770
<b>Total income</b>	<b>12 111</b>	<b>13 023</b>	<b>12 374</b>	<b>12 770</b>
<b>Net cost of providing services</b>	<b>-3 076</b>	<b>-4 044</b>	<b>-3 662</b>	<b>-3 791</b>

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## Program performance information

<b>Program 1: Waste Reduction and Resource Recovery</b>				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Program</b>	<b>-\$3 076 000</b>	<b>-\$4 044 000</b>	<b>-\$3 662 000</b>	<b>-\$3 791 000</b>
<b>Performance Commentary</b>				
<p>The household hazardous waste and farm chemicals collections program continued in 2009-10. A total of 228.3 tonnes of household hazardous waste and farm chemicals was collected for safe disposal from 5864 members of the public in 11 council areas (five metropolitan and six rural/regional) and from the Dry Creek Hazardous Waste Depot.</p> <p>Continued with grant agreements totalling \$201 814 in 2009-10 directed to local government councils across South Australia that have achieved high performance household kerbside recycling collections. A food waste pilot involving 17 000 households in 10 councils across South Australia was finalised in 2009-10 and showed the potential to reduce kitchen food waste going to landfill. Further grant agreements will be made in 2010-11 for a revised household kerbside recycling program incorporating food waste collections with council kerbside green organics bin collections.</p> <p>Continued with incentive payments totalling \$181 285 to major waste collectors in South Australia to encourage effective collection systems to increase recycling from the commercial and industrial sector. Zero Waste SA will continue with this program in 2010-11 to further encourage effective collection systems to increase recycling from the commercial and industrial sector.</p> <p>Continued with grant agreements totalling \$604 758 directed to the resource recovery and recycling industry to develop and improve the necessary infrastructure capacity within the Adelaide metropolitan area to divert waste from landfill into recycling and resource recovery. Further grant agreement payments and a public call for a new round of metropolitan infrastructure program funding will be made in 2010-11 to expand infrastructure capacity in Adelaide metropolitan area.</p> <p>Continued with regional implementation program grant agreements totalling \$891 071 in 2009-10 directed to local government councils, and the resource recovery and recycling industry, to further develop infrastructure capacity throughout rural/regional South Australia to divert waste from landfill into recycling and resource recovery. Further grant agreement payments and call for a new round of regional implementation funding program will be made in 2010-11 to expand infrastructure capacity in rural/regional South Australia.</p> <p>Provided grant agreements totalling \$304 000 in 2009-10 directed to 11 metropolitan and eight rural/regional councils for collections of televisions, computers, and electronic waste (e-waste) from householders. A total of 421.9 tonnes of televisions, computers, and e-waste was collected from South Australian householders in 2009-10. Further grant agreements will be made in 2010-11 to further support councils collection of televisions, computers, and e-waste, taking into account greater participation from householders and with a focus on those parts of regional South Australia associated with the digital television switchover.</p> <p>Provided grant agreements totalling \$176 582 in 2009-10 directed to 15 businesses and local government councils to obtain better resource management outcomes, focussing on reducing the amount of waste that is sent to landfill by minimising resource use, and the energy and water tied up in using resources. Further grant agreements will be made in 2010-11 to further engage with businesses, local councils and state government agencies to achieve better resource management in minimising resource, energy and water use.</p> <p>Continued with schools and communities program grant agreements totalling \$264 948 in 2009-10 directed to 46 schools, communities, and not-for-profit organisations involved with the recycling and recovery of reusable resources that would otherwise be sent to landfill. A review of this program will be undertaken in 2010-11.</p> <p>Continued funding of \$200 000 in 2009-10 to UniSA in partnering the Zero Waste Centre of Sustainable Design and Behaviour to be a focal point for waste related research and build long-term capacity to undertake activities at the higher end of the waste hierarchy. In 2009 the Zero Waste Centre was successful in winning an Australia Research Council grant of \$306 000 for a four year project, titled 'Zeroing in on Food Waste: Measuring, understanding and reducing food waste in South Australia from production to consumption in households and restaurants'.</p>				
<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
Reduction of waste to landfill	45 000 tonnes reduction	40 100 tonnes reduction	35 000 tonnes reduction	57 100 tonnes reduction

## ZERO WASTE SA

### Statement of comprehensive income

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	1 856	1 600	1 557	1 512
Long service leave .....	55	48	45	180
Payroll tax .....	102	90	85	94
Superannuation .....	196	175	163	175
Other .....	14	173	13	88
Supplies and services —				
General supplies and services .....	2 807	3 560	4 852	4 110
Consultancy expenses .....	124	122	123	99
Depreciation and amortisation expenses .....	—	—	—	50
Grants and subsidies .....	3 869	3 049	1 863	2 593
Intra government transfers .....	—	151	—	66
Other expenses .....	12	11	11	12
<b>Total expenses</b>	<b>9 035</b>	<b>8 979</b>	<b>8 712</b>	<b>8 979</b>
<b>Income</b>				
Intra government transfers .....	11 288	11 873	11 623	12 194
Other grants .....	268	600	201	—
Interest revenues .....	555	550	550	576
<b>Total income</b>	<b>12 111</b>	<b>13 023</b>	<b>12 374</b>	<b>12 770</b>
<b>Net cost of providing services</b>	<b>-3 076</b>	<b>-4 044</b>	<b>-3 662</b>	<b>-3 791</b>
<b>Income from / Expenses to SA Government</b>				
Income —				
Other income .....	—	159	—	—
<b>Net income from / Expenses to SA Government</b>	<b>—</b>	<b>159</b>	<b>—</b>	<b>—</b>
<b>Total comprehensive result</b>	<b>3 076</b>	<b>4 203</b>	<b>3 662</b>	<b>3 791</b>

## ZERO WASTE SA

### Statement of financial position

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	21 080	18 069	16 755	13 891
Receivables .....	76	76	55	76
<b>Total current assets</b>	<b>21 156</b>	<b>18 145</b>	<b>16 810</b>	<b>13 967</b>
<i>Non current assets</i>				
Plant and equipment .....	343	343	415	318
Other non-current assets .....	13	—	—	—
<b>Total non-current assets</b>	<b>356</b>	<b>343</b>	<b>415</b>	<b>318</b>
<b>Total assets</b>	<b>21 512</b>	<b>18 488</b>	<b>17 225</b>	<b>14 285</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	659	659	929	659
Employee benefits —				
Salaries and wages .....	—	45	39	45
Annual leave .....	134	140	99	140
Long service leave .....	47	48	20	48
Other current liabilities .....	17	17	18	17
<b>Total current liabilities</b>	<b>857</b>	<b>909</b>	<b>1 105</b>	<b>909</b>
<i>Non current liabilities</i>				
Long-term employee benefits —				
Long service leave .....	515	515	413	515
Other non-current liabilities .....	—	—	14	—
<b>Total non-current liabilities</b>	<b>515</b>	<b>515</b>	<b>427</b>	<b>515</b>
<b>Total liabilities</b>	<b>1 372</b>	<b>1 424</b>	<b>1 532</b>	<b>1 424</b>
<b>Net assets</b>	<b>20 140</b>	<b>17 064</b>	<b>15 693</b>	<b>12 861</b>
<b>Equity</b>				
Retained earnings .....	20 140	17 064	15 693	12 861
<b>Total equity</b>	<b>20 140</b>	<b>17 064</b>	<b>15 693</b>	<b>12 861</b>

Balances as at 30 June end of period.

## ZERO WASTE SA

### Statement of cash flows

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Employee benefit payments .....	2 288	2 086	1 863	1 863
Payments for supplies and services .....	2 931	3 682	4 975	4 503
Grants and subsidies .....	3 869	3 049	1 863	2 593
Intra government transfers .....	—	151	—	66
Other payments .....	12	11	11	12
<b>Cash used in operations</b>	<b>9 100</b>	<b>8 979</b>	<b>8 712</b>	<b>9 037</b>
<i>Cash inflows</i>				
Intra government transfers .....	11 288	11 873	11 623	12 153
Other grants .....	268	600	201	—
Interest received .....	555	550	550	596
<b>Cash generated from operations</b>	<b>12 111</b>	<b>13 023</b>	<b>12 374</b>	<b>12 749</b>
<b>SA GOVERNMENT:</b>				
Other receipts .....	—	159	—	—
<b>Net cash provided by SA Government</b>	<b>—</b>	<b>159</b>	<b>—</b>	<b>—</b>
<b>Net cash provided by (+) / used (-) in operating activities</b>	<b>3 011</b>	<b>4 203</b>	<b>3 662</b>	<b>3 712</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	—	25	60	13
<b>Cash used in investing activities</b>	<b>—</b>	<b>25</b>	<b>60</b>	<b>13</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>—</b>	<b>-25</b>	<b>-60</b>	<b>-13</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>3 011</b>	<b>4 178</b>	<b>3 602</b>	<b>3 699</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>18 069</b>	<b>13 891</b>	<b>13 153</b>	<b>10 192</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>21 080</b>	<b>18 069</b>	<b>16 755</b>	<b>13 891</b>

## **AGENCY: ZERO WASTE SA**

### **Financial commentary — major variations**

The following commentary relates to the agency financial statements presented in the previous section. The discussion relates to variations between the 2009-10 Estimated Result and the 2010-11 Budget.

#### ***Statement of comprehensive income — controlled***

##### *Expenditure*

No major variations.

##### *Revenue*

The 2010-11 Budget for revenue is \$912 000 less than the 2009-10 Estimated Result primarily as a result of:

- decrease in funding (\$332 000) from external sources supplementing Zero Waste SA programs; and
- decrease in intra-government transfers (\$585 000) from the Environment Protection Authority relating to the solid waste levy receipts received from waste deposited to landfill.

#### ***Statement of financial position — controlled***

The increase in net assets from 2009-10 to 2010-11 of \$3.1 million is attributed to the increase in deposits of cash and cash equivalents in the Waste to Resources Fund.

Other current assets and current and non-current liabilities are expected to remain broadly consistent.

#### ***Statement of cash flows — controlled***

The commentary regarding the statement of comprehensive income above provides information regarding the variations evident for the cash outflows and cash inflows from operating activities.



# **Portfolio: Water**

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**Minister for the River Murray**

**Minister for Water**



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# PORTFOLIO: WATER

## MINISTERIAL RESPONSIBILITIES

Minister	Agency	Programs	Sub-programs
<b>The Hon. Paul Caica</b> Minister for the River Murray Minister for Water	Department for Water	1. Water Planning, Management and Compliance	1.1 Water Allocation Planning 1.2 Licensing and Administration 1.3 Compliance and Enforcement
		2. Murray-Darling Basin	2.1 Murray-Darling Basin Policy and Planning 2.2 River Management and Operations
		3. Policy and Programs	3.1 Water Policy 3.2 Urban Water 3.3 Major Programs
		4. Science and Monitoring	4.1 Water Science 4.2 Monitoring and Information

### Administered items

In addition to the above responsibilities the portfolio administers the following items on behalf of the minister:

- Excess Water (Fines and Penalties)
- Qualco Sunlands Ground Water Control Trust
- South Eastern Water Conservation and Drainage Board

### Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

### Workforce summary

Agency	FTEs as at 30 June		
	2010-11 Budget	2009-10 Estimated Result	2008-09 Actual
Department for Water	402.2	655.9	587.7
<b>Total</b>	<b>402.2</b>	<b>655.9</b>	<b>587.7</b>

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# PORTFOLIO: WATER

## AGENCY: DEPARTMENT FOR WATER

### Objective

The Department for Water's objective is to ensure that there are always sufficient and sustainable water resources in South Australia for our health, our economy, our environment and our lifestyle.

### 2010-11 Targets/2009-10 Highlights

Targets 2010-11	Highlights 2009-10
<p><b>Program 1 — Water Planning Management and Compliance</b></p> <ul style="list-style-type: none"> <li>• Assist NRM boards to develop new water allocation plans for the Central Adelaide, Western Mount Lofty Ranges, Baroota, Peake Roby and Sherlock, and Eastern Mount Lofty Ranges prescribed resources and amend existing water allocation plans for the Barossa, Northern Adelaide Plains, Musgrave, Southern Basins, Mallee, River Murray, Noora, Tintinara Coonalpyn, and Lower Limestone Coast prescribed resources</li> <li>• Introduce the National Water Compliance and Enforcement program in South Australia</li> </ul> <p><b>Program 2 — Murray-Darling Basin</b></p> <ul style="list-style-type: none"> <li>• Continue to provide technical and operational policy input for water security measures and drought response activities</li> <li>• Secure 170 gigalitre Lower Lakes Environmental Reserve to reduce the risk of acidification in the Lower Lakes</li> <li>• Continue to provide input into improved water sharing arrangements under the Murray-Darling Basin Agreement and develop and submit a comprehensive South Australian government response to the proposed Basin Plan</li> <li>• Continue with the construction of the Murtho Salt Interception Scheme and commence preliminary works for the Pike Scheme</li> </ul> <p><b>Program 3 — Policy and Programs</b></p> <ul style="list-style-type: none"> <li>• Develop new water industry legislation</li> <li>• Maintain focused water conservation efforts through water education and communication programs</li> <li>• Complete the Upper South East Dryland Salinity and Flood Management Program</li> <li>• Introduce legislation to establish a new drainage infrastructure management authority for all drainage assets in the South East</li> <li>• Finalise options for upgrading the Patawalonga Basin Infrastructure</li> <li>• Continue management of the Coorong Lower Lakes and Murray Mouth Project and the Riverine Recovery Project under the Murray Futures Program</li> <li>• Develop a stormwater strategy for South Australia</li> </ul>	<p><b>Program 1 — Water Planning Management and Compliance</b></p> <ul style="list-style-type: none"> <li>• Adopted water allocation plans for the River Murray Prescribed Watercourse, the Tatiara Prescribed Wells Area and the Marne Saunders Prescribed Water Resources Area</li> <li>• Implemented the separation of water rights for the River Murray prescribed water course</li> <li>• Secured \$65 million in Commonwealth funding together with more than \$45 million state funding, as well as local government and other partner contributions for projects that will harvest around 8 billion litres of stormwater per annum</li> </ul> <p><b>Program 2 — Murray-Darling Basin</b></p> <ul style="list-style-type: none"> <li>• Led the drought response activities for government and affected communities</li> <li>• Secured the Lower Lakes Environmental Reserve which reduced the risk of acidification in the Lower Lakes</li> <li>• Provided input into development of the Basin Plan and improved water sharing arrangements under the Murray-Darling Basin Agreement</li> <li>• Completed construction and pumping for the Goolwa Channel Water Level Management project and restored water levels</li> <li>• Established the Riverbank Collapse Hazard Program</li> <li>• Commenced construction of the Murtho Salt Interception Scheme</li> <li>• Secured funding and commenced construction of the Chowilla environmental regulator</li> <li>• Submitted successful environmental water bids to the Commonwealth for priority sites in South Australia</li> </ul> <p><b>Program 3 — Policy and Programs</b></p> <ul style="list-style-type: none"> <li>• Released a discussion paper for proposed new water industry legislation and considered submissions in preparation of the new legislation</li> <li>• Released the statewide policy framework 'Managing the water resource impacts of plantation forests' and commenced work on an implementation strategy</li> <li>• Completed drainage channels for Bald Hill and Wimpinmerit drains</li> <li>• Released 14 gigalitres of water from the South East from Morella Basin through Salt Creek to the Coorong</li> <li>• Secured \$5.5 million in Commonwealth funding for initiatives in Amata and Mimili in conjunction with the Department of the Premier and Cabinet and SA Water</li> <li>• Completed the Lower Lakes potable pipeline project as part of the Murray Futures Program</li> </ul>

<b>Targets 2010-11</b>	<b>Highlights 2009-10</b>
<p><b>Program 4 — Science and Monitoring</b></p> <ul style="list-style-type: none"> <li>• Develop and implement the business and research plans for the Goyder Institute for Water Research</li> <li>• Complete risk assessment analysis and modelling of potential impacts from climate change on priority water resources</li> <li>• Prepare scorecards of the state and condition of priority prescribed groundwater resources</li> <li>• Commence the Facilitating Long-term Outback Water Supplies (FLOWS) project to support sustainable mining development</li> <li>• Prepare to implement Murray-Darling Basin wide consistent eWater surface water modelling products in South Australia</li> <li>• Install 100 Internet Protocol telemetered sites to enable more timely monitoring of the state and condition of the state's water resources</li> </ul>	<p><b>Program 4 — Science and Monitoring</b></p> <ul style="list-style-type: none"> <li>• Undertook a first order prioritisation of the impacts of climate change on water resources</li> <li>• Commenced upgrade of 41 monitoring bores in the South Australian part of the Great Artesian Basin</li> <li>• Provided scientific advice for sustainable water policy development for the state's groundwater and surface water resources</li> <li>• Supported economic development for the state by providing assessment advice specific for mining developments</li> <li>• Completed preliminary risk assessments for vulnerable water dependent ecosystems</li> </ul>

## Program net cost of services summary

Program	Net Cost of Services			
	2010-11	2009-10	2009-10	2008-09
	Budget	Estimated	Budget	Actual
	\$000	Result	\$000	\$000
1. Water Planning, Management and Compliance.....	13 594	15 245	12 786	14 762
2. Murray-Darling Basin.....	57 139	55 492	27 603	125 896
3. Policy and Programs.....	26 842	10 633	14 939	9 234
4. Science and Monitoring.....	16 694	16 620	12 606	4 775
<b>Total</b>	<b>114 269</b>	<b>97 990</b>	<b>67 934</b>	<b>154 667</b>

### Reconciliation to agency net cost of providing services (as per agency summary income statement)

*Add:* Net cost of programs/function transferred out

Natural Resources Management to Department of Environment and Natural Resources <sup>(a)</sup> .....	—	14 083	12 814	14 913
Biodiversity to Department of Primary Industries and Resources <sup>(b)</sup> .....	—	4 451	4 410	4 625
<b><i>Equals: Net cost of providing services</i></b> (as per agency summary income statement)	<b>114 269</b>	<b>116 524</b>	<b>85 158</b>	<b>174 205</b>

(a) Responsibility for natural resources management transferred to the Department of Environment and Natural Resources on 1 July 2010.

(b) Responsibility for biodiversity transferred to the Department of Primary Industries and Resources on 1 July 2010.

## Investing expenditure summary

Investments	2010-11	2009-10	2009-10	2008-09
	Budget	Estimated	Budget	Actual
	\$000	Result	\$000	\$000
<b>Existing projects</b>				
Water Monitoring Equipment.....	4 362	4 322	4 322	—
River Murray Waste Disposal Stations.....	381	384	—	—
Goolwa Channel Water Level Management Project.....	—	9 774	16 775	733
Budget Management Information System .....	—	150	—	150
Complementary State NRM Program.....	—	50	—	—
<b>Total existing projects</b>	<b>4 743</b>	<b>14 680</b>	<b>21 097</b>	<b>883</b>
<b><i>Annual programs</i></b>	<b>785</b>	<b>4 011</b>	<b>766</b>	<b>3 969</b>
<b>Total annual programs</b>	<b>785</b>	<b>4 011</b>	<b>766</b>	<b>3 969</b>
<b>Total investing expenditure</b>	<b>5 528</b>	<b>18 691</b>	<b>21 863</b>	<b>4 852</b>

## AGENCY: DEPARTMENT FOR WATER

### Program information

**Program 1:** *Water Planning, Management and Compliance*

**Description/Objective:** Managing the prescribed water resources of South Australia, including the provision of planning and management advice and regulatory support for the government and community; and facilitating the allocation, trading and sustainable use of water resources.

### Summary income statement

<b>Program 1: Water Planning, Management and Compliance</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	11 177	15 639	13 791	13 240
Supplies and Services .....	5 853	2 107	1 820	9 258
Depreciation and Amortisation.....	904	410	395	390
Other .....	135	89	54	34
<b>Total expenses</b>	<b>18 069</b>	<b>18 245</b>	<b>16 060</b>	<b>22 922</b>
<b>Income</b>				
Sale of Goods and Services .....	126	—	56	623
Fees, Fines and Penalties .....	1 091	1 054	1 054	1 259
Commonwealth Revenue.....	1 030	944	1 181	5 347
Other .....	2 228	1 002	983	931
<b>Total income</b>	<b>4 475</b>	<b>3 000</b>	<b>3 274</b>	<b>8 160</b>
<b>Net cost of providing services</b>	<b>13 594</b>	<b>15 245</b>	<b>12 786</b>	<b>14 762</b>

## Sub-program information

<b>Sub-program 1.1: Water Allocation Planning</b>				
Work in partnership with natural resources management (NRM) boards and other agencies to develop and administer water allocation plans and facilitate the policy and statutory processes involved in state and national water planning and water management.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>2 602</b>	<b>2 782</b>	<b>2 542</b>	<b>3 042</b>
<b>Performance Commentary</b>				
<p>During 2009-10, water allocation plans were reviewed, amended and adopted by the minister for the Tatiara and River Murray prescribed resources. A new water allocation plan was developed and adopted for the Marne Saunders Prescribed Water Resources Area. At 1 July 2010, there are 19 existing water allocation plans in South Australia; 12 of these plans are currently being amended and 5 new plans are being developed. Additional water resources are being considered for prescription. Since February 2009, seven new or amended water allocation plans have been adopted.</p> <p>Expert knowledge and advice on water planning policy, legal and administrative matters continued to be provided to NRM boards and other stakeholders to assist with water allocation planning and review.</p> <p>The rollout of the new unbundled water rights is underway and legislation requires all water allocation plans to be rewritten to include these water rights.</p>				
	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
<b>Performance Indicators</b>				
<b>Quantity</b>				
No. of Development Act application referrals processed	400	425	450	535
No. of Development Act policy referrals processed	250	242	200	183
<b>Timeliness</b>				
% of development applications processed within statutory timeframes	100%	100%	98%	93%

<b>Sub-program 1.2: Administration and Licensing</b>				
Implement water allocation plans, including the issuing of water licences and permits, manage the allocation of prescribed water resources and management of water meters, including the collection of metered water use data.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>9 011</b>	<b>9 331</b>	<b>7 533</b>	<b>9 408</b>
<b>Performance Commentary</b>				
<p>In 2009-10, the water allocation plans were implemented for volumetric conversion in the Clare and Barossa prescribed areas. New or amended water allocation plans had licences issued in the River Murray (unbundled licences), Tatiara and Marne Saunders.</p> <p>The prescription of the Western and Eastern Mount Lofty Ranges is expected to be finalised in 2010-11 with the adoption of the water allocation plans and licences to be issued for the 3200 licensees.</p> <p>Two other water allocation plans are expected to be adopted during 2010-11. Water licences consistent with these water allocation plans will be issued once the plans are adopted for the prescribed resources of Lower Limestone Coast (volumetric conversion and forestry) and Tintinara/Coonalpyn (reviewed plan). In addition, licences are expected to be issued for existing users in the Kangaroo Flat portion of the Northern Adelaide Plains Prescribed Wells Area.</p> <p>With continued drought conditions in 2009-10, compliance with metering conditions and allocations continued to be a focus. All licensed water use meters along the River Murray Prescribed Watercourse were read monthly. River Murray licence holders were also advised of their actual water usage in comparison to authorised volumes on their water accounts and maximum volumes on site use approvals.</p> <p>To prevent meter tampering, there has been a focus on fitting wire security seals to all licensed meters in the South Australian Murray-Darling Basin, with 75 per cent of meters on the River Murray Prescribed Watercourse now fitted with a security seal. Similarly, 95 per cent of meters in the Mallee Prescribed Water Resources Area and 98 per cent in the Angas Bremer Prescribed Wells Area have now been fitted with security seals.</p> <p>In 2009-10, the Department processed 491 intra-state trades with 75 per cent compliance with the required service standards and 1007 inter-state trades with 99 per cent compliance with the service standard. 498 entitlement trades were received and processed with 94 per cent compliance with the required service standard<sup>(a)</sup>.</p> <p>Allocation reductions have been implemented in Tatiara in accordance with the recently adopted water allocation plan. Allocation reductions will also apply to parts of Lower Limestone Coast and Tintinara/Coonalpyn when their respective water allocation plans are adopted later in 2010-11.</p> <p>The new Lower Limestone Coast water allocation plan will also provide for volumetric conversion of area based water licences and the implementation of forestry policy.</p>				
	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
<b>Performance Indicators</b>				
<b>Quantity</b>				
No. of water licences issued	6 000	4 700	5 000	6 419
No. of water permits issued	3 500	3 500	4 000	4 730
No. of water authorisations issued	250	250	250	218
<b>Footnotes</b>				
(a) Performance against service standards was impacted by system issues following implementation of separated water rights from 1 July 2009. Performance against this service standard improved from 33 per cent at 30 November 2009 to 75 per cent at 30 June 2010. Performance in the last two months of the year met the required service standard for processing intrastate trades.				

**Sub-program 1.3: Compliance and Enforcement**

Undertake compliance activities pursuant to the *Natural Resources Management Act 2004*, *Native Vegetation Act 1991*, *River Murray Act 2003*, *South Eastern Water Conservation and Drainage Act 1992*, *Upper South East Dryland Salinity and Flood Management Act 2002* and enforce the water restrictions/water conservation measures along the South Australian section of the River Murray.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>1 981</b>	<b>3 132</b>	<b>2 711</b>	<b>2 312</b>

**Performance Commentary**

During 2009-10, compliance and enforcement activities included the audit of stock and domestic bores for 130 McLaren Vale water users, ongoing audits of all Lower Murray River swamp irrigators, including assisting in the meter sealing program, and an ongoing audit of irrigators in the South East including water meter compliance. Targeted audits of River Murray users were conducted in conjunction with ongoing meter reading, with over 500 properties visited. River Murray drought compliance patrols made over 87 000 visits to shacks where officers spoke to 9785 people, and issued over 900 formal and informal warnings and 94 expiation notices.

In 2009-10, the Council of Australian Governments agreed to implement a National Water Compliance and Enforcement Framework. Consistent with that framework, the department has developed a five year implementation plan to commence in 2010-2011. The strategy is directed towards reducing water theft in Australia. The project plan recognises the close links between effective risk-based compliance and enforcement planning, the targeting of high-risk resources and the application of technologies that will introduce efficiencies over time and assist in developing a cost effective program. It is also anticipated that efficiencies, and hence specific costs savings, will be delivered as a result. Funding of \$7.28 million over five years is being negotiated with the Commonwealth.

Compliance and enforcement will continue under drought conditions on the River Murray to ensure ongoing compliance with the current level of water restrictions, including investigation and audit of River Murray irrigators.

## AGENCY: DEPARTMENT FOR WATER

### Program information

**Program 2:**                    *Murray-Darling Basin*

**Description/Objective:**        Developing policy, plans and programs, and managing river operations to achieve a healthy, working River Murray that will continue to support prosperous communities and industries, and healthy ecosystems.

### Summary income statement

<b>Program 2: Murray-Darling Basin Planning</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	5 050	7 489	5 911	5 143
Supplies and Services .....	14 168	7 935	13 788	19 654
Grants and Subsidies .....	31 791	36 708	30 673	72 349
Depreciation and Amortisation.....	2 183	1 559	2 082	537
Other.....	14 397	14 570	4 556	75 016
<b>Total expenses</b>	<b>67 589</b>	<b>68 261</b>	<b>57 010</b>	<b>172 699</b>
<b>Income</b>				
Sale of Goods and Services .....	2 636	1 906	4 076	15 093
Commonwealth Revenue.....	—	6 119	—	—
Other.....	7 814	4 744	25 331	31 710
<b>Total income</b>	<b>10 450</b>	<b>12 769</b>	<b>29 407</b>	<b>46 803</b>
<b>Net cost of providing services</b>	<b>57 139</b>	<b>55 492</b>	<b>27 603</b>	<b>125 896</b>

## Sub-program information

<b>Sub-program 2.1: Murray-Darling Basin Policy and Planning</b>				
Policy solutions, strategy and planning for the sustainable management of South Australian Murray-Darling Basin water resources, including representation of the government on state and national groups, leading the government's response to the Basin Plan and Murray-Darling Basin Agreement reforms.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>32 374<sup>(a)</sup></b>	<b>26 236</b>	<b>23 299</b>	<b>55 253<sup>(b)</sup></b>
<b>Performance Commentary</b>				
<p>The department has played an active role in leading cross agency input to the Murray-Darling Basin Authority to influence the development of the proposed Basin Plan, including the provision of expert advice, data and information about key South Australian issues. The department has worked closely with authority staff and officials from other basin states to develop new draft schedules to the Murray-Darling Basin Agreement to provide for a storage right for South Australia and for water sharing arrangements under drought conditions.</p> <p>In 2010-11, the department will manage significant stakeholder and community consultation in formulating the Government of South Australia's response to the authority's draft Basin Plan.</p> <p>The department also administers the state's contribution to the Murray-Darling Basin Authority functions (\$24 million in 2009-10).</p> <p>South Australia continued to meet <i>South Australia's Strategic Plan</i> 'River Murray — salinity' target (T3.11) of maintaining the salinity register in balance through the implementation of salinity zoning and salt interception strategies. The Independent Audit Group for Salinity commended South Australia on its progress in implementing the Basin Salinity Management Strategy.</p>				
<b>Footnotes</b>				
<p>(a) The variation between the 2010-11 Budget and the 2009-10 Estimated Result is primarily due to South Australia's contribution to remediation of the Hume Dam wall (\$2.7 million) and an increased contribution to the Murray-Darling Basin Authority (\$1 million) in 2010-11.</p> <p>(b) The variation between the 2008-09 Actual and 2009-10 Budget is primarily due to the purchase of water for permanent plantings along the River Murray (\$24.4 million) and payments under The Living Murray program (\$5 million) in 2008-09.</p>				

## Sub-program 2.2: River Management and Operations

Overall planning, management and allocation of River Murray water resources and high level operation of the River Murray within South Australia. Provide advice and implement River Murray water sharing and river operations policy and planning, River Murray salinity management policy, River Murray environmental water policy and management and River Murray drought management and water security strategies.

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
<b>Net Cost of Sub-program</b>	<b>24 765</b>	<b>29 256<sup>(a)</sup></b>	<b>4 304</b>	<b>70 643<sup>(b)</sup></b>

### Performance Commentary

During 2009-10, River Murray water allocation decisions were made fortnightly in accordance with the adopted River Murray Drought Water Allocation Decision Framework, based on assessments of water availability from the Murray-Darling Basin Authority. The framework was amended in 2009-10 to ensure that 170 gigalitres (GL) was accumulated for the 2009-10 Lower Lakes Environmental Reserve and that 201 GL was accumulated for 2010-11 critical human water needs. Securing the Lower Lakes Environmental Reserve assisted in mitigating the adverse impacts on river banks, levee banks and floodplains along the River Murray channel below Lock 1 (Blanchetown) and reducing the risk of acidification in the Lower Lakes. The final allocation level for irrigators was 62 per cent of entitlement.

In 2009-10, funding was provided by the Commonwealth and Murray-Darling Basin Authority to construct the Goolwa Channel and Currency Creek regulators. These structures facilitated the pumping of water from Lake Alexandrina to the newly created pool, averting acidification and providing localised economic, social and environmental benefits.

The River Murray and southern part of the Murray-Darling Basin continued to experience low inflows during 2009-10 and, although access to floodwaters from Queensland and New South Wales early in 2010 improved the overall water resource position, the total volume of water held in storage remained well below average. The department continued to provide high level technical and policy advice and information to government and affected communities in response to the ongoing low water availability conditions and monitored and, where possible, managed the associated impacts.

To assist in mitigating the risk of acidification in the Lower Lakes, the Government purchased 47.6 GL of water for \$7.12 million during 2009-10, (in addition to the initial 50 GL purchased in 2008-09) as part of the commitment to the establishment of a 170 GL Lower Lakes environmental reserve. The whole 170 GL reserve was delivered to Lake Alexandrina during 2009-10 and some of the water was pumped into Lake Albert to also maintain the water level in that lake above the critical acidification trigger.

Throughout 2009-10 the Lake Albert Water Level Management Project has continued as two components. The first involved dredging a channel in Lake Alexandrina near the Narrung Narrows to ensure that the channel is capable of delivering up to 1 GL of water per day to Lake Albert. The second component involved pumping 90 GL of water from Lake Alexandrina, over the temporary embankment in the Narrung Narrows, into Lake Albert to mitigate acidification risk by managing water levels.

The Riverbank Collapse Hazard Program was established in response to the increase of riverbank collapse incidents in the lower River Murray. Riverbank collapse was raised to formal hazard status as defined under the *Emergency Management Act, 2004*. The hazard plan focuses on the critical elements of the hazard management process including preparedness, incident response, hazard monitoring, mitigation and prevention works, and incident recovery. The plan will continue to be implemented during 2010-11.

Environmental water bids to the Commonwealth will be developed and implemented at key environmental assets along the River Murray in South Australia.

During 2010-11, South Australia will continue to support The Living Murray Initiative, through targeted monitoring, project and water planning and implementation at South Australian icon sites (Chowilla, Lower Lakes, Coorong and Murray Mouth and river channel).

### Footnotes

- (a) The variation between the 2009-10 Budget and the 2009-10 Estimated Result is primarily due to the repayment of environmental water purchases for the Lower Lakes by the Save the River Murray Fund (\$13 million) and expenditure on the Goolwa Channel Water Level Management project (\$9 million), the Commonwealth revenue being recognised in 2008-09.
- (b) The variation between the 2008-09 Actual and the 2009-10 Budget is primarily due to water acquisitions under The Living Murray program (\$42 million) and the purchase of environmental water for the Lower Lakes (\$18 million).

## AGENCY: DEPARTMENT FOR WATER

### Program information

**Program 3:**            *Policy and Programs*

**Description/Objective:**        Providing a statewide water policy focus and leading the delivery of *Water for Good*; developing policies and strategies with a focus on the diversification of urban water supplies, including stormwater harvesting; and delivering complex water related programs.

### Summary income statement

<b>Program 3: Policy and Programs</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	7 485	9 848	6 785	6 553
Supplies and Services .....	11 424	24 922	16 923	5 828
Grants and Subsidies .....	50 698	108 336	47 557	30 510
Depreciation and Amortisation.....	590	460	432	432
Other .....	89	216	38	23
<b>Total expenses</b>	<b>70 286</b>	<b>143 782</b>	<b>71 735</b>	<b>43 346</b>
<b>Income</b>				
Sale of Goods and Services .....	1 786	1 223	1 132	1 638
Fees, Fines and Penalties .....	12	12	12	146
Commonwealth Revenue.....	15 904	10 166	49 429	5 936
Other.....	25 742	121 748	6 223	26 392
<b>Total income</b>	<b>43 444</b>	<b>133 149</b>	<b>56 796</b>	<b>34 112</b>
<b>Net cost of providing services</b>	<b>26 842</b>	<b>10 633</b>	<b>14 939</b>	<b>9 234</b>

## Sub-program information

<b>Sub-program 3.1: Water Policy</b>				
Provide oversight of the implementation of <i>Water for Good</i> as well as Council of Australian Governments (COAG) and state/national water reform, demand and supply planning, water pricing, water economics, water conservation measures and provide support to the Commissioner for Water Security. Provide policy advice and development for and on behalf of the minister on the management of water resources across the state, facilitate representation of the state on national and state groups, as well as the development, monitoring and review of legislation.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>12 507<sup>(a)</sup></b>	<b>4 481</b>	<b>7 287</b>	<b>3 209</b>
<b>Performance Commentary</b>				
<p>The focus of 2009-10 was the launch and implementation of <i>Water for Good</i>, the government's plan to ensure South Australia's water future to 2050. The development of a robust and adaptable implementation, monitoring and evaluation framework to drive achievement of the plan's aspirations has occurred with project plans being prepared to ensure the delivery of the plan's targets. Key early actions arising from <i>Water for Good</i> included a water education and communication program, development of and consultation on a discussion paper to guide the development of new water industry legislation, and overall coordination of the implementation of Murray Futures projects in South Australia.</p> <p>Development of legislation to provide for the independent economic regulation of water services providers, including SA Water, has commenced following consultation on the discussion paper.</p> <p>A number of reviews of current legislation were undertaken as the basis for proposing future legislative amendments, particularly in the areas of drainage infrastructure, improved and efficient water management under the <i>Natural Resources Management Act 2004</i>.</p> <p>Murray Futures Program early works funding has been negotiated to enable works to commence in the Coorong and Lower Lakes, as well as along the River Murray. In addition, funding was negotiated and the Lower Lakes Integrated Pipeline network completed, to provide water to communities around Lakes Albert and Alexandrina.</p> <p>A framework for managing the water resource impacts of plantation forests policy was developed, to enable a whole of government approach to addressing the effects of forestry on water resources particularly in the South East where forestry provides significant economic activity for the state.</p> <p>Commonwealth funding of \$5.5 million was secured for water infrastructure and water conservation in Amata and Mimili, in conjunction with the Department of the Premier and Cabinet and SA Water.</p> <p>South Australia continued to be an active and significant contributor to the national COAG Water Reform Agenda including:</p> <ul style="list-style-type: none"> <li>• the development of water planning guidelines;</li> <li>• unbundling of water access entitlements on the River Murray;</li> <li>• removal of all administrative barriers to trade out of irrigation districts in South Australia as well as encouraging all other jurisdictions to follow suit;</li> <li>• providing detailed and specific advice to the Australian Competition and Consumer Commission regarding its water charge rules;</li> <li>• accelerating the development of water accounting standards;</li> <li>• completing South Australia's non-urban water metering framework implementation plan and continuing to negotiate for an appropriate funding agreement with the Commonwealth to facilitate its effective implementation;</li> <li>• near completion of South Australia's Compliance and Enforcement Framework; and</li> <li>• progressing the development of a national water market system.</li> </ul> <p>South Australia also received favourable comment in the National Water Commission's biennial assessment.</p> <p>In 2009-10, South Australia presented final milestone reports to the Commonwealth Government for all 22 National Water Initiative funded projects.</p>				
<b>Footnotes</b>				
(a) The variation between the 2009-10 Estimated Result and the 2010-11 Budget is primarily due to departmental costs associated with the Murray Futures projects that are escalating in 2010-11, such as the Coorong, Lower Lakes and Murray Mouth early works.				

**Sub-program 3.2: Urban Water**

Develop policy and strategies for achieving strong management of the state's urban water requirements, with a focus on the diversification of water supplies, including stormwater harvesting and aquifer storage and recharge. Support and enhance the community's water conservation efforts.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>6 177<sup>(a)</sup></b>	<b>3 899</b>	<b>494</b>	<b>489</b>

**Performance Commentary**

The focus of 2009-10 was the launch and implementation of *Water for Good*, our plan to ensure our water future to 2050. Key actions for this program included the production of updated stormwater harvesting and wastewater reuse targets for diversification of water supplies for urban areas. In addition, over \$65 million of Commonwealth Government funding was announced for seven stormwater harvesting proposals which will be coordinated by the department. Together with state funding of more than \$45 million, and local government and other partner contributions, the projects will amount to about \$145 million in works, which will harvest around eight billion litres of stormwater per year. The projects funded are:

- Adelaide Botanic Gardens Aquifer Storage and Recovery Scheme — in partnership with the Department of Environment and Natural Resources at a cost of \$5.8 million, to produce an expected yield of 100 megalitres (ML) per annum;
- Water Proofing the West — in partnership with the City of Charles Sturt and others at a cost of \$58.6 million, to produce an expected yield of 2500 ML per annum;
- Adelaide Airport Stormwater Scheme — in partnership with SA Water at a cost of \$9.8 million, to produce an expected yield of 400 ML (with expansion possible to 1000 ML) per annum;
- Unity Park Biofiltration — in partnership with the City of Salisbury at a cost of \$14 million, to produce an expected yield of 1300 ML per annum;
- Water for the Future — in partnership with the City of Playford at a cost of \$19.2 million, to produce an expected yield of 640 ML per annum;
- Water Proofing the South Stage 2 — in partnership with the City of Onkaparinga at a cost of \$30 million, to produce an expected yield of 2200 ML per annum; and
- Barker Inlet Stormwater Reuse Scheme — in partnership with SA Water at a cost of \$7.8 million, to produce an expected yield of 350 ML per annum.

A review of the governance arrangements for stormwater management in South Australia was commenced in 2009-10 with implementation of the outcomes expected in 2010-11. This review will also inform a review of the State-Local Government Stormwater Management Agreement.

In accordance with *Water for Good*, work is also underway to ensure that sensible water conservation measures are applied to urban bores that are used for domestic water supplies, commencing in 2010-11.

Water sensitive urban design is being encouraged for new urban developments through the release of a technical manual by the Department of Planning and Local Government.

During 2010-11, work will commence on the development of the best regulatory approach for South Australia to mandate water sensitive urban design, to be implemented by 2013 as outlined in *Water for Good*.

**Footnotes**

- (a) The variations between the 2010-11 Budget, 2009-10 Estimated Result and 2009-10 Budget relate to the commencement of the seven stormwater management projects.

**Sub-program 3.3: Major Programs**

Develop and deliver major infrastructure programs, including water reform in the South East, oversight of the delivery of Murray Futures projects, investigations and business case preparations for future management of water infrastructure such as the Patowalunga Basin and South East drains.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>8 158</b>	<b>2 253</b>	<b>7 158</b>	<b>5 536</b>

**Performance Commentary**

Increased effort to ensure the operation and maintenance of South East drainage infrastructure, including painting and maintenance of major bridges, was undertaken in 2009-10 to address maintenance needed to enable the efficient operation of over 1600 kilometers of infrastructure designed to prevent major flooding in the region.

The digging of the Upper South East Dryland Salinity and Flood Management drainage network was completed in 2009-10, with only minor works to be finalised in 2010-11. Critical regulators and structural works have been put in place to enable approximately 200 megalitres per day of water to be transferred from existing drains which run to the sea, to supply critical wetlands and if sufficient water is available, to the Coorong as part of the Reflows Program.

The South East Dryland Salinity and Flood Management Program will be completed in 2010-11, and legislation to govern the program will be drafted for introduction.

Options for further connection between the South East drainage infrastructure and the Coorong, as well as the potential to pump water more than four times as salty as the sea to the ocean and replace it with relatively fresh water have been investigated. This will commence the process of restoring the health of the Coorong by complementing flows from the Murray.

The integrated plan and business case for the Murray Futures funded Riverine Recovery Program were submitted to the Commonwealth Government in 2009-10 and following due diligence the implementation phase will begin.

Negotiations with Victoria in 2010-11 will aim to establish a review of the Border Groundwaters Agreement.

Investigations have commenced on the state of infrastructure assets in the Patowalunga Basin, to provide the basis for consideration of a business case for the maintenance and operation of this system.

## AGENCY: DEPARTMENT FOR WATER

### Program information

**Program 4: Science and Monitoring**

**Description/Objective:** Identifying, collecting, storing, analysing, interpreting and reporting water resource data and information, to present in a form that shapes policy development and informs program design and delivery.

### Summary income statement

<b>Program 4: Science and Monitoring</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	11 619	14 377	11 824	9 952
Supplies and Services .....	11 859	14 022	9 134	5 267
Grants and Subsidies .....	900	900	506	700
Depreciation and Amortisation.....	3 113	1 923	922	1 410
Other.....	140	94	53	2
<b>Total expenses</b>	<b>27 631</b>	<b>31 316</b>	<b>22 439</b>	<b>17 331</b>
<b>Income</b>				
Sale of Goods and Services .....	5 980	4 614	4 167	4 129
Commonwealth Revenue.....	78	5 763	5 295	5 613
Other.....	4 879	4 319	371	2 814
<b>Total income</b>	<b>10 937</b>	<b>14 696</b>	<b>9 833</b>	<b>12 556</b>
<b>Net cost of providing services</b>	<b>16 694</b>	<b>16 620</b>	<b>12 606</b>	<b>4 775</b>

## Sub-program information

<b>Sub-program 4.1: Water Science</b>				
Expert science and knowledge for effective water resource management; leadership in science with a primary focus on promoting collaboration alliances, analysing natural resource data and undertaking scientific investigations to expand the government's knowledge base, improve policy and develop innovative strategy.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>7 921</b>	<b>7 628</b>	<b>5 439</b>	<b>381</b>
<b>Performance Commentary</b>				
<p>During 2009-10, an assessment of risks for water dependent ecosystems that are vulnerable to competing demands, such as groundwater and surface water development in South Australia, was conducted. This project contributed to the <i>South Australia's Strategic Plan</i> target T3.9 'Sustainable water supply'.</p> <p>The department has supported the achievement of national reform agendas. Projects included a National Water Initiative (NWI) funded Fractured Rock Aquifer Project to improve the knowledge of groundwater flow mechanisms in fractured rock aquifers in the Mount Lofty Ranges, Northern Adelaide Plains and Kangaroo Island and a major review of the groundwater resources of the South East. This will ensure longer-term sustainable water supplies for the South East Region and contribute to the <i>South Australia's Strategic Plan</i> target T3.9 'Sustainable water supply'.</p> <p>The department also worked with SA Water to establish additional town water supply capacity for the townships of Quorn, Wilmington and for the community around Nepabunna in the state's far north.</p> <p>Considerable technical and scientific advice was provided to the state's natural resource management boards to inform the continued development and review of water allocation plans.</p> <p>In delivering its <i>Water for Good</i> priorities, the department initiated the State Groundwater Program. In 2009-10, activities were completed to improve knowledge and assessment of both prescribed and non prescribed resources, along with a better understanding of climate change impacts, development of a groundwater modelling warehouse and model protocols to establish the department as a leader in groundwater modelling.</p> <p>For 2010-11, the science component of the Groundwater Program will focus on undertaking risk assessments of the impact of climate change on the state's water resources, producing scorecards and assessments of the state and condition of the prescribed water resources, as well as assessments of regional non-prescribed groundwater resources, and enhancing the state's groundwater modelling capacity.</p> <p>In 2010-11, the department will continue to provide quality technical and scientific advice for water allocation policy development for both surface water and groundwater resources. The River Murray, the South East and the Great Artesian Basin will be areas of significant focus for the department, along with other key prescribed resources.</p> <p>Surface water modelling approaches will be aligned with the eWater modelling platform, to ensure that the department is adopting and promoting best practice surface water modelling. The department will continue to play a leadership role in groundwater modelling to improve the state's groundwater modelling capacity.</p> <p>During the last quarter of 2009-10, the state, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Adelaide University, Flinders University and the University of South Australia agreed to form the Goyder Institute for Water Research. In 2010-11, the Institute will be formally established and will commence its investment in priority science to enhance the water resource management policy and programs of the state.</p>				

**Sub-program 4.2: Monitoring and Information**

Monitoring design, develop and maintain the state's water monitoring network and collect, manage and distribute water related data and information.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>8 773</b>	<b>8 992</b>	<b>7 167</b>	<b>4 394</b>

**Performance Commentary**

During 2009-10, the department used funding from the State Groundwater Program, the Bureau of Meteorology and the Great Artesian Basin Sustainability Initiative (GABSI) to improve the level of groundwater and surface water monitoring. Capital works resulted in additional repairs, replacement or upgrades to existing monitoring infrastructure. Works were completed on 16 surface and groundwater monitoring installations and were aimed at improving the reliability and accuracy of data collected. The improved monitoring capability will further enable the department to provide high level technical and policy advice and information to government, affected communities and improve the range of options available for water resources management.

There were 19 groundwater observation wells in the South East that were refurbished and groundwater and surface water loggers were installed at 157 sites across the state. A new weir was constructed on Kangaroo Island to collect data on the effects of land use development on catchment flows. Over 200 telemetry sites have now been installed providing water resource data in near real time.

The GABSI enabled work to commence to upgrade 41 monitoring sites for the South Australian portion of the Basin.

Monitoring activity for salinity and/or water levels was undertaken for 4075 groundwater monitoring wells throughout the state. In addition, surface water and meteorological monitoring data was collected from 320 sites. This information informs water science and policy and enables actions to achieve *South Australia's Strategic Plan* targets (T3.9 'Sustainable water supply', T3.10 'River Murray — flows', and T3.11 'River Murray — salinity').

For 2010-11, additional monitoring responsibilities will be identified as a result of the new knowledge and assessment approaches being developed by the Groundwater Program. A network asset management plan and strategy will be finalised. Collaboration and funding partnerships with the Bureau of Meteorology and the GABSI will continue.

In conjunction with the Bureau of Meteorology, the State Water Information Monitoring Plan was updated with cooperation from the Office of the Chief Information Officer, NRM boards and other named parties under the *Water Act 2007*.

In 2010-11, the department will continue to seek funding opportunities for strategic investment in this state which increase capacity for both information management and monitoring initiatives to inform policy and water resource management. Increased investment in monitoring activity will also position the Department for Water to provide early warnings for adverse water resource trends enabling more responsive management approaches.

## DEPARTMENT FOR WATER

### Statement of comprehensive income

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	28 556	46 483	41 425	38 784
Long service leave .....	1 635	2 098	1 935	1 715
Payroll tax .....	1 746	2 552	2 296	2 242
Superannuation .....	3 285	4 992	4 529	4 609
Other .....	109	3 926	257	214
Supplies and services —				
General supplies and services .....	42 989	58 263	47 926	48 790
Consultancy expenses .....	315	413	315	798
Depreciation and amortisation expenses .....	6 790	4 452	3 931	2 868
Grants and subsidies .....	54 556	116 102	67 309	34 812
Intra government transfers .....	28 833	35 925	16 331	74 694
Other expenses .....	14 761	14 989	4 711	75 137
<b>Total expenses</b>	<b>183 575</b>	<b>290 195</b>	<b>190 965</b>	<b>284 663</b>
<b>Income</b>				
Taxation .....	943	943	943	927
Commonwealth revenues .....	17 012	22 992	57 169	18 125
Intra government transfers .....	31 316	130 872	3 408	40 195
Other grants .....	6 653	3 784	29 358	2 270
Fees, fines and penalties .....	1 103	1 076	1 075	1 419
Sales of goods and services .....	10 528	10 167	11 436	24 098
Interest revenues .....	—	1 155	—	568
Net gain or loss from disposal of assets .....	—	—	—	23
Resources received free of charge .....	—	—	—	166
Other income .....	1 751	2 682	2 418	22 667
<b>Total income</b>	<b>69 306</b>	<b>173 671</b>	<b>105 807</b>	<b>110 458</b>
<b>Net cost of providing services</b>	<b>114 269</b>	<b>116 524</b>	<b>85 158</b>	<b>174 205</b>
<b>Income from / Expenses to SA Government</b>				
Income —				
Appropriation .....	97 793	97 705	85 271	108 353
Other income .....	—	15 462	—	43 824
<b>Net income from / Expenses to SA Government</b>	<b>97 793</b>	<b>113 167</b>	<b>85 271</b>	<b>152 177</b>
<b>Net result</b>	<b>-16 476</b>	<b>-3 357</b>	<b>113</b>	<b>-22 028</b>
<b>Other comprehensive income</b>				
Changes in property, plant and equipment asset revaluation surplus .....	—	—	—	5 759
<b>Total comprehensive result</b>	<b>-16 476</b>	<b>-3 357</b>	<b>113</b>	<b>-16 269</b>

**DEPARTMENT FOR WATER**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	4 502	11 251	3 548	26 272
Receivables .....	13 372	23 022	9 547	22 672
Inventories .....	—	1 576	1 349	1 576
Other current assets .....	155	—	11	—
<b>Total current assets</b>	<b>18 029</b>	<b>35 849</b>	<b>14 455</b>	<b>50 520</b>
<i>Non current assets</i>				
Land and improvements .....	1 863	3 719	2 147	3 765
Plant and equipment .....	81 319	80 039	90 117	69 352
Intangible assets .....	7 791	10 636	5 247	7 038
<b>Total non-current assets</b>	<b>90 973</b>	<b>94 394</b>	<b>97 511</b>	<b>80 155</b>
<b>Total assets</b>	<b>109 002</b>	<b>130 243</b>	<b>111 966</b>	<b>130 675</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	13 661	14 327	8 366	14 367
Employee benefits —				
Salaries and wages .....	270	1 298	1 043	1 271
Annual leave .....	2 265	3 086	2 880	3 077
Long service leave .....	371	552	599	492
Short-term provisions .....	149	144	173	140
<b>Total current liabilities</b>	<b>16 716</b>	<b>19 407</b>	<b>13 061</b>	<b>19 347</b>
<i>Non current liabilities</i>				
Long-term employee benefits —				
Long service leave .....	7 444	9 472	9 370	9 356
Long-term provisions .....	440	420	463	400
<b>Total non-current liabilities</b>	<b>7 884</b>	<b>9 892</b>	<b>9 833</b>	<b>9 756</b>
<b>Total liabilities</b>	<b>24 600</b>	<b>29 299</b>	<b>22 894</b>	<b>29 103</b>
<b>Net assets</b>	<b>84 402</b>	<b>100 944</b>	<b>89 072</b>	<b>101 572</b>
<b>Equity</b>				
Contributed capital .....	10 893	10 893	10 893	8 164
Retained earnings .....	38 790	55 332	49 451	58 689
Asset revaluation reserve .....	34 719	34 719	28 728	34 719
<b>Total equity</b>	<b>84 402</b>	<b>100 944</b>	<b>89 072</b>	<b>101 572</b>

Balances as at 30 June end of period.

## DEPARTMENT FOR WATER

### Statement of cash flows

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Employee benefit payments .....	36 506	59 803	50 194	46 801
Payments for supplies and services .....	43 339	58 711	48 276	50 996
Grants and subsidies .....	54 556	116 102	67 309	34 812
GST paid .....	—	—	—	960
Intra government transfers .....	28 833	35 925	16 331	78 635
Other payments .....	14 736	14 965	4 687	77 181
<b>Cash used in operations</b>	<b>177 970</b>	<b>285 506</b>	<b>186 797</b>	<b>289 385</b>
<i>Cash inflows</i>				
Taxation .....	943	943	943	942
Intra government transfers .....	31 316	130 872	3 408	40 195
Commonwealth receipts .....	17 012	22 992	57 169	18 125
Other grants .....	6 653	3 784	29 358	4 236
Fees, fines and penalties .....	1 103	1 076	1 075	1 419
Sales of goods and services .....	20 528	10 167	11 436	12 581
Interest received .....	—	1 155	—	577
GST received .....	—	—	—	7 456
Other receipts .....	1 401	2 332	2 068	24 934
<b>Cash generated from operations</b>	<b>78 956</b>	<b>173 321</b>	<b>105 457</b>	<b>110 465</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	97 793	97 705	85 271	108 353
Other receipts .....	—	15 462	—	43 824
<b>Net cash provided by SA Government</b>	<b>97 793</b>	<b>113 167</b>	<b>85 271</b>	<b>152 177</b>
<b>Net cash provided by (+) / used (-) in operating activities</b>	<b>-1 221</b>	<b>982</b>	<b>3 931</b>	<b>-26 743</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	5 528	15 296	21 863	4 298
Purchase of intangibles .....	—	3 395	—	639
<b>Cash used in investing activities</b>	<b>5 528</b>	<b>18 691</b>	<b>21 863</b>	<b>4 937</b>
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment .....	—	—	—	27
<b>Cash generated from investing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>27</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-5 528</b>	<b>-18 691</b>	<b>-21 863</b>	<b>-4 910</b>

**DEPARTMENT FOR WATER**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>FINANCING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Capital contributions from SA Government .....	—	2 729	2 729	—
Proceeds from restructuring activities .....	—	-41	—	—
<b>Cash generated from financing activities</b>	<b>—</b>	<b>2 688</b>	<b>2 729</b>	<b>—</b>
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>—</b>	<b>2 688</b>	<b>2 729</b>	<b>—</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-6 749</b>	<b>-15 021</b>	<b>-15 203</b>	<b>-31 653</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>11 251</b>	<b>26 272</b>	<b>18 751</b>	<b>57 925</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4 502</b>	<b>11 251</b>	<b>3 548</b>	<b>26 272</b>
<b>NON CASH TRANSACTIONS:</b>				
Assets received (+) / donated (-) free of charge .....	—	—	—	166

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR WATER**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Income from SA Government</b>				
Income —				
Appropriation .....	<b>8 469</b>	11 415	11 140	10 794
Other income .....	—	14 500	—	16 000
<b>Net income from / Expenses to SA Government</b>	<b>8 469</b>	<b>25 915</b>	<b>11 140</b>	<b>26 794</b>
<b>Income from other sources</b>				
Taxation .....	<b>6 083</b>	5 355	5 401	6 037
Commonwealth revenues .....	—	—	—	19 000
Intra government transfers .....	<b>3 949</b>	26 632	7 006	6 467
Other grants .....	—	145	120	1 176
Fees, fines and penalties .....	—	1 083	2 232	4 295
Sales of goods and services .....	—	127	127	362
Interest revenues .....	—	650	284	1 547
Net gain or loss from disposal of assets .....	—	—	—	37
Other income .....	<b>250</b>	250	250	144
<b>Total income from other sources</b>	<b>10 282</b>	<b>34 242</b>	<b>15 420</b>	<b>39 065</b>
<b>Total income</b>	<b>18 751</b>	<b>60 157</b>	<b>26 560</b>	<b>65 859</b>
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	—	397	398	400
Long service leave .....	—	—	—	10
Payroll tax .....	—	6	6	9
Superannuation .....	—	15	14	12
Other .....	<b>17</b>	26	25	52
Supplies and services —				
General supplies and services .....	<b>1 551</b>	3 017	1 971	1 999
Consultancy expenses .....	—	—	—	1
Depreciation and amortisation expenses .....	<b>1 360</b>	1 360	1 360	1 680
Grants and subsidies .....	<b>6 599</b>	8 982	11 289	6 796
Intra government transfers .....	<b>9 887</b>	55 424	16 161	59 526
Other expenses .....	<b>271</b>	281	1 413	669
<b>Total expenses</b>	<b>19 685</b>	<b>69 508</b>	<b>32 637</b>	<b>71 154</b>
<b>Net result</b>	<b>-934</b>	<b>-9 351</b>	<b>-6 077</b>	<b>-5 295</b>
<b>Other comprehensive income</b>				
Changes in property, plant and equipment asset revaluation surplus .....	—	—	—	19 459
<b>Total comprehensive result</b>	<b>-934</b>	<b>-9 351</b>	<b>-6 077</b>	<b>14 164</b>

## ADMINISTERED ITEMS FOR THE DEPARTMENT FOR WATER

### Statement of financial position

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	3 584	21 528	14 113	29 511
Receivables .....	4 683	5 120	4 119	5 554
Inventories .....	18	238	186	238
<b>Total current assets</b>	<b>8 285</b>	<b>26 886</b>	<b>18 418</b>	<b>35 303</b>
<i>Non current assets</i>				
Interests in joint ventures .....	666 505	666 505	647 046	666 505
Land and improvements .....	446	33 420	33 427	33 420
Plant and equipment .....	26 762	27 711	27 924	28 649
<b>Total non-current assets</b>	<b>693 713</b>	<b>727 636</b>	<b>708 397</b>	<b>728 574</b>
<b>Total assets</b>	<b>701 998</b>	<b>754 522</b>	<b>726 815</b>	<b>763 877</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	3 893	4 487	4 911	4 491
Employee benefits —				
Salaries and wages .....	—	4	3	4
Annual leave .....	70	82	93	82
Long service leave .....	17	24	38	24
Other .....	5	5	6	5
<b>Total current liabilities</b>	<b>3 985</b>	<b>4 602</b>	<b>5 051</b>	<b>4 606</b>
<i>Non current liabilities</i>				
Long-term employee benefits —				
Long service leave .....	—	39	30	39
<b>Total non-current liabilities</b>	<b>—</b>	<b>39</b>	<b>30</b>	<b>39</b>
<b>Total liabilities</b>	<b>3 985</b>	<b>4 641</b>	<b>5 081</b>	<b>4 645</b>
<b>Net assets</b>	<b>698 013</b>	<b>749 881</b>	<b>721 734</b>	<b>759 232</b>
<b>Equity</b>				
Retained earnings .....	501 022	543 535	534 847	552 886
Asset revaluation reserve .....	196 991	206 346	186 887	206 346
<b>Total equity</b>	<b>698 013</b>	<b>749 881</b>	<b>721 734</b>	<b>759 232</b>

Balances as at 30 June end of period.

## ADMINISTERED ITEMS FOR THE DEPARTMENT FOR WATER

### Statement of cash flows

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Taxation .....	6 012	5 284	5 330	5 089
Intra government transfers .....	3 949	26 632	7 006	6 467
Commonwealth receipts .....	—	—	—	19 000
Other grants .....	—	145	120	1 176
Fees, fines and penalties .....	27	1 110	2 259	3 114
Sales of goods and services .....	—	598	127	323
Interest received .....	—	657	284	1 686
GST received .....	—	—	—	191
Other receipts .....	250	250	250	144
<b>Cash generated from operations</b>	<b>10 238</b>	<b>34 676</b>	<b>15 376</b>	<b>37 190</b>
<i>Cash outflows</i>				
Employee benefit payments .....	17	444	443	411
Payments for supplies and services .....	1 551	3 017	1 971	2 122
Grants and subsidies .....	6 599	8 986	11 289	6 787
GST paid .....	—	—	—	191
Intra government transfers .....	9 887	55 424	16 161	60 597
Other payments .....	271	281	1 413	45
<b>Cash used in operations</b>	<b>18 325</b>	<b>68 152</b>	<b>31 277</b>	<b>70 153</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	8 469	11 415	11 140	10 794
Other receipts .....	—	14 500	—	16 000
<b>Net cash provided by SA Government</b>	<b>8 469</b>	<b>25 915</b>	<b>11 140</b>	<b>26 794</b>
<b>Net cash provided by (+) / used in (-) operating activities</b>	<b>382</b>	<b>-7 561</b>	<b>-4 761</b>	<b>-6 169</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment .....	—	—	—	65
<b>Cash generated from investing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>65</b>
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	429	422	422	540
<b>Cash used in investing activities</b>	<b>429</b>	<b>422</b>	<b>422</b>	<b>540</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-429</b>	<b>-422</b>	<b>-422</b>	<b>-475</b>

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR WATER**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>FINANCING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Proceeds from restructuring activities .....	<b>-17 897</b>	—	—	—
<b>Cash generated from financing activities</b>	<b>-17 897</b>	—	—	—
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>-17 897</b>	—	—	—
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-17 944</b>	<b>-7 983</b>	<b>-5 183</b>	<b>-6 644</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>21 528</b>	<b>29 511</b>	<b>19 296</b>	<b>36 155</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3 584</b>	<b>21 528</b>	<b>14 113</b>	<b>29 511</b>

## **AGENCY: DEPARTMENT FOR WATER**

### **Financial commentary — major variations**

The following commentary relates to agency financial statements presented in the previous section.

The administered items include the income, expenses, assets, liabilities and cash flows pertaining to the South Eastern Water Conservation and Drainage Board. This differs from the Department for Water general purpose financial reports, which do not recognise this reporting entity as administered.

#### ***Statement of comprehensive income — controlled***

##### *Expenditure*

The decrease in operating expenses of \$106.6 million between the 2009-10 Estimated Result and the 2010-11 Budget is primarily attributed to:

- reduced payments following the transfer of functions associated with the Natural Resources Management (NRM) Division to the Department of Environment and Natural Resources (DENR) (\$17.0 million) and Primary Industries and Resources (PIRSA) (\$6.8 million);
- reduced payments associated with the minister's office budget (\$1.8 million);
- decrease in Murray Futures program payments following the substantial completion of projects relating to the irrigation pipelines (\$77.7 million), Goolwa Channel (\$5.1 million), potable pipelines (\$8.6 million) and Riverine Recovery Start Up (\$2.3 million);
- decrease in payments for environmental water purchases (\$7.1 million);
- decrease in payments from the Complementary State Natural Resources Management program (\$5.8 million);
- decrease in payments related to the National Action Plan for Water Quality and Salinity projects (\$2.8 million); and
- decrease in payments related to the National Water Initiative implementation agreement (\$3.5 million).

Partially offset by:

- increase in payments related to the Hume Dam project (\$2.7 million);
- increase in payments relating to the Stormwater Management program (\$12.7 million); and
- increase in payments related to the Murray Futures Program for Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$15.3 million).

##### *Revenue*

The decrease in income of \$104.4 million between 2009-10 Estimated Result and the 2010-11 Budget is primarily attributed to:

- reduced revenue following the transfer of functions associated with the NRM Division to DENR (\$3.6 million) and PIRSA (\$2.3 million);

- reduced Commonwealth funding due to the substantial completion of Murray Futures Program projects relating to the irrigation pipelines (\$85.8 million), Goolwa Channel (\$8.6 million), potable pipelines (\$8.6 million) and Riverine Recovery Start Up (\$2.0 million);
- reduced Commonwealth funding due to the substantial completion of the National Water Initiative agreements for implementation (\$5.5 million) and Reflows (\$4.3 million);
- reduced revenue received from the Complementary State NRM program (\$5.9 million); and
- reduced revenue received from the Murray-Darling Basin Authority for the Goolwa Channel Regulator program (\$6.1 million).

Partially offset by:

- increase in Commonwealth funding for the Stormwater Management Program (\$10.0 million); and
- increase in Commonwealth funding for Adaptive Management of the Coorong, Lower Lakes and Murray Mouth (\$14.0 million).

### ***Statement of financial position — controlled***

The statement of financial position shows a decrease in the net assets position from the 2009-10 Estimated Result to the 2010-11 Budget of \$16.5 million.

The decrease is attributable to a reduction in cash holdings related to revenue carried forward to be spent in 2010-11 (\$6.7 million), a reduction in receivables (\$9.7 million) due to reduced Commonwealth debtors and a decrease in intangible assets due to depreciation (\$2.8 million). In addition, there were asset and liability transfers as part of the transfer of functions associated with the NRM Division, which reduced land and improvement assets (\$1.9 million) and employee related liabilities (\$3.7 million).

### ***Statement of cash flows — controlled***

The major variations described in the statement of cash flows are reflective of the variations in the statement of comprehensive income and statement of financial position.

### ***Statement of comprehensive income — administered items***

#### *Expenditure*

The decrease in expenditure of \$49.8 million between the 2009-10 Estimated Result and the 2010-11 Budget is primarily attributed to the transfer of responsibility for programs to DENR and PIRSA which include:

- Caring for our Country (\$19.3 million);
- Complementary State NRM Program (\$14.5 million);
- National Action Plan programs (\$7.5 million);
- NRM Fund (\$5.1 million); and
- Native Vegetation Fund (\$3.1 million).

In addition, there were decreases in payments for the South Eastern Water Conservation and Drainage Board due to once-off grants in 2009-10 (\$0.9 million) and the cessation of the NRM Alliance Fund (\$0.4 million).

This is partially offset by additional Commonwealth revenue received by the Stormwater Management Authority (\$1.9 million).

#### *Revenue*

The decrease in revenue of \$24 million between the 2009-10 Estimated Result and the 2010-11 Budget is primarily attributed to the transfer of functions associated with the NRM Division to DENR and PIRSA which include the transfers of:

- Caring for our Country (\$17.5 million); and
- NRM Fund (\$3.4 million).

In addition, there were decreases in revenue for the South Eastern Water Conservation and Drainage Board due to once off grants in 2009-10 (\$0.9 million) and the cessation of the NRM Alliance Fund (\$0.4 million).

This is partially offset by additional Commonwealth revenue received by the Stormwater Management Authority (\$1.9 million) and increased water levy revenue (\$0.7 million) due to movement in the Consumer Price Index.

#### ***Statement of financial position — administered items***

The decrease in net assets of \$51.9 million is primarily due to asset transfers associated with the NRM Division being transferred to DENR and PIRSA, with cash holdings (\$17.9 million) and land and improvements (\$33 million) being transferred.

#### ***Statement of cash flows — administered items***

The major variations described in the statement of cash flows are reflective of the variations in the statement of comprehensive income and statement of financial position.

#### ***Additional information for administered items***

Detailed information on administered items is included in the following table.

**Additional information for administered items  
Department for Water**

**Statement of cash flows**

	<b>2010-11 Budget \$000</b>	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<b>CASH FLOWS FROM:</b>				
<b>Operating activities</b>				
<i>Cash inflows</i>				
Taxation —				
NRM Levy <sup>(a)</sup> .....	<b>6 012</b>	—	—	—
Fines and Penalties —				
NRM Levy .....	<b>27</b>	27	—	—
South Eastern Water Conservation and Drainage Board .....	—	—	—	2
Grants and Subsidies —				
Stormwater Management Authority Grant .....	<b>1 931</b>	—	—	—
NRM Alliance Fund .....	—	386	356	185
South Eastern Water Conservation and Drainage Board .....	<b>2 018</b>	2 761	1 969	1 921
Sales of Goods and Services —				
South Eastern Water Conservation and Drainage Board .....	—	107	107	294
State Government —				
NRM Levy Relief .....	<b>1 786</b>	—	—	—
Qualco Sunlands .....	<b>250</b>	250	250	250
Minister's Salary .....	—	264	275	269
Stormwater Management Authority Grant .....	<b>4 415</b>	4 308	4 308	4 203
South Eastern Water Conservation and Drainage Board .....	<b>2 018</b>	1 969	1 969	1 921
Net GST Received .....	—	—	—	191
Other Receipts .....	<b>250</b>	250	250	108
<b>Cash generated from operations</b>	<b>18 707</b>	<b>10 322</b>	<b>9 484</b>	<b>9 344</b>
<i>Cash outflows</i>				
Employee Entitlements —				
Minister's Salary .....	—	264	275	259
South Eastern Water Conservation and Drainage Board .....	<b>17</b>	20	20	6
Supplies and Services —				
NRM Alliance Fund .....	—	269	—	—
South Eastern Water Conservation and Drainage Board .....	<b>1 551</b>	2 410	1 618	1 791
Grants and Subsidies, Intra-government Transfers —				
NRM Levy .....	<b>7 869</b>	—	—	—
Qualco Sunlands .....	<b>250</b>	250	250	—
Stormwater Management Authority Grant .....	<b>6 349</b>	4 308	4 308	4 203
NRM Alliance Fund .....	—	386	356	759
South Eastern Water Conservation and Drainage Board .....	<b>2 018</b>	1 969	1 969	1 921
Net GST Paid .....	—	—	—	191

**Additional information for administered items  
Department for Water**

**Statement of cash flows**

	<b>2010-11 Budget \$000</b>	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
Other Payments —				
South Eastern Water Conservation and Drainage Board .....	21	19	19	20
Qualco Sunlands — Payments to Consolidated Account .....	250	250	250	—
NRM Levy Penalties .....	—	—	1 132	—
<b>Cash used in operations</b>	<b>18 325</b>	<b>10 145</b>	<b>10 197</b>	<b>9 150</b>
<b>Net cash provided by (+) / used in (-) operating activities</b>	<b>382</b>	<b>177</b>	<b>-713</b>	<b>194</b>
<b>Investing activities</b>				
<i>Cash inflows</i>				
South Eastern Water Conservation and Drainage Board .....	—	—	—	65
<b>Cash generated from investing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>65</b>
<i>Cash outflows</i>				
South Eastern Water Conservation and Drainage Board .....	429	419	419	540
<b>Cash used in investing activities</b> .....	<b>429</b>	<b>419</b>	<b>419</b>	<b>540</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-429</b>	<b>-419</b>	<b>-419</b>	<b>-475</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-47</b>	<b>-242</b>	<b>-1 132</b>	<b>-281</b>
<b>Opening cash balance as at 1 July</b>	<b>3 631</b>	<b>3 873</b>	<b>3 295</b>	<b>4 154</b>
<b>Closing cash balance as at 30 June</b>	<b>3 584</b>	<b>3 631</b>	<b>2 163</b>	<b>3 873</b>

## Additional information for administered items

### Reconciliation to statement of cash flows

	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<b>Reconciliation to operating receipts</b>				
(as per administered items statement of cash flows)				
<b>Operating receipts</b>				
(as per additional information for administered items) .....	18 707	10 322	9 484	9 344
<i>Add:</i> Costs transferred out				
Administered Items for the Department of Environment and Natural Resources .....	—	49 311	16 090	53 721
Administered Items for the Department of Primary Industries and Resources .....	—	958	942	919
<b>Equals: Operating receipts</b> (as per administered items statement of cash flows)	<b>18 707</b>	<b>60 591</b>	<b>26 516</b>	<b>63 984</b>
<b>Reconciliation to operating payments</b>				
(as per administered items statement of cash flows)				
<b>Operating payments</b>				
(as per additional information for administered items) .....	18 325	10 145	10 197	9 150
<i>Add:</i> Costs transferred out				
Administered Items for the Department of Environment and Natural Resources .....	—	57 049	20 135	60 045
Administered Items for Department of Primary Industries and Resources .....	—	958	945	958
<b>Equals: Operating payments</b> (as per administered items statement of cash flows)	<b>18 325</b>	<b>68 152</b>	<b>31 277</b>	<b>70 153</b>
<b>Reconciliation to investing activities</b>				
(as per administered items statement of cash flows)				
<b>Investing activities</b>				
(as per additional information for administered items)	-429	-419	-419	-475
<i>Add:</i> Costs transferred out				
Administered Items for the Department of Environment and Natural Resources	—	-3	-3	—
Administered Items for Department of Primary Industries and Resources .....	—	—	—	—
<b>Equals: Investing activities</b> (as per administered items statement of cash flows)	<b>-429</b>	<b>-422</b>	<b>-422</b>	<b>-475</b>

## Additional information for administered items

### Reconciliation to statement of cash flows

	2010-11 Budget \$000	2009-10 Estimated result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<b>Reconciliation to financing activities</b>				
(as per administered items statement of cash flows)				
<b>Financing activities</b>	—	—	—	—
(as per additional information for statement of cash flows)				
<i>Add:</i> Costs transferred out				
Administered Items for the Department of Environment and Natural Resources .....	-17 729	—	—	—
Administered Items for Department of Primary Industries and Resources .....	-168	—	—	—
<b>Equals: Financing activities</b>	<b>-17 897</b>	—	—	—
(as per administered items statement of cash flows)				

- (a) The NRM Fund transferred to DENR on 1 July 2010. In previous years, NRM taxation revenue was collected and disbursed through the NRM Fund. The NRM Fund is now included in the operating activities transferred to DENR in the “Reconciliation to statement of cash flows”. From 2010-11, DFW will collect the NRM Levy taxation revenue and transfer it to DENR, for receipt into the NRM Fund.



# **Portfolio: Tourism**

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**Minister for Tourism**



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## PORTFOLIO: TOURISM

### MINISTERIAL RESPONSIBILITIES

Minister	Agency	Programs	Sub-programs
The Hon. John Rau Minister for Tourism	South Australian Tourism Commission	1. Destination Development	1.1 Policy and Planning 1.2 Research 1.3 Tourism Access and Business Development 1.4 Tourism Infrastructure Development
		2. Tourism Events	Nil
		3. Tourism Marketing	3.1 Domestic Marketing 3.2 International Marketing

### Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

### WORKFORCE SUMMARY

Agency	FTEs as at 30 June		
	2010-11 Budget	2009-10 Estimated Result	2008-09 Actual
South Australian Tourism Commission	168.8	177.2	167.4
<b>Total</b>	<b>168.8</b>	<b>177.2</b>	<b>167.4</b>

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## **PORTFOLIO: TOURISM**

### **AGENCY: SOUTH AUSTRALIAN TOURISM COMMISSION**

#### **Objective**

The objectives of the South Australian Tourism Commission are to:

- increase visitor numbers to and within the state by creating awareness of South Australia and its tourism assets in key target markets;
- facilitate the development of a competitive, profitable and sustainable tourism industry;
- develop a competitive market position;
- develop special interest (niche) markets that focus on South Australia's competitive strengths;
- build strong networks and partnerships with relevant stakeholders for mutual benefit;
- achieve sustainability of environmental and economic benefits; and
- bid for, and stage, major events.

## 2010-11 Targets/2009-10 Highlights

Targets 2010-11	Highlights 2009-10
<ul style="list-style-type: none"> <li>• Continue with, and refresh the Isn't It About Time interstate marketing campaign, promoting Adelaide and its close proximity to wine regions, aquatic experiences, unspoilt nature and luxury accommodation</li> <li>• Revitalise the intrastate Recharge and Shorts campaign, with a particular focus on communicating 'what's on' to encourage visitation to regional areas and increase the number of intrastate holidays. This activity will be supported by informative television, online, press and radio advertising</li> <li>• Leverage the relationships built at the 2010 Australian Tourism Exchange to increase the amount of South Australian holiday product packaged and sold by the international travel industry</li> <li>• Continue to undertake consumer and trade marketing activities in South Australia's target international markets to increase international visitation to the state</li> <li>• Manage, support and attract events to create a balanced calendar of events and drive additional visitation to the state</li> <li>• Continue to improve access to and within South Australia, particularly increasing domestic and international air access and attracting new cruise lines</li> <li>• Showcase South Australian tourism investment opportunities to potential investors and existing tourism operators to facilitate investment in tourism infrastructure projects</li> <li>• Enhance visitor experiences through the improvement of tourism facilities and establishment of new tourism product via the Tourism Development Fund</li> <li>• Work with industry partners to ensure effective implementation and monitoring of key performance indicators established under the <i>South Australian Tourism Plan 2009-2014</i></li> <li>• Complete strategic tourism plans, including integration of work identified as part of the National Long Term Tourism Strategy, such as the Flinders Ranges Experience Development Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Continued the Isn't It About Time marketing campaign. The campaign, targeting high spending consumers in the Melbourne and Sydney markets, promoted the state's tourism experiences that appealed to the target tourism audience. Campaign elements included television, magazine, newspaper and online advertising and direct mail</li> <li>• Developed the Cellar Door campaign, under the Isn't It About Time umbrella. The campaign incorporated brand and retail advertising and promoted Adelaide and its proximity to over 200 cellar doors. The centrepiece of the campaign was a 60 second television commercial, which was supported by magazine and online advertising</li> <li>• Successfully hosted the 2010 Australian Tourism Exchange, Australia's premier international tourism trade event, with more than 700 tourism wholesalers from 40 countries attending. More than 500 international buyers, trade and media participated in pre and post familiarisation visits around the state</li> <li>• Established an office in Shanghai to assist in capturing a larger share of the growing Chinese market. Continued to work with a range of tourism partners to undertake marketing activities in South Australia's target international markets to increase international visitation to the state</li> <li>• The 2010 Santos Tour Down Under achieved record crowds, visitors and economic activity for the South Australian economy. The 2010 event attracted nearly 40 000 interstate and international visitors, who provided an estimated \$41.5 million boost to the state's economy</li> <li>• The state won the right to host a number of major events, including the World Surf Lifesaving Championships Rescue 2012, the Australian University Games (2012 and 2018), the 2011 Australian Age Championships (swimming), and the Air New Zealand/Golden Oldies World Cricket Festival (2012)</li> <li>• Continued to improve access to and within South Australia, particularly aviation. In February, a Chinese wholesale travel operator chartered an aircraft and flew direct from Shenzhen in southern China to Adelaide</li> <li>• Successfully hosted the 8<sup>th</sup> Regional Routes Asia Forum in April 2010</li> <li>• Attracted new cruise lines to Adelaide. The largest ocean liner in the world, the Queen Mary 2, arrived in March for the first time, with over 3000 passengers</li> <li>• Invested in the development of well designed and sustainable tourism infrastructure projects through the Tourism Development Fund. The application based fund supported 11 projects, with \$285 000, leveraging more than \$3.3 million of additional funding from local government and private investors</li> </ul>

## Program net cost of services summary

Program	Net Cost of Services			
	2010-11	2009-10	2009-10	2008-09
	Budget	Estimated	Budget	Actual
	\$000	Result	\$000	\$000
1. Destination Development.....	7 481	8 307	8 995	6 815
2. Tourism Events.....	14 230	17 050	15 055	13 847
3. Tourism Marketing .....	32 602	36 070	35 127	31 305
<b>Total</b>	<b>54 313</b>	<b>61 427</b>	<b>59 177</b>	<b>51 967</b>

## Investing expenditure summary

Investments	2010-11	2009-10	2009-10	2008-09
	Budget	Estimated	Budget	Actual
	\$000	Result	\$000	\$000
<i>New projects</i>				
Fit-out of New Office Accommodation.....	—	—	—	2 435
<b>Total new projects</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2 435</b>
<i>Annual programs</i>				
Purchase of Information Technology Equipment ....	131	127	127	294
<b>Total annual programs</b>	<b>131</b>	<b>127</b>	<b>127</b>	<b>294</b>
<b>Total investing expenditure</b>	<b>131</b>	<b>127</b>	<b>127</b>	<b>2 729</b>

## AGENCY: SOUTH AUSTRALIAN TOURISM COMMISSION

### Program information

**Program 1: Destination Development**

**Description/Objective:** To assist the tourism industry by providing statistical research advice and evaluation, and industry policy and planning services as well as facilitating and encouraging investment in tourism development and improving access to and within the state.

### Summary income statement

<b>Program 1: Destination Development</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	2 403	2 702	2 603	2 363
Supplies and Services .....	1 816	3 507	1 994	1 973
Grants and Subsidies .....	3 228	3 879	4 343	4 828
Depreciation and Amortisation.....	58	54	57	104
Other .....	12	9	57	14
<b>Total expenses</b>	<b>7 517</b>	<b>10 151</b>	<b>9 054</b>	<b>9 282</b>
<b>Income</b>				
Sale of Goods and Services .....	36	1 844	59	2 467
<b>Total income</b>	<b>36</b>	<b>1 844</b>	<b>59</b>	<b>2 467</b>
<b>Net cost of providing services</b>	<b>7 481</b>	<b>8 307</b>	<b>8 995</b>	<b>6 815</b>

## Sub-program information

<b>Sub-program 1.1: Policy and Planning</b>				
Provides clear vision and direction for the tourism industry and encourages a 'tourism friendly' policy and regulatory environment.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$1 174 000</b>	<b>\$1 224 000</b>	<b>\$1 416 000</b>	<b>\$953 000</b>
<b>Performance Commentary</b>				
<p>In 2009-10, the South Australian Tourism Commission's Strategy and Policy Unit continued to focus on planning to develop, communicate and monitor the strategies that will assist the commission and the industry to achieve <i>South Australia's Strategic Plan</i> tourism target (T1.15 'Tourism industry'), and assist with policy alignment to ensure a positive and competitive policy environment in which a sustainable tourism industry can continue to grow.</p> <p>The Strategy and Policy Unit reports on the key performance indicators for <i>South Australia's Strategic Plan</i> Tourism Implementation Plan, demonstrating how to accelerate progress in achieving the T1.15 tourism target (\$6.3 billion in visitor expenditure by 2014).</p> <p>The unit also works to align the strategic direction and broader government policy and decision making with the goals of the tourism industry, as outlined in the joint government/industry <i>South Australian Tourism Plan 2009-2014</i>. The plan identifies the tourism industry's key objectives for the next four years, and a number of key performance indicators for each goal have been monitored to assess progress.</p> <p>Key achievements for the Strategy and Policy Unit during 2009-10 were:</p> <ul style="list-style-type: none"> <li>the Adelaide Hills Regional Strategic Tourism Plan was significantly advanced, and Fleurieu Peninsula councils were assisted in reviewing progress of the Fleurieu Peninsula Regional Plan and identifying future priorities;</li> <li>the City of Adelaide Tourism Plan was finalised and a memorandum of understanding guiding implementation was signed by council and the commission;</li> <li>the National Long Term Tourism Strategy was released by the Commonwealth Minister for Tourism in December 2009. The strategy outlined a long-term policy framework to position the Australian tourism industry as a sustainable and economically vibrant industry. Specific working groups have been set up to guide implementation, and the Strategy and Policy Unit coordinates the commission's input into these working groups;</li> <li>as part of the National Long Term Tourism Strategy, the commission was successful in securing Commonwealth funds to pilot an experience development strategy (EDS) for the Flinders Ranges, to be undertaken in 2010-11. The aim of the EDS approach is to improve best practice destination management and assist destinations to improve the visitor experience for specific target markets;</li> <li>the commission made submissions to a wide range of government policy initiatives including version 5 of the state government's Better Development Plan project; marine park planning; great white shark cage diving regulations; Geoparks; the environmental impact statement for the proposed expansion of Olympic Dam (including the desalination plant at Point Lowly); the long-term plan for the Coorong Lower Lakes and Murray Mouth; the Department of Environment and Natural Resources Adelaide trails strategy; review of the state greenhouse strategy and the South Australian climate change adaptation framework as well as some 40 development plan amendments by local and state government; and</li> <li>the unit represented the commission on the Marine Park Steering Committee and the Coast Protection Board. It also provided input into the Department of Planning and Local Government's regional land use frameworks and <i>The 30 Year Plan for Greater Adelaide</i>, both of which are part of the state's planning strategy. Input was also provided into the proposed Department of Environment and Natural Resource's visitor strategy — a significant opportunity for the commission to leverage greater potential for sensitively designed and sited tourism development within South Australia's national parks, reserves and trails.</li> </ul> <p>In 2010-11, the unit will focus on continuing to monitor implementation of the <i>South Australian Tourism Plan 2009-2014</i>, participating in various projects under the National Long Term Tourism Strategy, including the EDS pilot, providing planning advice for key strategic projects and negotiating with various state government agencies to ensure a positive policy environment for sustainable tourism development exists in South Australia.</p>				

**Sub-program 1.2: Research**

The commission's Research Unit collates and distributes statistical information about tourism and travel in South Australia and coordinates market research on behalf of the commission.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$1 051 000</b>	<b>\$1 032 000</b>	<b>\$1 147 000</b>	<b>\$1 049 000</b>

**Performance Commentary**

The South Australian Tourism Commission's Research Unit provides data to assist informed strategic decision making. It also provides regular updates on tourism demand, visitor profiles, the economic value of tourism and the performance of the state's tourism industry.

The unit provides ongoing analysis and interpretation of the major visitor data provided by the National Visitor Survey and International Visitor Survey conducted by Tourism Research Australia; the Survey of Tourist Accommodation conducted by the Australian Bureau of Statistics; and the Holiday Tracking Survey conducted by Roy Morgan Research; as well as specific research commissioned by the agency.

Key achievements for the Research Unit during 2009-10 were:

- survey data was interpreted and used to support strategy and decision making, including key performance indicators for the *South Australian Tourism Plan 2009-2014*, *South Australia's Strategic Plan* Tourism Implementation Plan and input into analysis undertaken by the commission's access and development units. Survey data was also interpreted and used to inform other government agencies, local government, regional tourism offices, industry, stakeholders, consultants, students and the general public about tourism demand, the characteristics of visitors and related issues at national, state and regional levels;
- the Research Team continued to publish fact sheets, including a set of regional profiles summarising market structure and visitor profiles for South Australia's tourism regions on the commission's corporate website [tourism.sa.gov.au](http://tourism.sa.gov.au);
- consultants BDA Marketing Planning conducted a new online consumer planning survey to provide the commission with an enhanced strategic planning tool and intelligence source. Using this tool BDA Marketing Planning reviewed intrastate marketing activity and undertook testing of various holiday concepts. BDA Marketing Planning also completed an assessment of the contribution of tourism in regional South Australia towards the \$6.3 billion visitor expenditure tourism target, and continued to provide independent high level performance tracking and forecast briefings;
- the unit continued to be an industry partner in the Sustainable Tourism Cooperative Research Centre (STCRC), a joint venture between the education, government and industry sectors. The STCRC produced the third South Australian Tourism Satellite Account with respect to 2007-08. Tourism satellite accounts estimate the value of the tourism industry to the national economy in terms of GDP and employment. From 2010-11, the South Australian Tourism Satellite Account will be produced by the Commonwealth Department of Resources, Energy and Tourism; and
- the commission continued with its annual measure of 'brand health', by tracking South Australia's image as seen by consumers on the eastern seaboard. A strategic regional research study was also initiated through Tourism Research Australia to quantify the impact that South Australian regional visitor guides have on holiday makers in South Australia, the results of which will be used to assist the commission's regional tourism growth plan.

In 2010-11, a major focus will be the provision of analysis to support the commission's marketing and destination development strategies, particularly with respect to targeted market segments and product gap identification, and the monitoring of key performance indicators established under the *South Australian Tourism Plan 2009-2014*.

**Sub-program 1.3: Tourism Access and Business Development**

To assist the South Australia Tourism industry in raising standards, efficiencies and marketability of products and services, and develop and promote tourism products that build on the state's competitive strengths.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$3 068 000</b>	<b>\$4 010 000</b>	<b>\$4 166 000</b>	<b>\$2 607 000</b>

**Performance Commentary**

The decrease in the 2010-11 Budget as compared to the 2009-10 Estimated Result is primarily due to additional expenditure in 2009-10 to attract more direct flights to South Australia.

In 2009-10, the South Australian Tourism Commission continued to seek opportunities to improve aviation and cruise ship access for visitors to South Australia.

Key achievements for the Tourism Access and Business Development units during 2009-10 were:

- in partnership with Adelaide Airport Limited, attended the World Routes Forum in September 2009 to meet with key airlines and promote the upcoming 8<sup>th</sup> Regional Routes Asia Forum;
- the 8<sup>th</sup> Regional Routes Asia Forum was held in Adelaide in April 2010, which saw airlines and airports, mainly from the Asia Pacific region, meet to discuss route development opportunities. This was the first time the forum was held in Australia and attracted 60 airlines and more than 400 delegates. The forum was a valuable opportunity for Adelaide to host international airlines, and will contribute significantly to South Australia's future discussions with these airlines;
- in February, a Chinese wholesale travel operator chartered an aircraft which flew direct from Shenzhen in southern China to Adelaide. The charter brought 130 Chinese visitors to Adelaide and facilitated a new level of partnership between the travel trade, airlines and route planners. Further charters are planned in 2011;
- the commission continued to meet with major airlines that have a strategic interest in our region to discuss route opportunities, and provide evidence of demand growth in the state. As at April 2010, 6190 international seats per week and 75 346 domestic seats per week fly to Adelaide. This has grown from 2827 international seats per week and 45 500 international seats per week in April 2003;
- in partnership with Flinders Ports, jointly funded the \$500 000 upgrade of the Port Adelaide Passenger Terminal to improve visitor facilities. The upgrade to the Port Adelaide Passenger Terminal includes a new retail shopping space and visitor information desk, new streamlined check-in areas for passengers, new parking and a direct walkway from the terminal to the train station;
- from October to March, coordinated the arrival and welcome of 21 cruise ships to the Port Adelaide Passenger Terminal as well as a further six visits to regional ports. In the largest season for Adelaide to date, 48 000 passengers and crew arrived and contributed an estimated \$9.3 million to the economy. The largest ocean liner in the world, the Queen Mary 2, arrived in March, with more than 3000 passengers;
- for the first time, attended Seatrade Miami, the world's largest cruise ship trade fair, and briefed cruise line itinerary planners on South Australia. As a result, several new opportunities for cruise ship visits to Adelaide were discussed, and new important relationships were developed. The commission also hosted the 13<sup>th</sup> Cruise Down Under Annual Conference in August 2009. The conference provided a unique opportunity to promote South Australia as a leading cruise ship destination to high-yielding 'expedition' cruise companies, resulting in new itineraries visiting South Australia. These smaller craft, of up to 100 passengers, make multiple stops in the state and contribute significant returns; and
- the Business Development Unit continued with the 'Best of Breed' Investor Familiarisation Program, which showcases South Australia's tourism development opportunities to the best tourism operators and investors in Australia. This program has shown good results leading to increased services, product and tourism expenditure in South Australia.

Targets for 2010-11 include:

- the Access Unit will continue to work towards increasing domestic and international air access capacity into Adelaide by working with key airline partners and stakeholders, and attracting new cruise lines and expedition vessels to Adelaide and the state's regional ports; and
- the Business Development Unit will continue to encourage new tourism development and experiences by running the 'Best of Breed' Investor Familiarisation Program, identifying product gaps and introducing these opportunities to existing tourism operators, and case managing major tourism infrastructure developments.

## Sub-program 1.4: Tourism Infrastructure Development

Identifies, evaluates, assists and funds tourism infrastructure projects throughout the state.

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
<b>Net Cost of Sub-program</b>	<b>\$2 188 000</b>	<b>\$2 041 000</b>	<b>\$2 266 000</b>	<b>\$2 206 000</b>

### Performance Commentary

In 2009-10, the commission continued its support for new and improved tourism infrastructure throughout the state through its Tourism Development Fund (TDF). The TDF, which consists of two grant categories, provided funding to facilitate the development of well designed and sustainable tourism infrastructure projects.

Category 1 of the TDF is application based, open to local government and not for profit bodies and is designed to support the development of visitor facilities. During 2009-10, TDF supported 11 category 1 projects, with \$285 000 leveraging more than \$3.3 million of additional funding from local government and private investors.

Category 1 projects supported in 2009-10 included:

- Adelaide Parklands Trail Stage 5, which was commenced in 2008-09 to create links between the central business district and the visitor precinct of the Adelaide Botanic Gardens, the new Adelaide Zoo entrance and the River Torrens Linear Park.;
- a southern extension of the world renowned Riesling Trail in the Clare Valley to incorporate Riverton to Auburn, introducing the option for visitors to experience the many art and craft galleries located in this area;
- redevelopment of the popular Signal Point Visitor Centre at Goolwa to incorporate conference, art and cultural facilities, and relocation of the existing visitor information centre into the heritage listed post office as part of an overall cultural precinct;
- the final stage of the Lady Nelson Park Gateway Visitor Information Centre redevelopment in Mount Gambier; and
- a contribution towards infrastructure associated with accommodation and tour facilities at Brayfield Park Lavender Tourism Accommodation in the Murraylands.

Category 2 of the TDF is designed to assist investors, developers and existing tourism operators to upgrade or build signature tourism product which appeals to the state's interstate and overseas target tourism consumer. Projects funded through category 2 frequently leverage private investment in excess of \$10 for every \$1 invested by the commission.

Category 2 projects supported in 2009-10 included:

- redevelopment of the Aurora Ozone Hotel on Kangaroo Island to incorporate conference facilities for up to 300 people;
- development of luxury accommodation at Arkaba Station in the Flinders Ranges;
- upgrade of camping facilities at Vivonne Bay on Kangaroo Island; and
- completion of a visitor and interpretive facility at Baird Bay on Eyre Peninsula for the popular 'swim with the sea lions' experience.

As part of its commitment to reinforce South Australia's position as the wine capital of Australia, the commission also allocated separate TDF funding towards the upgrade of food and wine facilities throughout the state over two years concluding in 2009-10. Similar projects will continue to be supported in future years through category 2 funding.

Food and wine projects supported in 2009-10 included:

- provide facilities at the Naracoorte Art Gallery and Seppeltsfield in the Barossa;
- restoration of a heritage listed barn in Williamstown to incorporate a sensory wine and local produce tasting facility for Te Aro Estate Wines;
- development of a culinary tourism plan for Eyre Peninsula;
- introduction of an art gallery into Chapel Hill Wines at McLaren Vale; and
- infrastructure associated with the Haus Restaurant as part of a dining and accommodation precinct in Hahndorf.

In 2010-11, the commission will continue to provide TDF funding for infrastructure projects that facilitate sustainable tourism development. Infrastructure funding will be offered to attract investors to undertake significant projects throughout the state which have been identified as important product gaps in the marketplace. The focus will be on supporting tourism infrastructure projects that create new and refreshed tourism developments and encourage investment in South Australia's tourism assets. TDF grants for private sector developments involve a significant amount of investment from the proponent and illustrate the tremendous potential of partnerships in developing and maintaining tourism infrastructure — achieving mutual benefits for the state, the individual businesses and the local regional economies.

## AGENCY: SOUTH AUSTRALIAN TOURISM COMMISSION

### Program information

**Program 2:**                    *Tourism Events*

**Description/Objective:**        To develop the state's event calendar by bidding for and staging major events in South Australia.

### Summary income statement

<b>Program 2: Tourism Events</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	1 846	1 924	1 775	1 788
Supplies and Services .....	11 635	14 293	12 633	14 289
Grants and Subsidies .....	4 933	5 454	5 008	3 469
Depreciation and Amortisation.....	153	153	144	182
Other.....	13	10	51	35
<b>Total expenses</b>	<b>18 580</b>	<b>21 834</b>	<b>19 611</b>	<b>19 763</b>
<b>Income</b>				
Sale of Goods and Services .....	4 350	4 784	4 556	5 916
<b>Total income</b>	<b>4 350</b>	<b>4 784</b>	<b>4 556</b>	<b>5 916</b>
<b>Net cost of providing services</b>	<b>14 230</b>	<b>17 050</b>	<b>15 055</b>	<b>13 847</b>

## Program performance

<b>Program 2: Tourism Events</b>				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Program</b>	<b>\$14 230 000</b>	<b>\$17 050 000</b>	<b>\$15 055 000</b>	<b>\$13 847 000</b>
<b>Performance Commentary</b>				
<p>The decrease in the 2010-11 Budget as compared to the 2009-10 Estimated Result is primarily due to the completion of support received in 2010 for the staging of events, including the biennial Tasting Australia.</p> <p>In 2009-10, the events division of the South Australian Tourism Commission, Events South Australia, successfully managed the Credit Union Christmas Pageant, the Santos Tour Down Under and Tasting Australia. It is estimated that these three events generated more than \$130 million in editorial media coverage.</p> <p>Key results for the 2010 Santos Tour Down Under were:</p> <ul style="list-style-type: none"> <li>in January 2010, the 12<sup>th</sup> Santos Tour Down Under attracted more than 770 500 spectators (up from 760 500 in 2009) in Adelaide and over 40 towns in regional South Australia. The 2010 Santos Tour Down Under attracted 39 700 interstate and international visitors (up from 36 200 in 2009) who provided an estimated \$41.5 million (up from \$39 million in 2009) boost to the state's economy;</li> <li>the event broadcast images of South Australia to millions of worldwide viewers, with 262 hours of international TV programming (up from 200 in 2009) and media coverage estimated at \$124 million. For the first time, the event's national broadcast schedule was increased to include three live stages — the Cancer Council Classic and Stage 5 were broadcast live for the first time, while the final day Stage 6 was again shown live in 2010; and</li> <li>there were record entrants for the Mutual Community Challenge Tour (8099 entrants, up from 7100 in 2009). The event was also able to reach a wider audience than previous years with live race updates, via the web and new iPhone application, and live coverage on digital radio (ABC digital).</li> </ul> <p>In 2009-10, Events South Australia also provided sponsorship, public relations and/or marketing support to an additional 16 major events. Supported events included the UCI BMX World Championships; Air New Zealand Golden Oldies World Hockey Festival; Intense Wave (world-first pro junior surfing event); World Tang Soo Do Championships; Global Green Challenge; Australian International 3-Day Event; Classic Adelaide Rally; MTBA Australian Mountain Bike Championships; World Tennis Challenge; Australian Track Championships; Federation Cup Tie (Australia v Spain); WOMADelaide; Adelaide Fringe Festival; International Rugby Sevens Adelaide; Special Olympics National Games and Kona Mawson Marathon.</p> <p>The 2009-10 Regional Events and Festivals Program provided sponsorship support to more than 40 events, including the Kangaroo Island Cup; Barossa Gourmet Weekend; Sounds by the River; SALA Festival; Coonawarra Cabernet Celebrations; Bay to Birdwood; Penola Coonawarra Arts Festival; Feast Festival; Port Lincoln Tunarama; Riverland Renaissance; South Australian Country Music Festival and Awards; Melrose Fat Tyre Festival; Tastes of the Outback and the Yorke Peninsula Saltwater Classic.</p> <p>In April 2010, Events South Australia attended SportAccord, held in Dubai, United Arab Emirates, to promote South Australia's event credentials to international sports federations and management companies. SportAccord provided an opportunity to identify new international event bidding opportunities for the state.</p> <p>During 2009-10 a number of major bids were successfully awarded to the state including the World Life Saving Championships — Rescue 2012; the Australian University Games (2012 and 2018); the 2011 National Age Championships (swimming) and the Air New Zealand/Golden Oldies World Cricket Festival (2012).</p> <p>The Australian University Games, which are held each year in September/October, attract over 6000 athletes competing in over 30 sports. The games are renowned for providing a friendly, but competitive environment for Australian university athletes, and are the flagship event on the national university sporting calendar.</p> <p>In September 2009, Events South Australia hosted a public relations roadshow to Melbourne and Sydney to promote the state's events calendar to these target markets.</p> <p>In 2010-11 Events South Australia will continue to play a major role in managing major events, namely the Great Australian Outback Cattle Drive, the Credit Union Christmas Pageant and the Santos Tour Down Under.</p> <p>In 2010-11, Events South Australia will also provide sponsorship, public relations and/or marketing support to at least another 10 events, the Australian Diamonds v New Zealand Ferns Holden Netball Test Series; 2010 Australian In-Line Hockey Championships; Australian International Three-Day Event; MTBA Australian Mountain Bike Championships; World Tennis Challenge; Big Pond Adelaide Film Festival; WOMADelaide; International Rugby Sevens Adelaide; Australian Rowing Championships; and the 2011 Australian Age Championships (swimming).</p> <p>The Australian Age Championships, being staged in April 2011, will see over 1500 athletes compete in a six-day program at the new State Aquatic Centre at Marion.</p>				

## AGENCY: SOUTH AUSTRALIAN TOURISM COMMISSION

### Program information

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**Program 3:**                    *Tourism Marketing*

**Description/Objective:**        To provide high quality marketing services and develop marketing strategies and campaigns to increase the number of visitors to and within South Australia.

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### Summary income statement

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<b>Program 3: Tourism Marketing</b>	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	9 286	9 816	9 153	8 795
Supplies and Services .....	23 239	25 245	25 011	21 893
Grants and Subsidies .....	3 298	4 424	4 064	4 347
Depreciation and Amortisation.....	283	262	268	479
Other.....	59	365	276	211
<b>Total expenses</b>	<b>36 165</b>	<b>40 112</b>	<b>38 772</b>	<b>35 725</b>
<b>Income</b>				
Sale of Goods and Services .....	3 563	4 042	3 645	4 420
<b>Total income</b>	<b>3 563</b>	<b>4 042</b>	<b>3 645</b>	<b>4 420</b>
<b>Net cost of providing services</b>	<b>32 602</b>	<b>36 070</b>	<b>35 127</b>	<b>31 305</b>

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## Sub-program information

<b>Sub-program 3.1: Domestic Marketing</b>				
Develops and implements national marketing campaigns and programs to maintain awareness of the state's tourism assets and increase visitation to and within South Australia.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$25 628 000</b>	<b>\$27 523 000</b>	<b>\$26 546 000</b>	<b>\$23 634 000</b>
<b>Performance Commentary</b>				
<p>The increase from the 2009-10 Budget to the 2009-10 Estimated Result is primarily due to the reallocation of funding from other programs for increased consumer marketing and the payment of targeted voluntary separation packages.</p> <p><b>Interstate Marketing</b></p> <p>In 2009-10, The South Australian Tourism Commission continued with the Isn't It About Time domestic marketing campaign which promotes the state's tourism experiences to high-spending target consumers in Melbourne and Sydney. The campaign ran from February to November 2009 and highlighted tourism experiences such as swimming with sea lions on the Eyre Peninsula and relaxing escapes on Kangaroo Island.</p> <p>A significant element of the Isn't It About Time campaign was the development of the Cellar Door campaign, which promotes Adelaide and its proximity to wine regions. The Cellar Door campaign was specifically designed to encourage the use of Adelaide as a holiday base from which visitors could visit over 200 cellar doors within an hour's drive from the city.</p> <p>The commission continued its media partnership with Fairfax Media in 2009-10 which delivered double the value of the commission's advertising investment and allowed the delivery of unique, exclusive advertising and independently written editorial content through dedicated lift-outs in the Sydney Morning Herald, The Age and Good Weekend. A significant outcome of the partnership was the development of <i>South Australia — The Best of Traveller</i>, a book produced by Fairfax Media combining all of the editorial content developed over the past 18 months. The book is being distributed to target domestic consumers who are seeking more information about South Australia's holiday experiences, and will play a significant part in the commission's future direct mail marketing strategy.</p> <p>South Australia's arts and sporting events, particularly those held over the 2010 summer months, were promoted through a series of editorial supplements produced in partnership with Fairfax Media and News Limited in the interstate markets. The supplements appeared in The Sydney Morning Herald, The Age and The Weekend Australian in Melbourne and Sydney leading up to the summer events season. In addition, a partnership with Foxtel and Ovation channel led to the development of a series of What's On in South Australia promotional arts features, which ran on the Ovation channel in late 2009.</p> <p>In 2010-11, the commission will build on the success of the Isn't It About Time marketing campaign and continue to promote Adelaide and its proximity to wine regions, aquatic interaction, unspoilt nature, unique luxury accommodation and the summer events season. An editorial partnership with Fairfax Media will be core to the delivery of the state's interstate tourism marketing, in conjunction with cinema, television, magazine and online advertising. A direct mail marketing strategy will drive the acquisition of profiled consumer data to develop an ongoing relationship with the target market in both the interstate and intrastate markets.</p> <p><b>Intrastate Marketing</b></p> <p>In 2009-10, the commission launched a new advertising campaign, Recharge Getaways. The campaign offered a range of holiday packages in regional South Australia utilising the 'Shorts' retail product with three seasonal bursts of retail campaign activity over Summer, Autumn and Winter. Campaign elements included four television commercials which ran on channels 7 and 9. Holiday packages were also promoted via newspaper, radio and direct mail to the commission database. A partnership with <i>The Advertiser</i> delivered a collection of exclusive editorial features giving locals new ideas for weekend getaways. The 2010 edition of the popular holiday guide, South Australian Shorts was released in February 2010.</p> <p>The state government provided more than \$2.2 million to the state's 11 regional tourism bodies. Support is provided on a cooperative basis, with contributions from local government and the tourism industry increasing total funding to more than \$5 million. Additional funding was also provided towards a range of other marketing initiatives, including the Port Lincoln awareness campaign; Fleurieu Peninsula Get Into It adventure campaign; Flinders Ranges National Landscape project; the Murray River Recharge campaign; the Yorke Peninsula Boat Load of Fun campaign and the Melbourne to Adelaide touring route. The commission also provided grant funding of \$6000 to 45 accredited visitor information centres, totalling \$270 000.</p> <p>In 2010-11, marketing to the intrastate market will focus on communicating 'what's on' information to encourage regional visitation and increased frequency of intrastate holidays. Social and database marketing will also feature in intrastate activity, encouraging locals to share holiday ideas, and will be supported by ongoing informational advertising across television, online, press and radio.</p>				

### Sub-program 3.2: International Marketing

Positions South Australia as a compelling part of an Australian journey for overseas visitors by working cooperatively with trade partners and implementing marketing campaigns to ensure the consumer is aware of South Australia as a holiday destination and that every opportunity is taken to convert this awareness into travel.

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
<b>Net Cost of Sub-program</b>	<b>\$6 974 000</b>	<b>\$8 547 000</b>	<b>\$8 581 000</b>	<b>\$7 671 000</b>

#### Performance Commentary

The decrease in the 2010-11 Budget as compared to the 2009-10 Estimated Result is primarily due to once off expenditure on the Australian Tourism Exchange which was held in May 2010.

In 2009-10, the commission maintained representation in the United Kingdom (UK), North America, New Zealand, Europe (Germany, France and Italy), South East Asia (Singapore) and North Asia (Hong Kong). The commission also established a presence in Shanghai, China in January 2010 to ensure the state captures a larger share of this growing market. South Australia also has a tourism ambassador in India.

Key achievements for 2009-10 were:

- in May/June 2010, Adelaide hosted the Australian Tourism Exchange (ATE), Australia's premier international tourism trade event, for the second time. Staged by Tourism Australia, ATE is a trade show that brings together Australian tourism operators (sellers) and international wholesalers (buyers). The 2010 event attracted more than 700 buyers from 40 countries. ATE is estimated to have injected around \$10 million into the local economy, with delegates spending 13 000 visitor nights in Adelaide. The ATE provided South Australia with an invaluable opportunity to host more than 500 international buyers, trade and media on pre and post familiarisations to experience first-hand South Australia's tourism experiences;
- joint marketing promotions in cooperation with Singapore Airlines were conducted in the UK, Europe, Asia and Japan. An example of cooperative marketing promotions was the Brilliant Deals campaign in Singapore, offering air and land packages to South Australia. The centrepiece of the campaign was the [www.brilliantblend.com](http://www.brilliantblend.com) micro-site, which featured an interactive game to win a trip to South Australia. Supporting activity included outdoor consumer promotions and radio, online and print advertising as well as electronic direct mails to a database of 6000 consumers;
- a new phase of the brand campaign was launched in New Zealand which ran from January to April 2010, highlighting Adelaide, wine and food, Murray River, Flinders Ranges and Outback, and South Australia in general. The campaign consisted of six television commercials that featured returning New Zealand travellers as 'SA Ambassadors' sharing their South Australian holiday experiences;
- in China, the commission partnered with Tourism Australia for a Giant Panda promotion. The promotion used the pandas at the Adelaide Zoo to create interest in South Australia using a micro-site on the online travel platform [www.uutuu.com](http://www.uutuu.com), which has approximately one million daily users. The website was visited by 2 511 931 visitors in two months, and generated 593 808 competition entries. A television crew from Hong Kong was also hosted in South Australia to film four one-hour episodes for a food, wine and lifestyle television program. The episodes appeared on TVB, one of the largest and most popular TV stations in Hong Kong and Southern China, from April;
- a major consumer and travel trade marketing campaign was conducted in the United States with Stella Travel, a global travel company, to position Kangaroo Island as Australia's fourth icon, and promote South Australia's nature and wildlife, outback and wine experiences. The campaign offered consumers a Qantas Airpass to Adelaide, with a free flight to Kangaroo Island. The campaign generated 90 093 unique visitors to the campaign micro-site, and 9504 leads to Qantas.com, and Qantas Vacations, resulting in 764 airfare and package bookings;
- in the UK market, the commission partnered with Flight Centre UK for a cooperative marketing campaign under the Discover the Other OZ umbrella, which included a micro-site and online competition for consumers to win a holiday package; and
- an online campaign was run on a German dating website 'neu.de' (with eight million members) promoting South Australia as a 'must visit' destination for single travellers and honeymooners. It featured a competition for three couples to win a trip to South Australia, New South Wales and Victoria, who reported on their travels via blogs and video. The campaign generated \$3.5 million in media value. In the Italian market, a 32-page supplement appeared in Plein Air Magazine (circulation of 90 000) showcasing Kangaroo Island, a key drawcard for Italian visitors to South Australia. The supplement was supported by an online promotion.

In 2010-11, the commission will continue to undertake marketing activities in its targeted international markets, with an emphasis on public relations and consumer promotions to increase demand for South Australian holidays. The commission will also continue to work closely with major trade partners to package and promote South Australia, as well as work cooperatively with airline partners to promote Adelaide as a gateway for an Australian holiday.

## SOUTH AUSTRALIAN TOURISM COMMISSION

### Statement of comprehensive income

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	\$000	\$000	\$000	\$000
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	11 180	11 380	11 289	10 922
Long service leave .....	494	335	332	240
Payroll tax .....	602	627	623	584
Superannuation .....	1 045	1 088	1 078	1 016
Other .....	214	1 012	209	184
Supplies and services —				
General supplies and services .....	36 627	41 614	39 567	38 065
Consultancy expenses .....	62	59	59	66
Depreciation and amortisation expenses .....	494	469	469	765
Borrowing costs .....	1	12	12	24
Grants and subsidies .....	11 459	13 757	13 415	12 644
Intra government transfers .....	—	1 360	—	—
Other expenses .....	84	384	384	260
<b>Total expenses</b>	<b>62 262</b>	<b>72 097</b>	<b>67 437</b>	<b>64 770</b>
<b>Income</b>				
Commonwealth revenues .....	—	210	—	—
Intra government transfers .....	—	800	—	300
Sales of goods and services .....	7 949	9 660	8 260	12 327
Net gain or loss from disposal of assets .....	—	—	—	-32
Other income .....	—	—	—	208
<b>Total income</b>	<b>7 949</b>	<b>10 670</b>	<b>8 260</b>	<b>12 803</b>
<b>Net cost of providing services</b>	<b>54 313</b>	<b>61 427</b>	<b>59 177</b>	<b>51 967</b>
<b>Income from / Expenses to SA Government</b>				
Income —				
Appropriation .....	54 515	59 139	57 800	51 713
Other income .....	—	911	—	529
<b>Net income from / Expenses to SA Government</b>	<b>54 515</b>	<b>60 050</b>	<b>57 800</b>	<b>52 242</b>
<b>Total comprehensive result</b>	<b>202</b>	<b>-1 377</b>	<b>-1 377</b>	<b>275</b>

**SOUTH AUSTRALIAN TOURISM COMMISSION**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	<b>1 591</b>	2 013	2 606	3 610
Receivables .....	<b>1 291</b>	1 402	1 816	1 513
Other current assets .....	<b>519</b>	221	85	220
<b>Total current assets</b>	<b>3 401</b>	<b>3 636</b>	<b>4 507</b>	<b>5 343</b>
<i>Non current assets</i>				
Financial assets .....	<b>400</b>	400	400	400
Plant and equipment .....	<b>2 693</b>	3 056	3 306	3 398
<b>Total non-current assets</b>	<b>3 093</b>	<b>3 456</b>	<b>3 706</b>	<b>3 798</b>
<b>Total assets</b>	<b>6 494</b>	<b>7 092</b>	<b>8 213</b>	<b>9 141</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	<b>1 805</b>	2 235	3 289	2 665
Short-term borrowings .....	—	50	50	193
Employee benefits —				
Salaries and wages .....	—	309	233	309
Annual leave .....	<b>672</b>	683	701	725
Long service leave .....	<b>236</b>	236	197	236
Other current liabilities .....	<b>389</b>	389	316	389
<b>Total current liabilities</b>	<b>3 102</b>	<b>3 902</b>	<b>4 786</b>	<b>4 517</b>
<i>Non current liabilities</i>				
Long-term borrowings .....	—	—	—	50
Long-term employee benefits —				
Long service leave .....	<b>1 189</b>	1 189	1 197	1 196
Other non-current liabilities .....	<b>1 246</b>	1 246	—	1 246
<b>Total non-current liabilities</b>	<b>2 435</b>	<b>2 435</b>	<b>1 197</b>	<b>2 492</b>
<b>Total liabilities</b>	<b>5 537</b>	<b>6 337</b>	<b>5 983</b>	<b>7 009</b>
<b>Net assets</b>	<b>957</b>	<b>755</b>	<b>2 230</b>	<b>2 132</b>
<b>Equity</b>				
Contributed capital .....	<b>64</b>	64	64	64
Retained earnings .....	<b>893</b>	691	2 166	2 068
<b>Total equity</b>	<b>957</b>	<b>755</b>	<b>2 230</b>	<b>2 132</b>

Balances as at 30 June end of period.

**SOUTH AUSTRALIAN TOURISM COMMISSION**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Employee benefit payments .....	<b>14 152</b>	14 491	13 542	12 813
Payments for supplies and services .....	<b>36 843</b>	41 827	39 780	38 457
Interest paid .....	<b>1</b>	12	12	24
Grants and subsidies .....	<b>11 459</b>	13 757	13 415	12 644
GST paid .....	—	—	—	140
Intra government transfers .....	—	1 360	—	—
Other payments .....	<b>361</b>	661	661	5
<b>Cash used in operations</b>	<b>62 816</b>	<b>72 108</b>	<b>67 410</b>	<b>64 083</b>
<i>Cash inflows</i>				
Intra government transfers .....	—	800	—	—
Commonwealth receipts .....	—	210	—	—
Sales of goods and services .....	<b>8 060</b>	9 771	8 371	13 244
<b>Cash generated from operations</b>	<b>8 060</b>	<b>10 781</b>	<b>8 371</b>	<b>13 244</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	<b>54 515</b>	59 139	57 800	51 713
Other receipts .....	—	911	—	529
<b>Net cash provided by SA Government</b>	<b>54 515</b>	<b>60 050</b>	<b>57 800</b>	<b>52 242</b>
<b>Net cash provided by (+) / used (-) in operating activities</b>	<b>-241</b>	<b>-1 277</b>	<b>-1 239</b>	<b>1 403</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	<b>131</b>	127	127	1 189
<b>Cash used in investing activities</b>	<b>131</b>	<b>127</b>	<b>127</b>	<b>1 189</b>
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment .....	—	—	—	6
<b>Cash generated from investing activities</b>	—	—	—	<b>6</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-131</b>	<b>-127</b>	<b>-127</b>	<b>-1 183</b>

**SOUTH AUSTRALIAN TOURISM COMMISSION**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>FINANCING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Repayment of borrowings .....	50	193	193	180
<b>Cash used in financing activities</b>	<b>50</b>	<b>193</b>	<b>193</b>	<b>180</b>
<i>Cash inflows</i>				
Capital contributions from SA Government .....	—	—	—	64
Proceeds from restructuring activities .....	—	—	—	-31
<b>Cash generated from financing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>33</b>
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>-50</b>	<b>-193</b>	<b>-193</b>	<b>-147</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-422</b>	<b>-1 597</b>	<b>-1 559</b>	<b>73</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>2 013</b>	<b>3 610</b>	<b>4 165</b>	<b>3 537</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1 591</b>	<b>2 013</b>	<b>2 606</b>	<b>3 610</b>

## **AGENCY: SOUTH AUSTRALIAN TOURISM COMMISSION**

### **Financial commentary — major variations**

The following commentary relates to the agency financial statements presented in the previous section. The discussion relates to variations between the 2009-10 Estimated Result and the 2010-11 Budget.

#### ***Statement of comprehensive income***

##### *Revenue*

The decrease in total income of \$2.7 million between the 2009-10 Estimated Result (\$10.7 million) and the 2010-11 Budget (\$8.0 million) is primarily due to revenue received from the industry in 2009-10 to attend overseas trade activities and revenue from government and industry partners to attract additional air services to Adelaide. This level of activity will not continue in 2010-11.

##### *Expenses*

The \$9.8 million decrease in total expenses between the 2009-10 Estimated Result (\$72.1 million) and the 2010-11 Budget (\$62.3 million) is primarily due to once-off expenditure on the staging of the Australian Tourism Exchange in May 2010, additional expenditure in 2009-10 towards attracting more direct flights to South Australia, the completion of support in 2009-10 for events including the biennial Tasting Australia event and the commencement in 2010-11 of government savings strategy initiatives

#### ***Statement of financial position***

There are no major variances in the statement of financial position.

#### ***Statement of cash flows***

The variances in the statement of cash flows are caused by the changes detailed in the statement of comprehensive income commentary above.



# **Portfolio: Further Education, Employment, Science and Technology**

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**Minister for Employment, Training and  
Further Education**

**Minister for Science and Information Economy**



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# PORTFOLIO: FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY

## MINISTERIAL RESPONSIBILITIES

Minister	Agency	Programs	Sub-programs
<b>The Hon. John Snelling</b> Minister for Employment, Training and Further Education  Minister for Science and Information Economy	Department of Further Education, Employment, Science and Technology	1. Employment and Skills Formation	1.1 Vocational Education and Training  1.2 Learning, Workforce Participation and Workforce Development  1.3 Regulatory Services  1.4 International and Higher Education
		2. Science, Technology and Innovation	2.1 Science and Innovation 2.2 Information Economy 2.3 Bioscience Industry Development 2.4 Innovation Investment

### Administered items

In addition to the above responsibilities the portfolio administers the following items on behalf of the minister.

- Minister’s salary and allowances pursuant to *Parliamentary Remuneration Act 1990*.

### Statutes

The Department of the Premier and Cabinet maintains a list of statutes applicable to ministers.

## WORKFORCE SUMMARY

Agency	FTEs as at 30 June		
	2010-11 Budget <sup>(a)</sup>	2009-10 Estimated Result <sup>(a)</sup>	2008-09 Actual <sup>(b)</sup>
Department of Further Education, Employment, Science and Technology	3 402 0	3 366.7	3 565.3
<b>Total</b>	<b>3 402.0</b>	<b>3 366.7</b>	<b>3 565.3</b>

(a) The 2010-11 Budget and 2009-10 Estimated Result reflects the established FTE caps.

(b) The 2008-09 Actual FTEs are based on preliminary data provided by DFEEST.

## MINISTERIAL OFFICE RESOURCES

Minister	2010-11 Budget	
	Cost of provision \$000	FTE
The Hon. John Snelling	1 106	7



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# **PORTFOLIO: FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY**

## **AGENCY: DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY**

### **Objective**

To develop the skills and capability of the state's workforce and to maximise the opportunities for all South Australians to engage in work.

The portfolio plays a central role in achieving 14 *South Australia's Strategic Plan* targets in the areas of employment, education and training, and science, technology and innovation.

The Department of Further Education, Employment, Science and Technology (DFEEST) undertakes a range of functions in order to meet its objective and contribute to the achievement of *South Australia's Strategic Plan* objectives and targets. This includes:

- in conjunction with the Training and Skills Commission, the provision of strategic policy advice for developing the state's workforce;
- ensuring high quality vocational education and training (VET) delivered by TAFE institutes, private registered training organisations and adult community education providers;
- regulation of VET organisations, non-university higher education providers, and providers of English language intensive courses for overseas students;
- regulation, administration and funding of apprenticeships and traineeships;
- managing state funded employment and community development programs;
- supporting the government's strategic direction in the higher education sector;
- raising the profile of South Australia in the international education market place;
- developing policies and strategies, and delivery of programs, that create opportunities for Aboriginal people, young people, people with a disability and older workers; and
- provision of strategic advice and delivery of programs in the areas of science, technology, information economy and innovation policy.

## 2010-11 Targets/2009-10 Highlights

Targets 2010-11	Highlights 2009-10
<p><b>Employment, Training and Further Education</b></p> <ul style="list-style-type: none"> <li>• Commence implementation of the Jobs Strategy commitment to allocate an additional 100 000 training places over six years</li> <li>• Increase participation in vocational education and training (VET) from 10.9 per cent to 12.0 per cent of the working age population</li> <li>• Increase qualification completions at Certificate III and above to a yearly average of 20 500 from 2010</li> <li>• Equal or better the national average for the proportion of VET graduates who were satisfied with the quality of their training</li> <li>• Equal or better the national average for the proportion of employers engaged with the VET system who were satisfied with nationally recognised training</li> <li>• Increase the proportion of previously unemployed graduates who gain work after their TAFE course to above 60 per cent by 2014</li> <li>• Decrease the unit cost of publicly funded training by at least 10 per cent from 2006 cost levels by 2012</li> <li>• Increase the numbers of students admitted annually to university on the basis of their VET study from 758 students in 2002 to 2310 students by 2014</li> <li>• Through the Productivity Places Program allocate \$32 million for 21 000 training places for existing workers (9000 qualifications), and \$13.6 million for 9400 training places for job seekers (4500 qualifications)</li> <li>• Provide 500 pre-apprenticeship training placements as part of the Apprentice Kickstart package</li> <li>• Improve the quality of VET in schools and the promotion of good practice</li> <li>• Increase overseas student enrolments for South Australia to 34 500 in 2010</li> <li>• Increase the recognition of Adelaide as Australia's premier study destination for overseas students and ensure that these students feel welcomed, valued and return home as ambassadors for South Australia</li> <li>• Consolidate and streamline labour market analysis in line with requirements of the Training and Skills Commission (TaSC) and VET system reforms</li> <li>• Release the Skills for All consultation paper setting out the direction for future reforms in the VET system and prepare a White Paper for consideration</li> <li>• Ensure the integrity and quality of the state's VET and higher education sectors by strengthened regulatory arrangements</li> <li>• Implement the new directions for the South Australia Works initiative to raise workforce participation rates for those disadvantaged in the labour market and increase foundation skills levels</li> <li>• Implement the recommendations of the review of the Adult Community Education Program</li> <li>• Continue to support long-term jobless families with the necessary assistance for them to gain sustainable employment</li> <li>• Complete the review of the nine Industry Skills Boards and implement recommendations as appropriate</li> <li>• Promulgate the use of labour market information amongst key industry stakeholders and enhance the tools that enable users to automatically generate this information</li> </ul>	<p><b>Employment, Training and Further Education</b></p> <ul style="list-style-type: none"> <li>• Increased student hours in VET to an estimated 23.6 million hours, of which TAFE SA contributed 15.2 million hours</li> <li>• 86.5 per cent of VET graduates were employed or in further study after their training; and 89.1 per cent of VET graduates were satisfied with the quality of their training</li> <li>• 87.8 per cent of employers engaged with the VET system were satisfied with nationally recognised training</li> <li>• Increased from 60 to 69 per cent the proportion of apprentices and trainees completing their training contract before the nominal completion date of their contract term</li> <li>• TAFE SA increased the proportion of students achieving a Certificate IV or higher level qualification from 25.7 to 30.6 per cent</li> <li>• The Aboriginal Access Centre increased the participation rates of Aboriginal students in Certificate III or higher level qualification across all TAFE SA programs by five percentage points</li> <li>• Allocated \$19 million for 11 000 training places for existing workers (4600 qualifications) under the Productivity Places Program; and a further \$19.8 million for 13 700 training places for job seekers (6600 qualifications)</li> <li>• Provided over 30 000 learning, skill development, training and work opportunities through South Australia Works</li> <li>• Over 16 660 people participated in employment programs with over 7500, including 1135 Aboriginal people, gaining a job</li> <li>• Secured \$1.228 million (or 11.2 per cent of total Commonwealth funding) for the Industry and Indigenous Skills Centre Program</li> <li>• More than \$70 million was committed by the state and Commonwealth governments to upgrade and maintain TAFE SA facilities, including: <ul style="list-style-type: none"> <li>– the Student Information System;</li> <li>– started construction of the new Victor Harbor campus;</li> <li>– completion of the Narungga Campus at the Point Pearce Aboriginal Community;</li> <li>– refurbishment of campuses at Whyalla, Mt Gambier, Tea Tree Gully, Regency, Noarlunga and Adelaide;</li> <li>– machine guarding in work shops across campuses; and</li> <li>– energy saving technologies installed at Mt Barker and Mt Gambier campuses.</li> </ul> </li> <li>• Continued building the state's reputation as a high quality study destination by increasing overseas student enrolments by 21 per cent to 33 700 in 2009</li> <li>• Implemented a Structural Adjustment Program which funded services to over 770 retrenched workers to assist them to transition to employment</li> <li>• Released the TaSC five-year plan 'Skills for jobs: priorities for developing South Australia's workforce'</li> <li>• Developed the Strategic Resource Allocation Plan in response to the skilling priorities identified in the TaSC five-year plan</li> <li>• A Strategic Review of South Australia Works recognised its effectiveness and recommended increasing the workforce participation of those facing disadvantage in the labour market</li> <li>• Supported the development of new recognition arrangements to offer more flexibility for students to include VET in their South Australian Certificate of Education (SACE) studies</li> </ul>

<b>Targets 2010-11</b>	<b>Highlights 2009-10</b>
<ul style="list-style-type: none"> <li>• Promote the incorporation of sustainability skills, to registered training providers, including: <ul style="list-style-type: none"> <li>– provision of strategic input and direction to skill set training under the Skills for Environmental Sustainability Pilot Program (Premier’s 100 000 Training Commitment); and</li> <li>– development of green skills case studies.</li> </ul> </li> <li>• Launch the new TAFE SA Student Information System to enhance services to students</li> <li>• Commission the Sustainable Industries Education Centre</li> <li>• Implement the DFEEST sustainability strategy and action plan</li> </ul> <p><b>Science and Information Economy</b></p> <ul style="list-style-type: none"> <li>• Respond to the recommendations of Dr Genevieve Bell, Thinker in Residence, contained in the report Getting Connected, Staying Connected: Exploring South Australia’s Digital Futures</li> <li>• Continue to actively pursue the best possible broadband outcomes for the state</li> <li>• Promote the importance of digital literacy as a foundational skill for all South Australians and implement digital inclusion strategies</li> <li>• Coordinate the implementation of a whole-of-government STEM (science, technology engineering and mathematics) Skills Strategy across government departments</li> <li>• Support the Premier’s Science and Research Council in its cooperative work with the Economic Development Board in optimising the impact of government expenditure on science and technology</li> <li>• Establish a Strategic Investment Panel process to recommend State co-investment in research infrastructure programs, with specific focus on considering Super Science Initiative applicants</li> <li>• Work with the Department of Trade and Economic Development and research institutions to improve research translation and connectivity with industry</li> <li>• Develop an online directory of research capability portal and integrate with relevant industry sector directories</li> <li>• Lead a whole of government research forum to focus on improved knowledge transfer for funding opportunities and industry/community collaboration</li> <li>• Bio Innovation SA will continue to provide bioscience companies with access to sophisticated laboratory and office space, land ready for commercial biotech development in Thebarton as well as business development support and access to venture capital in South Australia</li> </ul>	<p><b>Science and Information Economy</b></p> <ul style="list-style-type: none"> <li>• Secured broadband usage as a percentage of household internet connections to within five percent of the national average</li> <li>• New broadband projects included Metropolitan Adelaide Broadband Blackspots project, the Clare and Mid North Broadband project and extension of the Riverland/Murraylands project</li> <li>• Leveraged Commonwealth funding for digital access and literacy programs in remote Aboriginal communities</li> <li>• Continued the state’s investment in research infrastructure through the National Collaborative Research Infrastructure Strategy</li> <li>• Outback Connect achieved above target registrations of 2036 people and implemented specific online and digital literacy programs targeting unemployed job seekers and the delivery of online health information to rural and remote clients</li> <li>• Launched the Information Economy Agenda 2009-2014</li> <li>• Facilitated Commonwealth consultations with the South Australian research community for the next round of research infrastructure funding through its Super Science Initiative</li> <li>• Facilitated Commonwealth consultation with relevant research communities for consortia funding from the Commonwealth’s renewable energy Solar Flagships program</li> <li>• Evaluated and recommended new or continuing state co-investment in Cooperative Research Centres</li> <li>• Worked with industry to identify priority research and development needs and in building a strong and responsive renewable energy science base</li> </ul>

## Program net cost of services summary

Program	Net Cost of Services			
	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual <sup>(a)(b)</sup> \$000
1. Employment and Skills Formation .....	422 864	335 038	351 689	251 012
2. Science, Technology and Innovation.....	25 276	30 261	26 521	35 681
<b>Total</b>	<b>448 140</b>	<b>365 299</b>	<b>378 210</b>	<b>286 693</b>

### Reconciliation to agency net cost of providing services

*Add:* Net cost of programs transferred out

Office for Youth <sup>(a)</sup> .....	—	—	4 739	4 458
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*Less:* Net cost of programs transferred in

Ri Australia and the Bragg initiative <sup>(b)</sup> .....	—	1 559	650	6 089
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<b><i>Equals: Net cost of providing services</i></b>	<b>448 140</b>	<b>363 740</b>	<b>382 299<sup>(c)</sup></b>	<b>285 062</b>
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- (a) Responsibility for the Office for Youth was transferred to the Attorney-General's Department on 1 July 2009.
- (b) Responsibility for Ri Australia and the Bragg initiative transferred from the Department of the Premier and Cabinet to DFEEST on 1 July 2010.
- (c) The 2009-10 Budget reflects a change in management of funding received from the Commonwealth Government. A significant proportion of this funding is now received by the Department of Treasury and Finance and provided to DFEEST in the form of appropriation and other transfers, rather than revenue directly from the Commonwealth. This change results in an increase in the net cost of services for certain programs.

## Investing expenditure summary

Investments	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<i>New projects</i>				
Campus Refurbishment .....	4 305	—	—	—
Sustainable Industries Education Centre .....	11 883	—	—	—
Trade Training Centres — Lower North .....	132	—	—	—
<b>Total new projects</b>	<b>16 320</b>	<b>—</b>	<b>—</b>	<b>—</b>
<i>Existing projects</i>				
Adelaide Campus Atrium .....	—	50	50	648
Better TAFE Facilities.....	—	14 067	10 976	—
Narungga Redevelopment .....	—	145	20	505
Student Information System .....	3 032	6 718	5 529	445
Trade Training Centres — Flinders.....	188	228	—	—
Training Infrastructure Investment for Tomorrow (TIIFT) .....	200	16 950	—	—
Victor Harbor — New TAFE Campus .....	3 091	5 698	6 332	588
<b>Total existing projects</b>	<b>6 511</b>	<b>43 856</b>	<b>22 907</b>	<b>2 186</b>
<i>Minor works</i>				
IT Systems and Infrastructure.....	—	—	—	667
Minor Works .....	2 850	2 725	3 074	2 414
<b>Total minor works</b>	<b>2 850</b>	<b>2 725</b>	<b>3 074</b>	<b>3 081</b>
<i>Annual programs</i>				
Purchase of Plant and Equipment — TAFE .....	1 300	1 810	1 931	2 631
Purchase of Plant and Equipment — Libraries.....	598	584	—	685
<b>Total annual programs</b>	<b>1 898</b>	<b>2 394</b>	<b>1 931</b>	<b>3 316</b>
<b>Total investing expenditure</b>	<b>27 579</b>	<b>48 975</b>	<b>27 912</b>	<b>8 583</b>

**AGENCY: DEPARTMENT OF FURTHER EDUCATION,  
EMPLOYMENT, SCIENCE AND TECHNOLOGY**

**Program information**

***Program 1: Employment and Skills Formation***

***Description/Objective:*** To strengthen the economic prosperity and social wellbeing of South Australians through strategic employment, skills formation and workforce development.

***Summary income statement***

<b>Program 1: Employment and Skills Formation</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	279 223	280 221	255 159	265 018
Supplies and Services .....	179 051	153 083	173 993	146 762
Grants and Subsidies .....	66 314	52 656	48 905	45 088
Depreciation and Amortisation .....	19 863	17 858	20 399	19 772
Other .....	3 674	3 580	3 544	510
<b>Total expenses</b>	<b>548 125</b>	<b>507 398</b>	<b>502 000</b>	<b>477 150</b>
<b>Income</b>				
Sale of Goods and Services .....	96 175	92 074	92 355	93 150
Commonwealth Revenue .....	4 638	25 414	3 917	65 761
Other Grants Revenue .....	22 102	52 344	51 693	61 959
Interest Income .....	—	—	—	24
Gain/Loss on Disposal of Assets .....	—	141	—	-927
Other .....	2 346	2 387	2 346	6 171
<b>Total income</b>	<b>125 261</b>	<b>172 360</b>	<b>150 311</b>	<b>226 138</b>
<b>Net cost of providing services</b>	<b>422 864</b>	<b>335 038</b>	<b>351 689</b>	<b>251 012</b>

## Sub-program information

<b>Sub-program 1.1: Vocational Education and Training</b>				
Provision of post secondary vocational education and training (VET) by TAFE SA and other registered training organisations including resource allocation of contestable and non-contestable funds; funding of apprenticeships and traineeships; support for post secondary training and education; and providing state and national policy advice.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$390 871 000</b>	<b>\$300 821 000</b>	<b>\$318 397 000</b>	<b>\$216 990 000</b>
<b>Performance Commentary</b>				
<p>The proportion of South Australians aged 15 to 64 participating in VET has decreased from 11.2 per cent in 2008 to an estimated 10.9 per cent of the population in 2009. This decrease in VET participation is due to the non-reporting of Workers' Educational Association (WEA) in 2009. The number of student hours for 2009 is estimated at 23.6 million hours which is 2.4 million hours above the 2009-10 Target.</p> <p>TAFE SA is the public provider of VET in South Australia. It plays a critical role in delivering the government's objectives to improve economic and social development, the skill base and employment opportunities for all South Australians. From 1 July 2009 TAFE SA began operations as three separate registered training organisations as part of the implementation of the Skills Strategy.</p> <p>TAFE SA highlights for 2009-10 include:</p> <ul style="list-style-type: none"> <li>• delivery of 15.2 million publicly funded student hours, an increase of 5 per cent on the previous year;</li> <li>• delivery of 21.1 million student hours from all funding sources, an increase of 9.7 per cent on the previous year;</li> <li>• 86.5 per cent of TAFE SA graduates were employed or in further study after training;</li> <li>• TAFE SA has increased the number of students with higher level qualifications with 30.6 per cent of TAFE SA students achieving a Certificate IV or above in 2009-10 compared to 25.7 per cent in 2008-09;</li> <li>• the Aboriginal Access Centre has increased the participation rates of Aboriginal students in Certificate III and above across all TAFE SA programs to 33.5 per cent compared to 28.5 per cent in 2009;</li> <li>• TAFE SA has 20 new credit transfer and articulation agreements implemented with higher education providers in 2009; and</li> <li>• an improved admissions system has been implemented with the South Australian Tertiary Admissions Centre along with a state of the art e-messaging service throughout TAFE SA.</li> </ul> <p>The department administers the Productivity Places Program to assist job seekers to acquire skills, gain lasting employment and for existing workers to update or upgrade their skills whereby:</p> <ul style="list-style-type: none"> <li>• there are currently over 400 funding agreements in place for over 14 000 students undertaking 870 different qualifications;</li> <li>• approximately 75 per cent of training to upskill existing workers has been at Certificate IV level and above and approximately 38 per cent at Diploma level and above;</li> <li>• half of the training provided to upskill or re-skill job seekers has been at Certificate III or above;</li> <li>• Commonwealth, state and enterprise commitments to the Productivity Places Program through the National Partnership Agreement total \$43 million for the 2010 calendar year; and</li> <li>• in the 2009-10 financial year \$19 million was allocated for 11 000 training places for existing workers (4600 qualifications) under the Productivity Places Program; and a further \$19.8 million for 13 700 training places for job seekers (6600 qualifications).</li> </ul> <p>In 2009-10 under a national contestable funding pool of \$11 million, South Australia secured capital funding of \$1.228 million (or 11.2 per cent of total Commonwealth funding) for six new projects through the Commonwealth Industry and Indigenous Skills Centre program for the purchase, construction, and fit-out or refurbishment of facilities intended for the delivery of accredited vocational education and training.</p>				
	<b>2010-11 Target</b>	<b>2009-10<sup>(a)</sup> Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09<sup>(b)</sup> Actual</b>
<b>Performance Indicators</b>				
Proportion of South Australians aged 15-64 participating in VET	12.0% <sup>(c)</sup>	10.9% <sup>(c)</sup>	12.4% <sup>(c)</sup>	11.2% <sup>(c)</sup>
Student groups as a proportion of all VET students <sup>(c)</sup> :				
• female students <sup>(d)</sup>	— <sup>(d)</sup>	50.0%	50.0%	50.6%
• indigenous students <sup>(e)</sup>	5.0%	4.1% <sup>(e)</sup>	5.0%	4.5% <sup>(e)</sup>
• students from a non-English speaking background	13.0%	11.9%	13.0%	12.4%
• students with a disability	8.0%	6.6%	10.0%	7.8%
• low socioeconomic status <sup>(f)</sup>	27.0%	26.1% <sup>(f)</sup>	— <sup>(f)</sup>	— <sup>(f)</sup>

continued

<b>Sub-program 1.1: Vocational Education and Training <i>continued</i></b>				
<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10<sup>(a)</sup> Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09<sup>(b)</sup> Actual</b>
No. of student hours (annual hours of curriculum adjusted) <sup>(g)</sup>	— <sup>(g)</sup>	23 600 000	21 200 000	19 700 000
Full-year training equivalent <sup>(g)</sup>	35 900	32 800 <sup>(g)</sup>	— <sup>(g)</sup>	— <sup>(g)</sup>
Load pass rates <sup>(h)</sup>	80.0%	86.6%	80.0%	86.7%
Proportion of qualification completions at Certificate III and above	70.0% <sup>(i)</sup>	67.4% <sup>(i)</sup>	75.0%	69.8%
Proportion of qualification completions at Certificate III and above categorised by student groups:				
• female students <sup>(d)</sup>	— <sup>(d)</sup>	70.0%	75.0%	71.6%
• indigenous students	61.0%	44.4% <sup>(i)</sup>	61.0%	57.1%
• students from a non-English speaking background	75.0%	63.4% <sup>(i)</sup>	75.0%	75.4%
• students with a disability	66.0%	55.4% <sup>(i)</sup>	66.0%	49.2%
• low socioeconomic status <sup>(f)</sup>	66.0%	58.0% <sup>(f)</sup>	— <sup>(f)</sup>	— <sup>(f)</sup>
Proportion of apprentices and trainees completing their training contract <sup>(k)</sup>	60.0%	60.0%	58.0%	60.0%
VET students rating their satisfaction with quality of training at four or more on a scale of 1 (strongly disagree) to 5 (strongly agree) <sup>(l)</sup>				
• module completers <sup>(l)</sup>	— <sup>(m)</sup>	86.0%	86.0%	87.1%
• graduates	90.0%	90.0%	90.0%	89.1%
% of graduates unemployed before TAFE course who found work after training <sup>(l)</sup>	55.0%	50.0% <sup>(n)</sup>	55.0%	51.6%
% of VET graduates employed or in further study after the training <sup>(l)</sup>	90.0%	90.0%	90.0%	86.5%
% of international students in VET <sup>(c)</sup>	2.0%	1.9%	2.0%	1.7%
Expenditure per <sup>(g)</sup>				
• nominal hour of training activity	— <sup>(g)</sup>	\$14.20 <sup>(o)</sup>	\$16.73 <sup>(o)</sup>	\$14.13 <sup>(o)</sup>
• full-year training equivalents	\$10 150	\$10 224 <sup>(o)</sup>	— <sup>(g)</sup>	— <sup>(g)</sup>

continued

## Sub-program 1.1: Vocational Education and Training *continued*

### Footnotes

- (a) All 2009-10 Estimated Results are sourced from preliminary 2009 calendar year data aligned to Commonwealth and state recurrent and specific funding under the 2009 Commonwealth-State National Agreement for Skills and Workforce Development, unless otherwise stated.
- (b) All 2008-09 Actual results are sourced from 2008 calendar year data aligned to Commonwealth and state recurrent funding under the 2005-2008 Commonwealth-State Agreement for Skilling Australia's Workforce, unless otherwise stated.
- (c) The performance indicator on student participation in the VET system refers to activity based on Commonwealth and state recurrent and specific funding, and domestic and international student fee-for-service. The decrease in the 2009-10 Estimated Result for VET participation is due to WEA data being unable to be included in the 2009 and future National VET Provider Collection. If WEA was included it is estimated that the 2009-10 Estimated Result would be 11.4 per cent.
- (d) Traditionally female students have required special attention as an equity group. As of 2009 female VET students are no longer considered a priority equity group for national reporting and this indicator is being phased out.
- (e) There are significant variations year to year for indigenous students in VET participation. The participation rates of indigenous students are high relative to the total population. At 30 June 2006 the number of indigenous South Australians, expressed as a proportion of all South Australians was 1.8 per cent (Australian Bureau of Statistics Experimental Estimates of Aboriginal and Torres Strait Islander Australians, June 2006, Cat. no. 3238.0.55.001).
- (f) As of 2009 students from a low socioeconomic status area have been identified as a priority equity group. VET student data is available and is being phased into national reporting.
- (g) Student hours data is being phased out of national reporting and being replaced with a full-year training equivalents (FYTEs) measure. FYTE expresses training activity in terms of equivalent full-time students. A FYTE of one represents the activity of a student who is training on a full-time basis for one year. FYTEs are based on annual hours of training (720 hours equals 1 FYTE).
- (h) A change to the treatment of students who are part way through their course and do not re-enrol in the following year is expected to lead to a drop in the load pass rate.
- (i) In 2009 National Centre for Vocational Education Research (NCVER) changed the reporting scope for qualifications completed — the removal of qualifications completed by fee-for-service students at private providers — to ensure performance data aligned more closely with national reporting requirements.
- (j) There is a lag in the reporting of qualification completions in 2009 reflected in the 2009-10 Estimated Result. Final completions data for 2009 will be available in 2011.
- (k) Expired training contracts are excluded from the calculation.
- (l) Includes some TAFE fee-for-service students.
- (m) The measure for module completers is redundant as it is not used for comparisons of performance across other states and territories: the focus is graduates.
- (n) The NCVER did not report on this indicator in 2009. The 2009-10 Estimated Result has been calculated using NCVER unit record data.
- (o) Expenditure is calculated on a calendar year basis. In 2009 NCVER changed the method of calculating the published cost of VET. The 2008-09 Actual and 2009-10 Estimated Result for the expenditure per nominal hour of training activity uses this new method and shows the data in 2009 dollars. Both the 2008-09 Actual and 2009-10 Estimated Result refer to the Commonwealth and state recurrent and specific funding. The 2009-10 Target was based on the 2008 methodology and is not comparable to the 2008-09 Actual or the 2009-10 Estimated Result. Data for the new indicator, expenditure per full-year training equivalent is available, uses the 2009 methodology and shows the 2010-11 Target and 2009-10 Estimated Result in 2009 dollars.

## Sub-program 1.2: Learning, Workforce Participation and Workforce Development

Addressing the state's economic development and social inclusion objectives by providing opportunities for people to participate in employment, training, skills development, and adult community education; meeting the current and future labour and skill needs of industry; and providing state and national policy advice.

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
<b>Net Cost of Sub-program</b>	<b>\$21 231 000</b>	<b>\$23 815 000</b>	<b>\$23 146 000</b>	<b>\$28 550 000</b>

### Performance Commentary

The department, through the South Australia Works 2004-2010 initiative has provided learning, skills development, training and employment opportunities for people who have difficulty entering or staying in the workforce. The strategic review of South Australia Works during 2009 acknowledged the overall effectiveness of the initiative and recommended the program re-prioritise its strategic directions to assist more people in increasing their skills, qualifications and future employment opportunities; and contribute to an increase in the rate of workforce participation in South Australia.

Highlights of the South Australia Works initiative for 2009-10 include:

- 30 740 people across metropolitan and regional areas participated in learning, skill development, training and employment programs with 7520 gaining a job;
- over 8460 young people participated in employment programs with 4135 (49 per cent) gaining a job;
- 2215 Aboriginal people participated in employment programs, with 1135 (51 per cent) gaining a job;
- 3610 mature aged people participated in employment programs, with 1600 (44 per cent) gaining a job;
- over 3810 apprentices and trainees in group training organisations;
- 346 people gained employment through the services delivered by South Australia Works Skills Recognition Service; and
- the provision of significant support to implement the:
  - South Australia's Aboriginal employment strategy Stepping Up The Pace which is accelerating progress against the state and national commitment to halve the gap in employment outcomes between Aboriginal and non-Aboriginal people within a decade; and
  - Building Family Opportunities program, a joint Department of the Premier and Cabinet and DFEEST social inclusion initiative which is working with families experiencing long-term joblessness in the three local government areas of Playford, Port Adelaide Enfield and Port Augusta.

In 2010-11 the new framework for the South Australia Works initiative will be implemented to raise workforce participation rates for those who are disadvantaged in the labour market, and increase foundation skills levels, particularly for literacy and numeracy.

The department implemented a structural adjustment program which funded:

- accredited and non-accredited training to avert retrenchments and respond to temporary stand downs in the automotive manufacturing industry; and
- services to 773 retrenched workers from Bridgestone Australia Limited, National Foods, Carter Holt Harvey and Fletchers Freighters to assist them to transition to employment — approximately one-third have currently gained employment.

The department leads South Australia's workforce development objectives. Highlights for 2009-10 include:

- continued refinements to the workforce planning system including:
  - greater involvement by industry and economic development agencies in planning and skills development;
  - updated methodology for estimating the demand for qualifications that underpins the Training and Skills Commission's (TaSC) advice in its five-year skills and workforce development plan. This modelling builds on scenarios developed by the Economic Development Board in its economic statement;
  - improvements to labour market forecasting methods in collaboration with the TaSC; and
  - providing high quality, coordinated and accessible career development and workforce information services to assist individuals and industry in planning and decision making;
- supported industry groups in the development and implementation of their industry workforce action plans;
- assessing the skills and workforce impacts of the National Broadband Network roll out;
- providing career and labour market information through the development, publication and distribution of Career Choices;
- labour market information made more accessible through wide distribution of the Workforce Wizard, enabling individuals and industry users to generate tailored reports of occupations, and Career Choices information for school students;
- provided research and advocated within government and industry to improve access to training and employment for young people, women and older workers;
- convened an industry forum and commissioned a study on the skill and workforce implications of cleantech industries. A mapping has been undertaken of activities across DFEEST and TAFE SA against recommendations of the study;
- participation on the National Green Skills Agreement Implementation Group for South Australia;
- working with industry skills boards to develop Greenskills industry training initiatives; and
- implementation of the Youth Compact and new arrangements for VET in the South Australian Certificate of Education (SACE).

continued

**Sub-program 1.2: Learning, Workforce Participation and Workforce Development**  
*continued*

<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
Total no. of participants in workforce participation programs and services <sup>(a)</sup>	27 160 <sup>(b)</sup>	30 740 <sup>(c)</sup>	32 945	37 747 <sup>(d)</sup>
Total no. of participants in employment programs <sup>(e)</sup> for:	14 130	16 690	15 400	20 449
• public sector <sup>(f)</sup>	— <sup>(g)</sup>	925 <sup>(f)</sup>	1 255	1 238
• industry <sup>(h)</sup>	— <sup>(g)</sup>	5 075	4 325	5 437
• regions <sup>(i)</sup>	— <sup>(g)</sup>	6 800	6 800	8 444
• communities <sup>(i)</sup>	— <sup>(g)</sup>	3 890	3 020	5 330
Proportion and no. of participants gaining a job through employment programs	50% (7 100)	45% <sup>(k)</sup> (7 520)	53% (8 205)	43% (8 697)
• public sector	— <sup>(g)</sup>	76% (700)	68% (850)	52% (647)
• industry	— <sup>(g)</sup>	42% (2 145)	54% (2 315)	47% (2 535)
• regions	— <sup>(g)</sup>	53% (3 635)	53% (3 605)	49% (4 161)
• communities	— <sup>(g)</sup>	27% <sup>(l)</sup> (1 040)	48% (1 435)	25% (1 354)
Total no. of participants in employment programs by priority target group:				
• young people aged 15–24	8 010	8 460	8 300	10 038
• mature aged people aged 40+	3 065	3 610	3 315	4 863
• Aboriginal people	1 815 <sup>(m)</sup>	2 215 <sup>(m)</sup>	1 735	1 807
Proportion and no. of participants gaining a job through employment programs by priority target group:				
• young people	50% (4 035)	49% (4 135)	53% (4 415)	44% (4383)
• mature aged people	50% (1 532)	44% (1 600)	50% (1 670)	37% (1 782)
• Aboriginal people	53% (970)	51% (1 135)	52% (895)	47% (853)
Total no. of participants in pathways to workforce participation <sup>(n)</sup> programs:	13 030	14 050	17 545	17 298
• adult community education	9 000	9 000 <sup>(c)</sup>	11 000	13 413 <sup>(o)</sup>
• Tauondi Aboriginal College	690	690	690	688
• skills recognition services	2 500 <sup>(p)</sup>	3 520 <sup>(q)</sup>	2 200	1 714
• learning programs for young people <sup>(r)</sup>	—	— <sup>(r)</sup>	2 500	688
• other <sup>(s)</sup>	840	840	1 155	795
No. of training hours delivered through South Australia Works learning, skills development, training and work programs:				
• accredited	— <sup>(t)</sup>	977 164	885 000	1 099 203
• non-accredited	— <sup>(t)</sup>	391 438	467 000	471 535

continued

**Sub-program 1.2: Learning, Workforce Participation and Workforce Development**  
*continued*

**Footnotes**

- (a) Workforce participation programs and services include employment programs, referral services, advice, assessment and support for individuals to develop foundation skills and participate in training and skills development programs.
- (b) The 2010-11 Target reflects efficiency measures with the discontinuation of some programs delivered under the South Australia Works Initiative 2004-10.
- (c) The 2009-10 Estimated Result is lower than the 2009-10 Target as funding for the Adult Community Education Program was re-prioritised to the delivery of adult literacy and numeracy (this resulted in an increased cost per participant and consequently an overall reduction in participants); and the participants in learning programs for young people being incorporated into Sub-program 1.1 Vocational Education and Training.
- (d) In 2008-09 there was additional funding through Skills for South Australia — Building on Strong Foundations, and the Commonwealth Government which resulted in outcomes above the 2009-10 Target and 2009-10 Estimated Results.
- (e) Participants gaining a job is the primary objective of these programs.
- (f) Public sector employment programs include public sector traineeships, apprenticeships and cadetships along with other programs that build diversity in the public sector. The 2009-10 Estimated Result is lower than the 2009-10 Target as a proportion of funds were re-directed to support the implementation of the Youth Compact.
- (g) The employment programs will no longer be categorised under sectors, with the focus on priority target groups gaining a job.
- (h) Industry work programs include apprentices and trainees in group training organisations and other programs which assist industry to address current and future labour and skill demands.
- (i) Regions employment programs address specific training and employment needs of non-metropolitan and metropolitan regions.
- (j) Communities work programs address specific training and employment needs within communities.
- (k) Departmental prioritisation resulted in the re-allocation of funds to the implementation of the Youth Compact.
- (l) The 2009-10 Target for the employment ratio was overestimated for the communities sector.
- (m) The 2009-10 Estimated Result significantly exceeded the 2009-10 Target due to additional Commonwealth funding through the Training Initiatives for Indigenous Adults in Regional and Remote Communities program and other special initiatives. The 2010-11 Target maintains the levels of the 2009-10 Target.
- (n) Pathways to workforce participation programs include referral services, advice, assessment and support for individuals to develop foundation skills, participate in training and skills development programs, and gain work experience through paid and voluntary work.
- (o) The 2008-09 Actual result includes participants in non-VET related activity.
- (p) Due to changes in the Skilled Migration Program, the target group no longer includes international students who do not have full work rights and skilled migrants' spouses who do not have overseas qualifications and work experience.
- (q) The 2009-10 Estimated Result is higher than previous years as people with a temporary visa with working rights were not reported.
- (r) Learning programs for young people focuses on the retention of young people in learning — this activity has been incorporated into Sub-program 1.1 Vocational Education and Training.
- (s) Other includes programs that focus on existing workers updating or upgrading their skills.
- (t) The number of training hours will be reported under Sub-program 1.1 Vocational Education and Training.

<b>Sub-program 1.3: Regulatory Services</b>				
Administering the state's further education and training system through provision of registration, accreditation and approval services for registered training organisations; quality oversight of the state vocational education system, through the Training and Skills Commission; administration of the apprenticeship and traineeship system; and providing state and national policy advice.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$5 589 000</b>	<b>\$6 097 000</b>	<b>\$5 855 000</b>	<b>\$3 679 000</b>
<b>Performance Commentary</b>				
<p>The delivery of higher education, other than that provided by the state universities, vocational education and training, and educational services to overseas students is regulated under the <i>Training and Skills Development Act 2008</i>. The Act provides the basis for ensuring the education and training providers and the courses that they deliver are quality assured under national education and training standards. The department regulates these sectors under delegation from the Training and Skills Commission. Currently there are 356 registered providers approved to deliver training under the Act.</p> <ul style="list-style-type: none"> <li>In 2009 there was continued strong growth in the number of applications for initial registration to deliver to overseas students. There was also strong growth in the number of applications for registration to deliver to domestic students. This is reflected in the higher number of total applications for registration (includes initial, variation and renewal of registration) assessed in the period.</li> <li>In 2010 the department is assessing (on behalf of the Commonwealth Government and consequential to the <i>Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Act 2010</i>) applications for re-registration from 71 providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).</li> </ul> <p>The department administers the traineeship and apprenticeship system, in accordance with the Act under delegation from the Training and Skills Commission. As at 31 December 2009, there were approximately 30 600 trainees and apprentices in South Australia. Highlights include:</p> <ul style="list-style-type: none"> <li>an increasing number of apprentices and trainees completing their training contracts. The National Centre for Vocational Education Research reported that 11 500 apprentices and trainees completed in the 12 months to 31 December 2009, up 2.7 per cent on the 11 200 completions recorded 12 months earlier;</li> <li>960 apprentices and trainees have been assisted to attend their off-the-job training through travel and accommodation subsidies; and</li> <li>assisting with the retention of approximately 1000 apprentices in drought affected areas by supporting 675 employers through the \$1.1 million Drought Apprentice Retention Program.</li> </ul>				
	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
<b>Performance Indicators</b>				
No. of applications from training providers assessed against registration requirements	350	314 <sup>(a)</sup>	270	256
% and no. of registered training providers demonstrating compliance at time of audit <sup>(b)</sup>	60% <sup>(c)</sup> (36)	73% (59) <sup>(d)</sup>	72% (90)	69% (119)
% and no. of registered training provider applications assessed within client service standards	75% (262)	66% <sup>(e)</sup> (207)	80% (212)	69% (176)
No. of national training package qualifications made available for delivery during the year	350	204 <sup>(f)</sup>	300	335
No. of South Australian qualifications accredited	30	103 <sup>(g)</sup>	70	33 <sup>(g)</sup>
No. of qualifications made available as a traineeship/apprenticeship	100	82 <sup>(h)</sup>	250	124 <sup>(h)</sup>
% of clients satisfied with the quality of recognition services provided	95%	87%	95%	97%
No. of new training contract commencements <sup>(i)</sup>	demand driven	21 364	demand driven	20 826
% of User Choice funds expended on Certificate III qualifications and above	94%	94%	90%	92%
% of training contracts approved within 10 days from time of receipt	80% <sup>(i)</sup>	73%	80%	67%
% of satisfied clients as measured through annual sample surveys:				
• trainees/apprentices	95%	93%	95%	92%
• employers	95%	85%	95%	82%

continued

**Sub-program 1.3: Regulatory Services *continued***

**Footnotes**

- (a) The 2009-10 Estimated Result has exceeded the target due to higher numbers of applications in 2009 for initial registration; and variations to scope of registration to deliver to domestic students and to overseas students.
- (b) From 2009, the number and per cent of registered training providers demonstrating compliance is calculated from the outcomes of monitoring audits or renewal of registration audits. Prior to 2009 compliance rates were calculated from all audit types.
- (c) The 2010-11 Target is lower than the 2009-10 Target and 2009-10 Estimated Result because of the increased focus on re-registration of CRICOS providers and more rigorous assessment processes.
- (d) The 2009-10 Estimated Result is lower than target as the number of site audits for renewal of registration, and monitoring compliance was less than planned due to resources directed to assessing increased numbers of applications for registration — refer to footnote (a).
- (e) The 2009-10 Estimated Result is less than the target due to an increase in the number and complexity of assessments.
- (f) National reviews of training packages have been held over or re-scheduled to a later date resulting in the 2009-10 Estimated Result being lower than target.
- (g) Course accreditation is demand driven. The 2009-10 Estimated Result is higher than target because of the renewal of accreditation of a large number of qualifications in the higher education sector. The 2008-09 Actual result is due to courses in the VET sector only being accredited where the demand for a qualification is not met through nationally endorsed qualification in a training package.
- (h) The 2009-10 Estimated Result and 2008-09 Actual is less than the 2009-10 Target because of the reduction in the national number of qualifications endorsed in the period. The number of qualifications made available through apprenticeships or traineeships is determined through industry demand.
- (i) Performance is reported on a calendar year basis.
- (j) From 2010-11 the target and results will be calculated from the point at which completed training contract documentation is received for approval.

**Sub-program 1.4: International and Higher Education**

Supporting the development of Adelaide as a centre for education, international education<sup>(a)</sup> and South Australian education exports including the provision of marketing services, analysis and student and community support.

Provision of high-level strategic policy advice to the minister on higher education policy and planning.

	2010-11 Budget	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
<b>Net Cost of Sub-program</b>	<b>\$5 173 000</b>	<b>\$4 305 000</b>	<b>\$4 291 000</b>	<b>\$1 793 000</b>

**Performance Commentary**

South Australia continued its overseas growth with 33 700 international students studying in South Australia in 2009, representing 5.3 per cent of the total number of international students studying in Australia. The state's growth of international students was above the national growth rate in 2009 leading to South Australia having a higher growth than the Australian average six out of the last eight years. International education highlights include:

- Adelaide's international student numbers increased by 20.7 per cent last year, compared to a national rise of 16.8 per cent;
- strong growths were recorded for every South Australian education sector, in particular, international student enrolments for the vocational education and training (VET) sector grew 70.1 per cent in 2008-09 compared to a national increase of 33.3 per cent, thereby pushing the state's share from 3.0 to 3.8 per cent of the national total;
- increased the South Australian share of overseas students in the schools sector from 8.9 to 10.1 per cent;
- similarly, English Language Intensive Course for Overseas Students (ELICOS) sector enrolments rose by 12.1 per cent for South Australia compared to a national rise of 7.5 per cent, pushing the state's market share from 4.4 to 4.6 per cent;
- South Australia's share of the total number of overseas students in Australia remains at 5.3 per cent, however, actual enrolment numbers exceeded the planned target by more than 3500.

The targeted share for South Australia's international education industry for 2010 is 6.8 per cent and 9 per cent by 2014. While the industry has aspirations to grow at a rate above the forecast growth for Australia, they place an equal value on developing a sustainable international education industry offering a quality education experience and good graduate outcomes for our international students.

The department continued to provide high-level strategic policy advice to the minister on higher education policy and planning. Higher education highlights for the year include:

- supporting the Higher Education Council (HEC) to drive higher education policy, facilitating university collaboration and responding to national and state higher education initiatives; and assisting the HEC and the Training and Skills Commission (TaSC) to develop strategies for meeting the high-end skills needs of industry;
- contributing to the issues emerging from the Premier's Science and Research Council review of science and maths education in universities and the barriers to participation in these subjects in high school;
- continued to assist South Australian universities with improvements to the teaching of maths and science in schools;
- provided scholarships worth \$50 000 to support students into the resources industry;
- continued to develop initiatives to improve university participation especially by people of low socioeconomic status along with individuals of all backgrounds, and first in their family to attend university;
- responding to the Review of Australian Higher Education;
- engaging in the national higher education reform agenda to ensure optimal outcomes for South Australian students and institutions;
- developing and implementing a plan to ensure South Australian higher education institutions address new national higher education targets;
- enhancing the study experience for international students in South Australia by engaging in national reviews of the *Education Services for Overseas Students Act 2000* and contributing to the development of Australian Quality Training Framework Standards and proactive local review; and
- engaging in national quality review of government accreditation agencies in preparation for national higher education regulation through the national Tertiary Education Quality and Standards Agency.

In 2010-11 the department will:

- sustain strong relationships with the state's universities and supporting organisations;
- continue to engage in and influence the national debate on the development of a quality and standards framework for higher education and transition plans for national regulation;
- participate in negotiations regarding national regulation of higher education;
- work proactively with universities, VET sector and Department of Education and Children's Services to strengthen pathways between school, VET and higher education; and explore regional education delivery models with TAFE and universities;
- provide scholarships each worth \$5000 to support 75 undergraduate students in defence industry related honours courses;
- continue to contribute to shaping policy and outcomes for international students in South Australia; and
- assist further with HEC and TaSC strategies for meeting high end skills needs of industry and in particular increase student engagement through the recognition of prior learning.

continued

<b>Sub-program 1.4: International and Higher Education <i>continued</i></b>				
<b>Performance Indicators</b>	<b>2010-11 Target<sup>(c)</sup></b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
South Australia's share of overseas students	6.8%	5.3%	6.7%	5.1%
Growth in South Australia's international student commencements <sup>(b)</sup>	15 500	18 900 <sup>(c)</sup>	18 700	16 309
Growth in South Australia's international student enrolments	34 500	33 700	30 100	27 967
<b>Footnotes</b>				
<p>(a) The Commonwealth Department of Education, Employment and Workplace Relations categorises international education into higher education, vocational and technical education, English language intensive courses for overseas students, schools, and other sectors — other includes foundation, bridging and enabling courses plus other courses that do not lead to a qualification under the Australian Qualifications Framework.</p> <p>(b) The target is to grow the number of international student commencements and enrolments. These targets and results are shown as student totals with growth being the difference between the years.</p> <p>(c) The 2010-11 Target is based on the Industry Plan Forecast 2008–2014. Targets may not be met due to the internal and external factors affecting international student numbers.</p>				

**AGENCY: DEPARTMENT OF FURTHER EDUCATION,  
EMPLOYMENT, SCIENCE AND TECHNOLOGY**

**Program information**

**Program 2: Science, Technology and Innovation**

**Description/Objective:** Provides the government's principal strategic focus for science, technology, information economy and innovation policy development and program delivery that links government, business, industry and education sectors.

**Summary income statement**

<b>Program 2: Science, Technology and Innovation</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	3 234	3 458	3 274	3 449
Supplies and Services .....	595	815	838	1 810
Grants and Subsidies .....	21 895	26 280	22 644	30 586
Other .....	36	35	35	6
<b>Total expenses</b>	<b>25 760</b>	<b>30 588</b>	<b>26 791</b>	<b>35 851</b>
<b>Income</b>				
Sale of Goods and Services .....	—	—	—	-19
Commonwealth Revenue .....	309	221	220	105
Other Grants Revenue .....	175	92	50	66
Gain/Loss on Disposal of Assets .....	—	—	—	-18
Other .....	—	14	—	36
<b>Total income</b>	<b>484</b>	<b>327</b>	<b>270</b>	<b>170</b>
<b>Net cost of providing services</b>	<b>25 276</b>	<b>30 261</b>	<b>26 521</b>	<b>35 681</b>

## Sub-program information

<b>Sub-program 2.1: Science and Innovation</b>				
Provision of high level strategic advice to the minister on maximising economic, environmental and social benefits from the state's scientific research and innovation by: <ul style="list-style-type: none"> <li>identifying strategic priorities for state government investment;</li> <li>raising awareness and understanding of the benefits of science and innovation amongst government, business and the community;</li> <li>facilitating coordinated and strategic bids for Commonwealth grants; and</li> <li>facilitating coordination of education and research activity with end-user (industry) requirements to maximise the benefits for South Australia.</li> </ul>				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$12 296 000</b>	<b>\$15 920 000</b>	<b>\$10 523 000</b>	<b>\$23 459 000</b>
<b>Performance Commentary</b>				
In 2009-10 the department continued the implementation of the Science, Technology and Innovation (STI10) policy vision. Highlights include: <ul style="list-style-type: none"> <li>engaging a full-time STEM (science, technology, engineering and mathematics) skills coordinator who is establishing a process for coordinating and sharing information on current STEM activities; and a robust evidence base on STEM skills;</li> <li>investment of \$4.22 million in Premier's Science and Research Fund (PSRF) projects, including five new research and development projects focussing on climate change adaptation. The investment from the PSRF of \$4.19 million over three years (2009-10 to 2011-12) in these new projects will be matched by a significant level of industry/institutional funding (over \$21 million);</li> <li>further state investment of over \$3.1 million in research infrastructure under the Commonwealth's National Collaborative Research Infrastructure Strategy program, highlighted by the official opening of the \$30 million plant accelerator at the Waite Campus and the national node for biofuels micro-algal development at West Beach and a state-of-the-art electron microscope at the Ian Wark Research Institute. Also funded were the establishment of several satellite nodes in the state as part of a national geological data base;</li> <li>successful promotion of science and research to the community through the South Australian Science Excellence Awards, the Tall Poppy Campaign and National Science Week;</li> <li>supporting the University of Adelaide to win the Australian Research Council Centre of Excellence in Plant Biology on the Waite Campus;</li> <li>support to research institutions for consultations on new Commonwealth programs funding research infrastructure (Super Science Initiative), renewable energy research facilities (Solar Flagships) and new teaching and learning institutions (Education Investment Fund); and</li> <li>supporting South Australia's bids for Commonwealth infrastructure funding.</li> </ul> From 2010-11 the Bragg Initiative and Royal Institute of Australia (RiAus) will become part of the minister's portfolio. In 2010-11 the department will: <ul style="list-style-type: none"> <li>establish a strategic investment panel process to recommend state co-investment in research infrastructure programs, with specific focus on considering Super Science Initiative applicants;</li> <li>lead the development of a whole of government South Australian science and mathematics skills strategy;</li> <li>work with industry on priority research and development needs and in building a responsive renewable energy science base;</li> <li>support the Premier's Science and Research Council in its cooperative work with the Economic Development Board in optimising the impact of government expenditure on science and technology; and</li> <li>increase STEM skills to create the workforce needed to support a broad based knowledge driven economy including support for the Northern Advanced Manufacturing Industry Group and related skilling programs.</li> </ul>				
	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
<b>Performance Indicators</b>				
Public expenditure on research and development as a % of GSP	0.8% <sup>(a)</sup>	1.2% <sup>(a)</sup>	0.8%	1.2%
South Australia's per capita share of Commonwealth Government research and development resources	— <sup>(b)</sup>	— <sup>(b)</sup>	10.0% <sup>(b)</sup>	-6.29% <sup>(b)</sup>

continued

**Sub-program 2.1: Science and Innovation *continued***

Footnotes

- (a) The target is to match or exceed average investment as a proportion of Gross State Product (GSP) compared to other Australian states. Most recent Australian Bureau of Statistics data 2006-07 shows the average investment for other Australian states is 0.8 per cent of GSP with South Australia's public expenditure at 1.2 per cent of GSP.
- (b) *South Australia's Strategic Plan* target is to secure Commonwealth Government research and development resources to 10 per cent above South Australia's per capita share by 2010 and increase this share to 25 per cent by 2014, for both public and private spheres.

South Australia's share of Commonwealth Government research and development funding increased from 8.28 per cent above the state's per capita share in 2005 to 18.09 per cent above per capita share in 2007, at which point the target would have been considered on track to be achieved. However, from 2008 onwards it is no longer possible to measure the original series, because a significant part of the funding that was received by rural research and development corporations can no longer be ascertained at the state level due to non-disclosure by the corporations. The 2008-09 Actual reflects this non-disclosure by corporations.

*The South Australia's Strategic Plan* Audit Committee has recommended a new target be developed that better reflects the full range of contemporary federal research and development. This development is occurring through the *South Australia's Strategic Plan* 2010 update process.

<b>Sub-program 2.2: Information Economy</b>				
Provision of high level strategic policy advice to the minister and government on the information economy and the ICT sector that raises awareness and understanding of the information economy among government, business, industry and education providers; develops strategy and facilitates programs and projects relevant to promoting the information economy; and facilitates bids for significant Commonwealth grants.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$4 165 000</b>	<b>\$4 789 000</b>	<b>\$6 398 000</b>	<b>\$2 660 000</b>
<b>Performance Commentary</b>				
<p>In 2009-10 the department supported the continuing implementation of the Information Economy Agenda for South Australia. Highlights for the year include:</p> <ul style="list-style-type: none"> <li>leveraged significant Commonwealth funding for broadband projects, and for digital access and literacy programs in remote Aboriginal communities;</li> <li>new broadband projects taking in the Metropolitan Adelaide Broadband Blackspots project, the Clare and Mid North Broadband project and extension of Riverland/Murraylands project;</li> <li>leading the Government of South Australia's response to the Commonwealth Government's proposed National Broadband Network;</li> <li>secured broadband usage as a percentage of household internet connections to within five percent of the national average;</li> <li>further developed and implemented the priority actions identified by the Information Economy Advisory Board as part of its work on ICT skills;</li> <li>launched the Information Economy Agenda 2009-2014;</li> <li>contributed to policy development of the Online and Communications Council through participation in working groups;</li> <li>Outback Connect achieved above target registrations of 2036 people and implemented specific online and digital literacy programs targeting unemployed job seekers and the delivery of online health information to rural and remote clients;</li> <li>demonstrated an effective response to digital engagement needs in Aboriginal communities through the implementation of the Indigenous Public Internet Access program; and</li> <li>participated in the Community Engagement and eDemocracy Taskforce and the development of an action plan for eDemocracy for the Government of South Australia.</li> </ul> <p>In 2010-11 the department will:</p> <ul style="list-style-type: none"> <li>respond to the recommendations of Dr Genevieve Bell, Thinker in Residence, contained in the report <i>Getting Connected, Staying Connected: Exploring South Australia's Digital Futures</i>;</li> <li>continue to actively pursue the best possible broadband outcomes for the state;</li> <li>promote the importance of digital literacy as a foundational skill for all South Australians and implement digital inclusion strategies;</li> <li>provide an analysis of the strategic significance of digital capacity building for South Australians;</li> <li>continue to promote and demonstrate best practice in digital literacy and capacity building for South Australians;</li> <li>continue to leverage Commonwealth funding for digital literacy programs;</li> <li>improve access to information and encourage the creation of content;</li> <li>position South Australia to take advantage of national digital economy initiatives; and</li> <li>engage with key industry stakeholders to realise the vision of a digital economy.</li> </ul>				
	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
<b>Performance Indicators</b>				
Broadband as a % of internet connections to households	Within 5% of national average	Within 5% of national average	Within 5% of national average	Within 5% of national average
Broadband Development Funds for the ongoing implementation of South Australia's Broadband Strategy	\$1.7m <sup>(a)</sup>	\$2.2m <sup>(a)</sup>	\$3.8m	\$0 <sup>(b)</sup>
<b>Footnotes</b>				
(a) The 2009-10 Estimated Result is lower than 2009-10 Target as \$1.7 million of the Broadband Development Funds allocated in 2009-10 was not expended and has been carried over into 2010-11.				
(b) Consideration of several applications for Broadband Development Fund projects were suspended in 2006-07, 2007-08 and 2008-09, pending the outcome of revised Commonwealth Government funding programs on which the applications were dependent. In 2009-10 the target was achieved with the expending or allocation of the remaining Broadband Development Fund funds (\$3.8 million).				

**Sub-program 2.3:      Bioscience Industry Development**

Development of the bioscience industry through providing assistance in business development, finance, infrastructure and marketing.

	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$7 039 000</b>	<b>\$7 965 000</b>	<b>\$8 009 000</b>	<b>\$8 017 000</b>

**Performance Commentary**

Bio Innovation SA is a small team focused on bioscience industry development and company support. Highlights include:

- the number of bioscience industry FTE has doubled since 2002, from approximately 800 to approximately 1700 in 2008, a growth on average of 14 per cent per annum;
- industry revenue has increased during the same period from approximately \$100 million to approximately \$300 million per annum, with 50 per cent derived from export activities; and
- the number of companies has doubled from 2002 to currently about 100, with Thebarton the hub of activities in and around the bioscience business incubator.

In 2010-11 Bio Innovation SA will continue to provide bioscience companies with access to sophisticated laboratory and office space, land ready for commercial biotech development in Thebarton as well as business development support and access to venture capital managed by Terra Rossa Capital in South Australia.

<b>Performance Indicators</b>	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
New biotechnology companies created	3	4	3	6
Total no. of bioscience projects assisted	30	22	30	20
Bioscience grants funded	\$3.2m	\$3.5m	\$3.2m	\$3.8m
Bioscience marketing activities — no. of networking functions held	4	6	6	6

<b>Sub-program 2.4: Innovation Investment</b>				
Provision of seed capital and business guidance to innovative companies commercialising research and development.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$1 776 000</b>	<b>\$1 587 000</b>	<b>\$1 591 000</b>	<b>\$1 545 000</b>
<b>Performance Commentary</b>				
<p>Playford Capital operates a recirculating seed fund with the proceeds of investment exits available for further investment in South Australian innovative technology companies.</p> <p>Playford Capital also manages the Playford Capital Innovation Investment Follow-on Fund (IIFF) Trust on behalf of the Commonwealth Government. Highlights for Playford Capital in 2009-10 include:</p> <ul style="list-style-type: none"> <li>won \$7.45 million from the IIFF for investment into a select group of companies in its investment portfolio;</li> <li>committed \$4.1 million to South Australian companies from the recirculating fund and the IIFF; and</li> <li>in total, Playford Capital and its co-investors invested \$12.4 million into innovative technology companies during the year.</li> </ul> <p>Since 2001 Playford Capital has been instrumental in attracting a total of \$106 million into innovative South Australian companies.</p>				
	<b>2010-11 Target</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Target</b>	<b>2008-09 Actual</b>
<b>Performance Indicators</b>				
Investment in South Australian innovative companies commercialising research and development	\$6.2m <sup>(c)</sup>	\$4.1m <sup>(a)</sup>	\$1.5m	\$1.3m
Co-investment — leveraging funds from private investors and government grants	\$5.0m <sup>(c)</sup>	\$8.3m <sup>(b)</sup>	\$5.0m	\$10.5m
<b>Footnotes</b>				
<p>(a) Playford Capital committed \$4.1 million to seven South Australian innovative technology companies in 2009-10, comprising \$2.7 million IIFF funds committed on behalf of the Commonwealth via the Playford Capital IIFF Trust and \$1.4 million committed from Playford Capital's recirculating seed fund.</p> <p>(b) Playford Capital exceeded its co-investment target of \$5 million in 2009-10, having assisted its investee companies to secure a further \$8.3 million in private sector and government funding.</p> <p>(c) Future performance is dependent on market conditions.</p>				

**DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	<b>230 210</b>	216 510	212 488	220 759
Long service leave .....	<b>9 078</b>	8 237	8 094	9 799
Payroll tax .....	<b>13 319</b>	12 504	12 281	12 509
Superannuation .....	<b>27 930</b>	26 434	25 974	24 139
Other .....	<b>1 920</b>	19 884	1 638	1 957
Supplies and services —				
General supplies and services .....	<b>179 543</b>	153 483	175 728	148 773
Consultancy expenses .....	<b>103</b>	101	102	357
Depreciation and amortisation expenses .....	<b>19 863</b>	17 858	20 399	19 772
Grants and subsidies .....	<b>76 684</b>	61 967	59 635	52 214
Intra government transfers .....	<b>11 525</b>	15 820	13 002	19 428
Other expenses .....	<b>3 710</b>	3 615	3 602	1 994
<b>Total expenses</b>	<b>573 885</b>	<b>536 413</b>	<b>532 943</b>	<b>511 701</b>
<b>Income</b>				
Commonwealth revenues .....	<b>4 947</b>	25 635	4 156	65 989
Intra government transfers .....	<b>16 613</b>	46 641	46 405	57 294
Other grants .....	<b>5 664</b>	5 795	5 338	4 741
Sales of goods and services .....	<b>96 175</b>	92 074	92 358	93 150
Interest revenues .....	—	—	—	24
Net gain or loss from disposal of assets .....	—	141	—	-957
Resources received free of charge .....	—	—	—	500
Other income .....	<b>2 346</b>	2 387	2 387	5 898
<b>Total income</b>	<b>125 745</b>	<b>172 673</b>	<b>150 644</b>	<b>226 639</b>
<b>Net cost of providing services</b>	<b>448 140</b>	<b>363 740</b>	<b>382 299</b>	<b>285 062</b>
<b>Income from / Expenses to SA Government</b>				
Income —				
Appropriation .....	<b>442 078</b>	384 462	394 683	282 413
Other income .....	—	24 130	—	7 833
Expenses —				
Cash alignment .....	—	9 923	—	13 250
<b>Net income from / Expenses to SA Government</b>	<b>442 078</b>	<b>398 669</b>	<b>394 683</b>	<b>276 996</b>
<b>Net result</b>	<b>-6 062</b>	<b>34 929</b>	<b>12 384</b>	<b>-8 066</b>
<b>Other comprehensive income</b>				
Changes in property, plant and equipment asset revaluation surplus .....	—	—	—	150 577
<b>Total comprehensive result</b>	<b>-6 062</b>	<b>34 929</b>	<b>12 384</b>	<b>142 511</b>

**DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	73 021	84 510	71 330	77 980
Receivables .....	26 823	19 898	22 976	19 971
Inventories .....	935	935	1 711	935
Other current assets .....	1 241	1 241	1 408	1 241
Non-current assets class held for sale .....	—	—	—	419
<b>Total current assets</b>	<b>102 020</b>	<b>106 584</b>	<b>97 425</b>	<b>100 546</b>
<i>Non current assets</i>				
Financial assets .....	3 206	3 206	2 574	3 206
Land and improvements .....	636 796	629 839	443 468	599 056
Plant and equipment .....	29 064	28 305	35 771	27 989
<b>Total non-current assets</b>	<b>669 066</b>	<b>661 350</b>	<b>481 813</b>	<b>630 251</b>
<b>Total assets</b>	<b>771 086</b>	<b>767 934</b>	<b>579 238</b>	<b>730 797</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	34 420	33 439	39 727	32 765
Employee benefits —				
Salaries and wages .....	4 279	3 787	3 382	3 281
Annual leave .....	9 496	9 211	9 358	9 807
Long service leave .....	6 653	6 412	7 812	5 780
Other .....	5 017	4 943	4 802	4 867
Short-term provisions .....	2 021	1 950	2 736	1 896
Other current liabilities .....	20 535	20 535	13 219	20 535
<b>Total current liabilities</b>	<b>82 421</b>	<b>80 277</b>	<b>81 036</b>	<b>78 931</b>
<i>Non current liabilities</i>				
Long-term borrowings .....	—	—	499	—
Long-term employee benefits —				
Long service leave .....	57 658	50 917	55 587	50 387
Long-term provisions .....	6 378	6 049	7 279	5 717
<b>Total non-current liabilities</b>	<b>64 036</b>	<b>56 966</b>	<b>63 365</b>	<b>56 104</b>
<b>Total liabilities</b>	<b>146 457</b>	<b>137 243</b>	<b>144 401</b>	<b>135 035</b>
<b>Net assets</b>	<b>624 629</b>	<b>630 691</b>	<b>434 837</b>	<b>595 762</b>
<b>Equity</b>				
Retained earnings .....	399 134	405 196	359 919	370 267
Asset revaluation reserve .....	225 495	225 495	74 918	225 495
<b>Total equity</b>	<b>624 629</b>	<b>630 691</b>	<b>434 837</b>	<b>595 762</b>

Balances as at 30 June end of period.

**DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Employee benefit payments .....	273 644	281 050	252 722	266 338
Payments for supplies and services .....	191 005	164 471	186 717	180 876
Grants and subsidies .....	65 325	51 080	48 748	48 573
GST paid .....	—	—	—	4 199
Intra government transfers .....	11 525	15 820	13 002	13 528
Other payments .....	3 197	3 101	3 106	884
<b>Cash used in operations</b>	<b>544 696</b>	<b>515 522</b>	<b>504 295</b>	<b>514 398</b>
<i>Cash inflows</i>				
Intra government transfers .....	16 613	46 641	46 405	57 294
Commonwealth receipts .....	4 947	25 635	4 156	65 989
Other grants .....	5 664	5 795	5 338	4 741
Sales of goods and services .....	96 241	92 138	92 422	99 668
Interest received .....	—	—	—	24
Dividends received .....	—	—	—	601
GST received .....	—	—	—	17 697
Other receipts .....	2 243	2 285	2 285	4 190
<b>Cash generated from operations</b>	<b>125 708</b>	<b>172 494</b>	<b>150 606</b>	<b>250 204</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	442 078	384 462	394 683	282 413
Other receipts .....	—	24 130	—	7 833
Payments —				
Cash alignment .....	—	9 923	—	13 250
<b>Net cash provided by SA Government</b>	<b>442 078</b>	<b>398 669</b>	<b>394 683</b>	<b>276 996</b>
<b>Net cash provided by (+) / used (-) in operating activities</b>	<b>23 090</b>	<b>55 641</b>	<b>40 994</b>	<b>12 802</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	27 579	48 975	27 912	8 583
Advances paid .....	7 000	—	—	—
<b>Cash used in investing activities</b>	<b>34 579</b>	<b>48 975</b>	<b>27 912</b>	<b>8 583</b>
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment .....	—	560	—	643
<b>Cash generated from investing activities</b>	<b>—</b>	<b>560</b>	<b>—</b>	<b>643</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-34 579</b>	<b>-48 415</b>	<b>-27 912</b>	<b>-7 940</b>

**DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>FINANCING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Proceeds from restructuring activities .....	—	-696	—	-462
<b>Cash generated from financing activities</b>	<b>—</b>	<b>-696</b>	<b>—</b>	<b>-462</b>
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>—</b>	<b>-696</b>	<b>—</b>	<b>-462</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-11 489</b>	<b>6 530</b>	<b>13 082</b>	<b>4 400</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>84 510</b>	<b>77 980</b>	<b>58 248</b>	<b>73 580</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>73 021</b>	<b>84 510</b>	<b>71 330</b>	<b>77 980</b>
<b>NON CASH TRANSACTIONS:</b>				
Assets received (+) / donated (-) free of charge .....	—	-18	—	500

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT,  
SCIENCE AND TECHNOLOGY**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Income from SA Government</b>				
Income —				
Appropriation .....	255	250	260	300
<b>Net income from / Expenses to SA Government</b>	<b>255</b>	<b>250</b>	<b>260</b>	<b>300</b>
<b>Income from other sources</b>				
Commonwealth revenues .....	—	700	7 644	2 036
Intra government transfers .....	—	20	—	—
Other grants .....	—	245	—	929
<b>Total income from other sources</b>	<b>—</b>	<b>965</b>	<b>7 644</b>	<b>2 965</b>
<b>Total income</b>	<b>255</b>	<b>1 215</b>	<b>7 904</b>	<b>3 265</b>
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	409	475	256	635
Long service leave .....	6	8	—	—
Payroll tax .....	10	14	—	—
Superannuation .....	21	28	4	—
Other .....	—	1	—	85
Supplies and services —				
General supplies and services .....	519	1 095	—	242
Consultancy expenses .....	—	—	—	102
Grants and subsidies .....	—	—	7 644	2 036
<b>Total expenses</b>	<b>965</b>	<b>1 621</b>	<b>7 904</b>	<b>3 100</b>
<b>Total comprehensive result</b>	<b>-710</b>	<b>-406</b>	<b>—</b>	<b>165</b>

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT,  
SCIENCE AND TECHNOLOGY**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	14	724	—	1 130
Receivables .....	—	—	32	—
<b>Total current assets</b>	<b>14</b>	<b>724</b>	<b>32</b>	<b>1 130</b>
<b>Total assets</b>	<b>14</b>	<b>724</b>	<b>32</b>	<b>1 130</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Other current liabilities .....	965	965	32	965
<b>Total current liabilities</b>	<b>965</b>	<b>965</b>	<b>32</b>	<b>965</b>
<b>Total liabilities</b>	<b>965</b>	<b>965</b>	<b>32</b>	<b>965</b>
<b>Net assets</b>	<b>-951</b>	<b>-241</b>	<b>—</b>	<b>165</b>
<b>Equity</b>				
Retained earnings .....	-951	-241	—	165
<b>Total equity</b>	<b>-951</b>	<b>-241</b>	<b>—</b>	<b>165</b>

Balances as at 30 June end of period.

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT,  
SCIENCE AND TECHNOLOGY**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Intra government transfers .....	—	20	—	—
Commonwealth receipts .....	—	700	7 644	2 036
Other grants .....	—	245	—	1 894
<b>Cash generated from operations</b>	<b>—</b>	<b>965</b>	<b>7 644</b>	<b>3 930</b>
<i>Cash outflows</i>				
Employee benefit payments .....	<b>446</b>	526	260	720
Payments for supplies and services .....	<b>519</b>	1 095	—	344
Grants and subsidies .....	—	—	7 644	2 036
<b>Cash used in operations</b>	<b>965</b>	<b>1 621</b>	<b>7 904</b>	<b>3 100</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	<b>255</b>	250	260	300
<b>Net cash provided by SA Government</b>	<b>255</b>	<b>250</b>	<b>260</b>	<b>300</b>
<b>Net cash provided by (+) / used in (-) operating activities</b>	<b>-710</b>	<b>-406</b>	<b>—</b>	<b>1 130</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-710</b>	<b>-406</b>	<b>—</b>	<b>1 130</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>724</b>	<b>1 130</b>	<b>—</b>	<b>—</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>14</b>	<b>724</b>	<b>—</b>	<b>1 130</b>

## **AGENCY: DEPARTMENT OF FURTHER EDUCATION, EMPLOYMENT, SCIENCE AND TECHNOLOGY**

### **Financial commentary — major variations**

The following commentary relates to the agency financial statements presented in the previous section. The discussion relates to variations between the 2009-10 Estimated Result and the 2010-11 Budget.

#### ***Statement of comprehensive income — controlled***

##### *Expenditure*

The increase in expenditure of \$37.5 million in 2010-11 is primarily due to:

- additional expenditure for the government's election commitment for 100 000 new apprenticeships and training places (\$32.4 million) and the Productivity Places Program (\$20.1 million);
- provision of \$13.8 million for indexation on existing salary and non-salary costs in 2010-11; and
- additional expenditure of \$1.9 million in 2010-11 for the Apprentice Kickstart pre-apprenticeship program.

The increased expenditure is partially offset by:

- savings initiatives of \$16.4 million in 2010-11;
- once-off payment in 2009-10 for the 2009 targeted voluntary separation packages (TVSP) scheme (\$9.2 million); and
- once-off payments in 2009-10 for the National Collaborative Research Infrastructure Strategy (\$2.3 million), and the Training Infrastructure Investment for Tomorrow (\$1.6 million) and Better TAFE Facilities (\$1.6 million) projects.

##### *Revenue*

The decrease of \$46.9 million is primarily due to:

- once-off revenue in 2009-10 from the Commonwealth for Training Infrastructure Investment for Tomorrow (\$18.7 million) and Better TAFE Facilities (\$14.6 million) projects; and
- lower Commonwealth revenue reflecting the profile of the Productivity Places Program (\$18.5 million).

This is partially offset by an increase due to:

- additional Commonwealth revenue of \$1.9 million in 2010-11 for the Apprentice Kickstart pre-apprenticeship program; and
- increased student fees associated with the government's election commitment for 100 000 new apprenticeships and training places (\$2.2 million).

### ***Statement of financial position — controlled***

The decrease in net assets of \$6.1 million is predominately due to an increase in non-current long service leave liability.

### ***Statement of cash flows — controlled***

The changes in cash flows from operating activities are primarily due to the variations that are described under the statement of comprehensive income; in addition 2009-10 includes cash payments relating to leave entitlements associated with the 2009 TVSP scheme.

The decrease in investing activities of \$14.4 million is primarily due to:

- once-off payments in 2009-10 associated with the Training Infrastructure Investment for Tomorrow (\$16.8 million) and Better TAFE Facilities initiatives (\$14.1 million); and
- reduced expenditure for the New Victor Harbor TAFE Campus (\$2.6 million) and Student Information System (\$3.7 million) as both projects near completion.

This is partially offset by:

- expenditure increase in 2010-11 associated with the Sustainable Industries Education Centre (\$11.9 million) and Campus Refurbishment (\$4.3 million).

### ***Statement of comprehensive income — administered items***

The change in statement of comprehensive income is due to the receipt of revenue associated with the Australian Qualifications Framework Council (AQFC) in 2009-10 which will be expended in 2010-11.

### ***Statement of financial position— administered items***

Changes relate to the revenue for the AQFC as described in the statement of comprehensive income.

### ***Statement of cash flows — administered items***

Changes relate to the revenue for the AQFC as described in the statement of comprehensive income.

# Auditor-General's Department

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**AGENCY: AUDITOR-GENERAL’S DEPARTMENT**

**Objective**

To contribute as an important body to the accountability of the executive government and public sector agencies to parliament by the provision of independent reports on matters concerning public sector finance, use of public resources and the probity and lawfulness of matters associated with public administration.

**2010-11 Targets/2009-10 Highlights**

<b>Targets 2010-11</b>	<b>Highlights 2009-10</b>
<ul style="list-style-type: none"> <li>• Present the Auditor-General’s Annual Report to parliament as prescribed by the <i>Public Finance and Audit Act 1987</i></li> <li>• Identify and undertake certain reviews of specific issues of importance and interest in the public sector, aimed at improving processes and/or maintaining accountability in public sector agencies</li> <li>• Implement a new audit methodology and associated software tools</li> <li>• Continue to implement and support high quality and focused training and development for our people</li> </ul>	<ul style="list-style-type: none"> <li>• Presented the Auditor-General’s Annual Report to parliament as prescribed by the <i>Public Finance and Audit Act 1987</i></li> <li>• Undertook certain reviews of specific issues of importance and interest in the public sector, aimed at improving processes and/or maintaining accountability in public sector agencies</li> <li>• Undertook independent quality assurance reviews of public sector agency audits undertaken by field audit teams</li> <li>• Continued to implement and support high quality and focused training and development for our people</li> </ul>

## Program net cost of services summary

Program	Net Cost of Services			
	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
1. Auditing Services .....	13 692	13 419	13 531	11 636
<b>Total</b>	<b>13 692</b>	<b>13 419</b>	<b>13 531</b>	<b>11 636</b>

## Investing expenditure summary

Investments	2010-11 Budget \$000	2009-10 Estimated Result \$000	2009-10 Budget \$000	2008-09 Actual \$000
<i>Existing projects</i>				
Replacement of Audit Methodology and Software .....	130	50	50	—
<b>Total existing projects</b>	<b>130</b>	<b>50</b>	<b>50</b>	<b>—</b>
<i>Annual programs</i>				
<b>Total annual programs</b>	<b>340</b>	<b>332</b>	<b>332</b>	<b>245</b>
<b>Total investing expenditure</b>	<b>470</b>	<b>382</b>	<b>382</b>	<b>245</b>

## Workforce summary

Agency	FTEs as at 30 June		
	2010-11 Budget	2009-10 Estimated Result	2008-09 Actual
Auditor-General's Department	113.0	113.0	110.5
<b>Total</b>	<b>113.0</b>	<b>113.0</b>	<b>110.5</b>

**AGENCY: AUDITOR-GENERAL’S DEPARTMENT**

**Program information**

*Program 1: Auditing Services*

*Description/Objective:* The program relates to the provision of auditing services covering all audit responsibilities prescribed under the *Public Finance and Audit Act 1987*.

**Summary income statement**

<b>Program 1: Auditing Services</b>	<b>2010-11 Budget \$000</b>	<b>2009-10 Estimated Result \$000</b>	<b>2009-10 Budget \$000</b>	<b>2008-09 Actual \$000</b>
<b>Expenses</b>				
Employee Benefits and Costs .....	9 529	9 373	9 261	8 573
Supplies and Services .....	3 784	3 657	3 881	2 781
Other .....	380	390	390	270
<b>Total expenses</b>	<b>13 693</b>	<b>13 420</b>	<b>13 532</b>	<b>11 624</b>
<b>Income</b>				
Other .....	1	1	1	-12
<b>Total income</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-12</b>
<b>Net cost of providing services</b>	<b>13 692</b>	<b>13 419</b>	<b>13 531</b>	<b>11 636</b>

## ***Sub-program information***

<b>Sub-program 1.1: Prescribed Audits</b>				
All audit work to be undertaken for agencies where the Auditor-General is the prescribed auditor. The department must annually conduct the audits as prescribed by the <i>Public Finance and Audit Act 1987</i> .				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	<b>\$13 692 000</b>	<b>\$13 419 000</b>	<b>\$13 531 000</b>	<b>\$11 636 000</b>
<b>Performance Commentary</b>				
<p>The role of the Auditor-General is an important one, providing independent assurance to the parliament that government activities are conducted and accounted for properly and in accordance with the law. Continual changes within the state public sector demand a critical role for this department to review, evaluate and report on changes and developments as they occur. Our achievements are represented ultimately by the quality and timeliness of our reports to parliament.</p> <p>We commenced implementation of a new three-year corporate plan that positions the department to meet the challenges ahead. There has been a significant resource effort applied in 2009-10 to the procurement and preparation work for the implementation of a new audit methodology and associated tools.</p> <p>In addition we have continued to focus our attention on attracting, developing and keeping our highly skilled and committed professional people.</p>				

<b>Sub-program 1.2: Special Investigations</b>				
All work defined within the <i>Public Finance and Audit Act 1987</i> that is specifically requested by the parliament, Treasurer or minister to be undertaken and reported to the parliament by the Auditor-General.				
	<b>2010-11 Budget</b>	<b>2009-10 Estimated Result</b>	<b>2009-10 Budget</b>	<b>2008-09 Actual</b>
<b>Net Cost of Sub-program</b>	—	—	—	—
<b>Performance Commentary</b>				
There is no funding budgeted for this sub-program for 2010-11 or expenditure incurred in previous years as the Auditor-General has not been requested to undertake investigations pursuant to Section 32 of the <i>Public Finance and Audit Act 1987</i> .				

**AUDITOR-GENERAL'S DEPARTMENT**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	<b>7 886</b>	7 755	7 662	7 102
Long service leave .....	<b>180</b>	178	175	222
Payroll tax .....	<b>477</b>	468	463	415
Superannuation .....	<b>983</b>	969	958	834
Other .....	<b>3</b>	3	3	—
Supplies and services —				
General supplies and services .....	<b>3 571</b>	3 447	3 669	2 701
Consultancy expenses .....	<b>213</b>	210	212	80
Depreciation and amortisation expenses .....	<b>370</b>	380	380	261
Other expenses .....	<b>10</b>	10	10	9
<b>Total expenses</b>	<b>13 693</b>	<b>13 420</b>	<b>13 532</b>	<b>11 624</b>
<b>Income</b>				
Net gain or loss from disposal of assets .....	<b>-4</b>	-4	-4	-13
Other income .....	<b>5</b>	5	5	1
<b>Total income</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-12</b>
<b>Net cost of providing services</b>	<b>13 692</b>	<b>13 419</b>	<b>13 531</b>	<b>11 636</b>
<b>Income from / Expenses to SA Government</b>				
Income —				
Appropriation .....	<b>13 565</b>	13 221	13 445	11 371
Other income .....	<b>—</b>	112	—	15
<b>Net income from / Expenses to SA Government</b>	<b>13 565</b>	<b>13 333</b>	<b>13 445</b>	<b>11 386</b>
<b>Total comprehensive result</b>	<b>-127</b>	<b>-86</b>	<b>-86</b>	<b>-250</b>

**AUDITOR-GENERAL'S DEPARTMENT**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	<b>1 920</b>	2 310	2 628	2 229
Receivables .....	<b>145</b>	138	94	138
Other current assets .....	<b>32</b>	—	—	6
<b>Total current assets</b>	<b>2 097</b>	<b>2 448</b>	<b>2 722</b>	<b>2 373</b>
<i>Non current assets</i>				
Land and improvements .....	<b>46</b>	102	32	157
Plant and equipment .....	<b>419</b>	364	351	332
Intangible assets .....	<b>53</b>	9	19	40
<b>Total non-current assets</b>	<b>518</b>	<b>475</b>	<b>402</b>	<b>529</b>
<b>Total assets</b>	<b>2 615</b>	<b>2 923</b>	<b>3 124</b>	<b>2 902</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	<b>525</b>	547	751	514
Short-term borrowings .....	<b>3</b>	3	3	3
Employee benefits —				
Salaries and wages .....	<b>15</b>	226	215	195
Annual leave .....	<b>536</b>	526	527	519
Long service leave .....	<b>127</b>	125	158	177
Short-term provisions .....	<b>4</b>	4	5	4
<b>Total current liabilities</b>	<b>1 210</b>	<b>1 431</b>	<b>1 659</b>	<b>1 412</b>
<i>Non current liabilities</i>				
Long-term employee benefits —				
Long service leave .....	<b>2 162</b>	2 122	2 070	2 034
Long-term provisions .....	<b>12</b>	12	13	12
<b>Total non-current liabilities</b>	<b>2 174</b>	<b>2 134</b>	<b>2 083</b>	<b>2 046</b>
<b>Total liabilities</b>	<b>3 384</b>	<b>3 565</b>	<b>3 742</b>	<b>3 458</b>
<b>Net assets</b>	<b>-769</b>	<b>-642</b>	<b>-618</b>	<b>-556</b>
<b>Equity</b>				
Retained earnings .....	<b>-769</b>	-642	-618	-556
<b>Total equity</b>	<b>-769</b>	<b>-642</b>	<b>-618</b>	<b>-556</b>

Balances as at 30 June end of period.

**AUDITOR-GENERAL'S DEPARTMENT**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Employee benefit payments .....	9 742	9 275	9 169	8 414
Payments for supplies and services .....	3 784	3 642	3 866	3 314
GST paid .....	7	—	—	—
Other payments .....	10	10	10	9
<b>Cash used in operations</b>	<b>13 543</b>	<b>12 927</b>	<b>13 045</b>	<b>11 737</b>
<i>Cash inflows</i>				
GST received .....	—	—	—	248
Other receipts .....	5	5	5	1
<b>Cash generated from operations</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>249</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	13 565	13 221	13 445	11 371
Other receipts .....	—	112	—	15
<b>Net cash provided by SA Government</b>	<b>13 565</b>	<b>13 333</b>	<b>13 445</b>	<b>11 386</b>
<b>Net cash provided by (+) / used (-) in operating activities</b>	<b>27</b>	<b>411</b>	<b>405</b>	<b>-102</b>
<b>INVESTING ACTIVITIES:</b>				
<i>Cash outflows</i>				
Purchase of property, plant and equipment .....	340	270	270	215
Purchase of intangibles .....	130	112	112	30
<b>Cash used in investing activities</b>	<b>470</b>	<b>382</b>	<b>382</b>	<b>245</b>
<i>Cash inflows</i>				
Proceeds from sale of property, plant and equipment .....	53	52	52	—
<b>Cash generated from investing activities</b>	<b>53</b>	<b>52</b>	<b>52</b>	<b>—</b>
<b>Net cash provided by (+) / used in (-) investing activities</b>	<b>-417</b>	<b>-330</b>	<b>-330</b>	<b>-245</b>
<b>FINANCING ACTIVITIES:</b>				
<i>Cash inflows</i>				
Proceeds from restructuring activities .....	—	—	—	-14
<b>Cash generated from financing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-14</b>
<b>Net cash provided by (+) / used in (-) financing activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-14</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>-390</b>	<b>81</b>	<b>75</b>	<b>-361</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>2 310</b>	<b>2 229</b>	<b>2 553</b>	<b>2 590</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1 920</b>	<b>2 310</b>	<b>2 628</b>	<b>2 229</b>

**ADMINISTERED ITEMS FOR THE AUDITOR-GENERAL'S DEPARTMENT**

**Statement of comprehensive income**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Income from SA Government</b>				
Income —				
Appropriation .....	<b>286</b>	271	269	283
<b>Net income from / Expenses to SA Government</b>	<b>286</b>	<b>271</b>	<b>269</b>	<b>283</b>
<b>Income from other sources</b>				
Other income .....	<b>12 529</b>	12 145	12 341	10 440
<b>Total income from other sources</b>	<b>12 529</b>	<b>12 145</b>	<b>12 341</b>	<b>10 440</b>
<b>Total income</b>	<b>12 815</b>	<b>12 416</b>	<b>12 610</b>	<b>10 723</b>
<b>Expenses</b>				
Employee benefit expenses —				
Salaries, wages, annual and sick leave .....	<b>277</b>	272	270	260
Long service leave .....	<b>11</b>	11	11	24
Other expenses .....	<b>12 529</b>	12 145	12 341	10 440
<b>Total expenses</b>	<b>12 817</b>	<b>12 428</b>	<b>12 622</b>	<b>10 724</b>
<b>Total comprehensive result</b>	<b>-2</b>	<b>-12</b>	<b>-12</b>	<b>-1</b>

**ADMINISTERED ITEMS FOR THE AUDITOR-GENERAL'S DEPARTMENT**

**Statement of financial position**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents .....	<b>304</b>	300	1 756	296
Receivables .....	<b>2 036</b>	2 036	352	2 036
Other current assets .....	<b>1</b>	—	—	—
<b>Total current assets</b>	<b>2 341</b>	<b>2 336</b>	<b>2 108</b>	<b>2 332</b>
<b>Total assets</b>	<b>2 341</b>	<b>2 336</b>	<b>2 108</b>	<b>2 332</b>
<b>Liabilities</b>				
<i>Current liabilities</i>				
Payables .....	<b>2 140</b>	2 136	1 927	2 132
Employee benefits —				
Salaries and wages .....	—	8	8	7
Annual leave .....	<b>111</b>	111	116	111
<b>Total current liabilities</b>	<b>2 251</b>	<b>2 255</b>	<b>2 051</b>	<b>2 250</b>
<i>Non current liabilities</i>				
Long-term employee benefits —				
Long service leave .....	<b>342</b>	331	317	320
<b>Total non-current liabilities</b>	<b>342</b>	<b>331</b>	<b>317</b>	<b>320</b>
<b>Total liabilities</b>	<b>2 593</b>	<b>2 586</b>	<b>2 368</b>	<b>2 570</b>
<b>Net assets</b>	<b>-252</b>	<b>-250</b>	<b>-260</b>	<b>-238</b>
<b>Equity</b>				
Retained earnings .....	<b>-252</b>	-250	-260	-238
<b>Total equity</b>	<b>-252</b>	<b>-250</b>	<b>-260</b>	<b>-238</b>

Balances as at 30 June end of period.

**ADMINISTERED ITEMS FOR THE AUDITOR-GENERAL'S DEPARTMENT**

**Statement of cash flows**

	<b>2010-11 Budget</b>	2009-10 Estimated Result	2009-10 Budget	2008-09 Actual
	<b>\$000</b>	\$000	\$000	\$000
<b>OPERATING ACTIVITIES:</b>				
<i>Cash inflows</i>				
GST received .....	<b>4</b>	4	4	—
Other receipts .....	<b>12 529</b>	12 145	12 341	9 800
<b>Cash generated from operations</b>	<b>12 533</b>	<b>12 149</b>	<b>12 345</b>	<b>9 800</b>
<i>Cash outflows</i>				
Employee benefit payments .....	<b>286</b>	271	269	264
GST paid .....	—	—	—	1 002
Other payments .....	<b>12 529</b>	12 145	12 341	10 269
<b>Cash used in operations</b>	<b>12 815</b>	<b>12 416</b>	<b>12 610</b>	<b>11 535</b>
<b>SA GOVERNMENT:</b>				
Appropriation .....	<b>286</b>	271	269	283
<b>Net cash provided by SA Government</b>	<b>286</b>	<b>271</b>	<b>269</b>	<b>283</b>
<b>Net cash provided by (+) / used in (-) operating activities</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>-1 452</b>
<b>Net increase (+) / decrease (-) in cash equivalents</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>-1 452</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>300</b>	<b>296</b>	<b>1 752</b>	<b>1 748</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>304</b>	<b>300</b>	<b>1 756</b>	<b>296</b>

## **AGENCY: AUDITOR-GENERAL'S DEPARTMENT**

### **Financial commentary — major variations**

#### ***Statement of comprehensive income — controlled***

The increase in the net cost of services since 2008-09 reflects the increased employee expenses and contractor/consultant costs incurred for new agency audit activity, including WorkCover Corporation of South Australia and Country Health Units.

# Accounting standards

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# ACCOUNTING STANDARDS

The financial statements included in the Portfolio Statements 2010-11 are special purpose financial statements.

Estimates in these financial statements have been prepared on a basis consistent with:

- Australian Accounting Standards, except where these notes indicate otherwise
- Accounting policies expected to be used in preparing historically orientated general purpose financial statements for that year, and the same accounting policies have been used for the subsequent forecast years (forward estimates).

## Reporting entities

The financial statements include all estimated assets, liabilities, incomes and expenses of individual entities and portfolio agencies (administrative groupings of entities).

In the process of reporting on portfolios, intra-group transactions and balances are eliminated in full. This enables the financial statements of the portfolio agencies to be presented as that of an individual entity.

The commentary at the commencement of the financial statements for each portfolio identifies which entities have been included in the consolidated financial statements for that portfolio.

Consistent with Australian Accounting Standards, transactions and balances that are controlled are budgeted for, and reported on, separately to transactions and balances which are administered but not controlled by the agency.

Activities that are 'controlled' are those where the agency delivers services and governs the financial and operating policies so as to obtain benefits from these activities and assets in the pursuit of its objectives.

Generally, activities that are 'administered' on behalf of the government exist where an agency has no discretion to alter the resources provided or determine how they are spent.

## Basis of accounting and measurement

The estimated financial statements include a statement of comprehensive income, statement of financial position and a statement of cash flows.

The format of these estimated financial statements is consistent with the model financial statements (prepared by the Department of Treasury and Finance for statutory reporting requirements) and is consistent with the requirements of AASB 101 *Presentation of Financial Statements* and AASB 107 *Statement of Cash Flows*.

The accrual basis of accounting has been applied in the preparation of the estimated financial statements whereby assets, liabilities, equity, incomes and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

## **Assets**

Most government assets are valued at their written down current cost. Otherwise agencies adopt one of the following measurement bases:

- Market/fair value — the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction (in many cases agencies use written down current cost as a proxy for fair value)
- Net market value — the market value after deducting costs expected to be incurred were the asset to be exchanged
- Current cost — the lowest cost at which the gross service potential of that asset could currently be obtained in the normal course of operations.

All non-current tangible assets, with a cost of acquisition greater than \$1 million and a useful life of more than three years, are required to be valued at fair value unless excluded from the scope of Australian Accounting Standard AASB 116 *Property, Plant and Equipment* and/or an alternative valuation is specified by another accounting standard.

All intangible assets are measured at cost.

### ***Depreciation and amortisation***

All non-current assets having limited useful lives are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The most common method used for calculating depreciation expense is the straight line method.

Certain heritage assets have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of those assets.

Assets acquired under finance leases are amortised over the period during which the government is expected to benefit from use of the leased asset.

## **Employee benefits**

Employee benefits (including salaries and wages, annual leave, long-service leave, sick leave and superannuation benefits) reflect those benefits accrued as a result of services provided by employees up to the reporting date.

Short-term employee benefits (due to be settled within twelve months after the end of the reporting period in which the employee rendered the services) are measured at a nominal amount based on the remuneration rates an agency expects to pay. Examples of short-term employee benefits include salaries and wages and annual leave.

Long-term employee benefits (not due to be settled within twelve months after the end of the period in which the employee rendered the service) are measured as the present value of estimated future cash flows. An example of a long-term employee benefit is long service leave.

### ***Sick leave***

For the majority of agencies, no liability will be recognised for sick leave.

There is no liability for non-vesting sick leave (a non-vesting entitlement is that which does not constitute a legal obligation of the employing agency until a valid claim is made by an employee or an event has occurred) if, on average, sick leave taken is less than total entitlements accruing.

Vesting sick leave entitlements are rare for state government employees.

### ***Superannuation***

For most state government controlled agencies, the Treasurer assumes the accrued superannuation liability in return for periodic payments from agencies. Therefore, unless there are contributions due but not yet paid at the reporting date, there is no superannuation liability recorded for the agency.

Two types of superannuation plans are in operation currently in the public sector: defined benefit plans and defined contribution plans. In a defined benefit plan, a member's entitlement is determined by reference to a formula based on years of membership and/or salary levels. In a defined contribution plan, a member's entitlement is determined by reference to accumulated contributions made to the plan together with investment earnings thereon.

Under existing arrangements, the Treasurer is liable for any net deficiency in assets for the defined benefits plans. Deficits in defined benefit superannuation plans are recognised as liabilities in the statement of financial position for the Treasurer. The deficits are measured as the excess of employees' accrued benefits resulting from services up to the reporting date over the net market value of the plan's assets as at the reporting date.

### **Income recognition**

Wherever possible, income is recognised when the transaction or event giving rise to the income occurs. As a result, all items of income are normally reported in the statement of comprehensive income when an agency obtains control over the respective amounts. In circumstances where it is not possible to determine objectively when control over the asset passes to the agency, the amounts are recognised upon receipt.

### ***Appropriation***

The investment program requirements for agencies included in the portfolio statements may be funded through operating appropriation, operating receipts, the proceeds of asset sales, grants and through Commonwealth payments. Where the investment requirements of an agency are not funded from these sources, the state government funding of an agency's investment program will generally be treated as an equity contribution from the government, as representative owner. These contributions are treated as contributions to equity rather than income in an agency.

Funds appropriated, but not required to meet current year cash outflows will be deposited with the Treasurer and will show as an asset in the agency's statement of financial position.

### **Cash alignment policy**

Where agencies have returned excess cash held to the Treasurer in accordance with the cash alignment policy, the payment is generally recorded as a 'payment to government' in the statement of comprehensive income. Some agencies have elected to repay debt or return contributed capital with excess cash balances. These transactions will be reflected in the statement of financial position.

## **Rounding**

All amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

Due to rounding, there may be instances where financial statements and tables do not add correctly.

