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# **NATIVE VEGETATION COUNCIL**

## **ANNUAL REPORT**

**1 July 2011 to June 2012**

**HOUSE OF ASSEMBLY  
LAID ON THE TABLE**

**28 November 2012**



**Government  
of South Australia**



**Native Vegetation Council**

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## **Annual Report of the Native Vegetation Council 2011-12**

30 September 2012

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### **Supported by:**

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Copies of this report can be obtained from:

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# Native Vegetation Council

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**To: Hon Paul Caica, MP**  
**Minister for Sustainability, Environment and Conservation**

In accordance with the requirements of the *Native Vegetation Act 1991* (the Act), I have pleasure in forwarding to you the Annual Report of the Native Vegetation Council (NVC) on the administration of the Act for the year 2011-12.

The twelve months covered in this annual report have seen the NVC take significant initiatives related to native vegetation management for the benefit of the environment and the people of South Australia.

The *Native Vegetation Act 1991* remains a key legislative instrument supporting South Australia's Strategic Plan Target 20 *Bushfire Preparedness*, Target 69 *Lose No Species*, Target 70 *Sustainable Land Management* and the new Target 72 *Nature Conservation*.

Pursuant to section 57 of the *Constitution Act 1934* the *Native Vegetation (Miscellaneous) Amendment Bill 2011* (the Bill) was introduced and restored to the Legislative Council Notice Paper on Wednesday 15 February 2012. The amendments in the Bill aim to update the Act and ensure consistency with the State's other natural resources legislation, add additional expertise to the Council, minor modification to existing powers to improve administration and recognition of aerial surveillance technology to identify changes in vegetation cover.

The Bill also clarifies that the Act applies to that part of the City of Mitcham consisting of the suburbs Bellevue Heights, Blackwood, Coromandel Valley, Craighburn Farm, Eden Hills, Glenalta and Hawthorndene.

This year the NVC continued to strengthen working relationships with the South Australian Country Fire Service (SA CFS) to provide guidance, direction and advice on bushfire prevention as it relates to native vegetation management. A representative from the NVC has been renominated to the State Bushfire Coordination Committee. The NVC is working with SA CFS and Primary Industries and Regions SA (PIRSA) in reviewing, in time for the 2012 fire season, the 'Managing Native Vegetation to Reduce the Impact of Bushfires' publications introduced in 2009. The SA CFS has a standing invitation to attend NVC meetings and it is pleasing to note their attendance and contribution at meetings.

The NVC sees the importance of recognising biodiversity management in the early stage of the development process and is working with the Department of Planning, Transport and Infrastructure (DPTI) and the Department of Environment and Natural Resources (DENR) to establish ways to manage and streamline approvals.

The NVC identified as a priority the need to lift community understanding and awareness about native vegetation in South Australia and its importance in delivering community wellbeing, sustainable production and environmental outcomes. This includes communicating how the NVC is committed to ensuring that its decisions take into consideration a considered position on these factors. Work throughout the year resulted in the endorsement of the NVC

Communication Plan 2012-2013. To ensure no delay in the rollout of the Plan, NVC has recruited a Communications Officer to help drive implementation.

Significant progress has been made in building a partnership with the SA Arid Lands NRM Board to identify opportunities for conservation work on private land and pastoral leases. Working closely with the Local Government Association and DPTI, arrangements have been put in place to improve the management of roadside vegetation in regard to road safety, particularly at intersections and rail crossings. Templates have also been developed to particularly help Local Councils prepare roadside vegetation management plans to assist with day to day operations and identify high value vegetation and how it can be effectively managed.

The NVC undertook a highly successful regional trip to Kangaroo Island which included inspecting work supported through the Native Vegetation Fund and meetings with the community, the NRM Board and Local Government. Working with the Kangaroo Island NRM Board, the NVC has ongoing commitments to on ground biodiversity projects on the Island.

During the year, NVC members attended consultation sessions for the draft State NRM Plan and the NVC officially made comment in December 2011.

Other highlights from the year include the allocation of \$4.25 million from the Native Vegetation Fund to various projects working towards the protection, maintenance and enhancement of native vegetation in South Australia. In this reporting year the Native Vegetation Fund also provided \$270 476 for the ongoing protection and management of native vegetation on privately owned land held within Heritage Agreement areas.

I take the opportunity to thank the Members for their commitment and contribution in delivering on the agenda of Council and working closely with communities. I also wish to acknowledge the significant work and support from the DENR staff in assisting the Council conduct its business.

The following annual report provides a comprehensive overview of the activities of the Native Vegetation Council for 2011-12.



Dennis Mutton  
**Presiding Member**  
**Native Vegetation Council**

Date: 30.8.2012

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## **1. LEGISLATION: THE NATIVE VEGETATION ACT 1991**

The *Native Vegetation Act 1991* (the Act) was proclaimed on 18 April 1991. Native vegetation means a plant or plants of a species indigenous to South Australia including a plant or plants growing in or under waters of the sea. The Act controls the clearance of native vegetation in addition to assisting the conservation, management and research of native vegetation on lands outside the National Parks and Wildlife parks and reserves system.

The objects of the Act, in summary, include:

- The conservation, protection and enhancement of native vegetation in the State.
- The provision of incentives and assistance to landholders in relation to the preservation, enhancement and management of native vegetation.
- The encouragement of research into the preservation, enhancement and management of native vegetation.
- Limitation of clearance of native vegetation to particular circumstances.
- The encouragement of the re-establishment of native vegetation on land where native vegetation has been cleared or degraded.

The effective administration of the Act by the NVC is contributing to the implementation of 2011 updated South Australia's Strategic Plan (SASP), specifically, Target 69 *Lose no Species* (lose no known native species as a result of human impacts), Target 20 *Bushfire Preparedness* (increase the number of households in high bushfire prone areas that are prepared for a bushfire by 30% by 2020), Target 70 *Sustainable land management* (achieve a 25% increase in the protection of agricultural cropping land by 2020) and the new Target 72 *Nature Conservation* (increase participation in nature conservation activities by 25% by 2015).

### **Major Provisions of the Native Vegetation Act 1991**

#### Native Vegetation Fund

The Act establishes the Native Vegetation Fund (the Fund), monies from which are made available for the management of Heritage Agreement areas, research into the preservation, large scale conservation, restoration and management of native vegetation once established or reinstated on cleared land. The Fund consists of an annual allocation appropriated by Parliament, clearance application fees, monies paid into the Fund to achieve a Significant Environmental Benefit (SEB), and penalties from civil and summary enforcement proceedings. The Act provides that monies paid into the Fund as SEB payments or penalties must be managed by the NVC to establish or regenerate native vegetation in the region where the clearance or breach has occurred. The Auditor General may at any time, and must at least once in each year, audit the accounts of the Fund.

#### Principles of Clearance

Clearance means any activity that could cause substantial damage to native plants, including cutting down, removal, burning, poisoning, slashing of understorey, removal of branches (for example, brush cutting or woodcutting), drainage or flooding of land and, in some circumstances, grazing.

An important part of the Act is the set of provisions relating to clearance applications lodged by landholders. In deciding whether to consent to an application to clear native vegetation, the NVC must refer to the Principles of Clearance listed in Schedule 1 of the Act. The principles relate to plant species diversity, significant remnants, wetlands, soil erosion and the potential for clearance to exacerbate flooding. In general the NVC must not make a decision that is seriously at variance with these principles. In its deliberations on clearance

applications the NVC also considers practical aspects of farm management, bushfire management, River Murray Flood Plain and the Adelaide Dolphin Sanctuary. The NVC may consent to clearance under specified conditions. Any clearance approved by the NVC in ordinary circumstances, may be subject to conditions ensuring that the approved clearance is offset by an SEB.

The SEB may be achieved 'on ground' through revegetation, regeneration or protection works on the same or adjacent properties or by a payment into the Fund.

### Compliance

The Act provides for civil and summary enforcement proceedings for any infringement of the Act. Significantly, any conviction for the illegal clearance of native vegetation requires the NVC to initiate proceedings in the Environment Resources and Development Court (ERD Court) seeking an order to 'make good' that breach. This includes failure to comply with a heritage agreement.

To monitor and review the condition of native vegetation across the State, the NVC has an ongoing change detection program utilising satellite imagery.

### Native Vegetation Regulations 2003

Associated with the Act are the *Native Vegetation Regulations 2003*. A number of the regulations describe specific circumstances where clearance of native vegetation can be undertaken without the need for a formal consent from the NVC. Other regulations, while excluding the need to formally apply for the clearance of native vegetation, have quite detailed provisions that need to be fulfilled to the satisfaction of the NVC in order for the action to be considered exempt. This might include the need to establish an SEB. The regulations extend the definition of native vegetation to include the protection of certain dead trees where they provide, or have the potential to provide habitat for animals of a listed threatened species.

Clearance of native vegetation enabled by a regulation does not apply to land protected under a Heritage Agreement except where explicitly stated by that regulation.

In some cases, even though clearance may be exempt by the Native Vegetation Regulations, there may be constraints under other legislation which need to be complied with, such as the *River Murray Act 2003*, *Water Resources Act 1997*, *Natural Resources Management Act 2004*, *Development Act 1993*, *Adelaide Dolphin Sanctuary Act 200*, *River Murray Act 2003* and the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* (EPBC).

### The Native Vegetation (Miscellaneous) Amendment Bill 2011 (the Bill)

The Bill was introduced in the House of Assembly in June 2011. The 2011 Bill introduced the same amendments as those previously introduced in 2008. Parliament was prorogued in December 2011 and subsequently the 2011 Bill lapsed. The 2011 Bill, having passed the House of Assembly was restored to the Legislative Council at the Second Reading Stage in February 2012.

Key issues are to increase flexibility in the delivery of significant environmental benefit (SEB) offsets, add new expertise to the NVC, minor modification to existing powers and penalties to improve administration of the legislation and provide that a breach of a Heritage Agreement is a breach of the Act. The Bill clarifies that the Act applies to that part of the City of Mitcham consisting of the suburbs Bellevue Heights, Blackwood, Coromandel Valley, Craighburn Farm, Eden Hills, Glenalta and Hawthorndene.

## **2. THE NATIVE VEGETATION COUNCIL**

### **Functions**

The NVC's principal functions pursuant to the Act include:

- to keep the condition of the native vegetation of the State under review
- to advise the Minister about matters pertaining to the preservation and management of existing native vegetation, and the re-establishment of native vegetation
- to determine applications for consent to clear native vegetation
- to encourage research into the preservation, enhancement and management of native vegetation and the re-establishment of native vegetation on cleared land
- to administer the Fund.

### **Membership**

The NVC consists of seven members appointed by the Governor. All members of the NVC must have some knowledge of, and experience in, the preservation and management of native vegetation. The Governor appointed the present NVC membership on 1 September 2011 for a two-year term expiring on 2 September 2013.

### **Presiding Member**

Dennis Ray Mutton, *Nominee of the Minister for Sustainability, Environment and Conservation*

### **Members**

Jennifer Anne Lillecrapp, *Nominee of the South Australian Farmers Federation*

Maurice Colm Roche, *Nominee of the Conservation Council of S.A.*

Penelope Ann Paton, *Nominee of the Natural Resources Management Council*

Jayne Alison Bates, *Nominee of the Local Government Association Inc.*

Bruce Conrad Munday, *Nominee of the Minister for Sustainability, Environment and Conservation*

### **Deputy Members**

Ernest Alex Ratcliff (Deputy to Lillecrapp)

Jeanette Ann Gellard (Deputy to Roche)

Dianne Catherine Ashby (Deputy to Paton)

Barry Kym McHugh (Deputy to Bates)

Joseph Lindsay Keynes (Deputy to Munday)

The Commonwealth Minister for Environment and Conservation declined to nominate a person to be appointed to the NVC as is allowed for under subsection 8(1)(f) of the Act.

The Chief Officer, South Australian Country Fire Service has a standing invitation to attend meetings of the NVC.

### **Committees**

#### **Native Vegetation Assessment Panel**

Chair: Bruce Munday, *Nominee of the Minister for Sustainability, Environment and Conservation*

Maurice Colm Roche, *Nominee of the Conservation Council of S.A.*

Jennifer Lillecrapp, *Nominee of the South Australian Farmers Federation*

### **Native Vegetation Council Fire Committee**

Chair: Jayne Bates, *Nominee of the Local Government Association Inc.*

Adam Gray, *Nominee of the Local Government Association Inc*

Leigh Miller, *Nominee of the South Australian Country Fire Service*

Deputy to Chair: Maurice Roche

Deputy to Bates: Maurice Roche

Deputy to Gray: David Hitchcock

Deputy to Miller: Richard Wald

### **Native Vegetation Council Grants Committee**

Chair: Dennis Mutton, *Nominee of the Minister for Sustainability, Environment and Conservation*

Penny Paton, *Nominee of the Natural Resources Management Council*

Bruce Munday, *Nominee of the Minister for Sustainability, Environment and Conservation*

### **Native Vegetation Council Remuneration**

Presiding Member: Annual stipend \$22 500

Members: Sitting Fee \$206 per four hours

### **Native Vegetation Council Committee Remuneration**

Chair: Sitting Fee \$129 per four hours

Member: Sitting Fee \$103 per four hours

### **Meetings**

During 2011-12 six formal meetings of the NVC were convened including a February meeting held in Kingscote as part of a Kangaroo Island NVC regional trip.

### **Staffing**

As required by section 16 of the *Native Vegetation Act 1991*, the NVC was assisted by the Secretary, the Principal Advisor and, as required, by other officers employed by the DENR under the *Public Sector Act 2009*

The numbers and the expertise of Departmental staff working on native vegetation issues are of critical importance to the NVC, as it relies almost solely on the DENR officers, in particular members of the Native Vegetation and Biodiversity Management Unit (NVBM Unit) for legislative, technical, scientific and administration advice.

### **Governance Arrangements**

The NVC may, with the approval of the Minister under section 15 of the *Native Vegetation Act 1991*, delegate any of its powers or functions. In 2011-12 reporting period the NVC undertook a review of its powers and functions under delegation.

Over the years the NVC has established processes to improve the efficiency of administration of the Act through the delegation of a range of functions to other bodies. During the review, the need to revoke several delegations was identified. The need for amendments to delegations and new delegations to accommodate the changing structure of the NVBM Unit was also identified. Conditions for the Committees of the NVC have been refined and are to be included in the Terms of Reference. It is the intention of the NVC to have the updated Instrument of Delegation and the Schedule of Powers and Functions presented to the Minister for Sustainability, Environment and Conservation for endorsement in late 2012.

### 3. KEY ACTIVITIES OF THE COUNCIL FOR 2011-12

#### Policy Matters

During 2011-12 the NVC continued to focus on policies and procedures for the protection and conservation of native vegetation.

Although the NVC developed no new policies of its own during the year 2011-12 the requests for comment on developing policies, frameworks and guidelines of our stakeholders has been encouraging. Comments were sought on: Schedule 8 of the *Development Regulations 2008*; a Feral Camels Policy in South Australia; Goats in the Pastoral Region, a Pastoral Waterpoints Policy; and the draft State NRM Plan.

#### Roadside Vegetation Management Plan Review

In April 2009, the NVC, with the support of the Local Government Association (LGA), proposed a review of issues surrounding the management of roadside vegetation under Regulation 5(1)(y) of the *Native Vegetation Regulations 2003*. Throughout 2011-12 workshops and consultations with the Local Government Association and District Councils have been conducted. The review involved the streamlining of processes for the development and implementation of Roadside Vegetation Management Plans (RVMP) for District Councils, as well as updating the 1997 '*Guidelines for the Management of Roadside Vegetation*' and the 2004 '*Preparing Roadside Vegetation Management Plans - Guidelines for Local Government*'.

An operational template and an associated fact sheet have been developed to simplify the development and implementation of the RVMPs, resulting in a speedier and more efficient process. Councils will be able to tailor the information in the template to suit their circumstances. Finalisation of this project is envisaged for October 2012 and will align with the rollout of the NVC Communication Plan.

#### Interim framework for the application of Regulation 5(1)(lb)

Regulation 5(1)(lb) allows for the clearance of native vegetation to be exempt, where that work is necessary to protect the public. It does not stipulate circumstances where it may apply or the area of clearance. The regulation facilitates actions such as clearance impacting on safe approach and departure of flight paths at local council controlled airports and has enabled issues to be addressed around the clearance of native vegetation along roads and at rail crossings where the vegetation may be seen as a public risk.

In December 2010, the NVC endorsed the implementation of the '*Interim Framework for the Application of Regulation 5(1)(lb) for Clearance Along Roads, Intersections and at Rail Crossings for Public Safety Purposes*'.

The endorsement included:

- Conducting a 12 month trial of the interim framework by road authorities.
- Undertaking a review of the trial after 12 months with a report to the NVC on the impact of this regulation on roadside clearance of native vegetation.

In consultation with representatives from NVBM Unit, the NVC Secretariat, Local Government Association, Nature Conservation Society of South Australia and the Department of Planning, Transport and Infrastructure, the review of the operational aspects of the interim framework was completed. No significant amendments were made to the framework context.

As part of the review process the NVC provided funding to the Nature Conservation Society of South Australia to assess the impact of Regulation 5(1)(lb) interim framework on approved clearance, biodiversity values lost and SEB offsets forgone. It is anticipated that the findings

of the project will be incorporated into the interim framework for NVC endorsement in late 2012.

### Review of the Mining Guidelines

Exploration and mining operations in South Australia are subject to the *Mining Act 1971* and *Petroleum Act 2000*. Clearance of native vegetation for mining activities is subject to the provisions of the *Native Vegetation Act 1991* and *Native Vegetation Regulations 2003*. All mining, petroleum and geothermal operations (other than exploration) that involve the clearance of native vegetation, must be undertaken in accordance with a Native Vegetation Management Plan that the NVC is confident will result in an SEB.

Given that a majority of mining, petroleum, geothermal and exploration activities involve some degree of clearance of native vegetation, the NVC endorsed the development and operation of guidelines to facilitate the process. The resultant guidelines<sup>1</sup> provide operators involved with activities under the *Mining Act 1971* and *Petroleum Act 2000* with an understanding of the processes involved for applicants to comply with the clearance and SEB requirements under the *Native Vegetation Act 1991*.

A preliminary discussion with the Department for Manufacturing, Innovation, Trade, Resources and Energy regarding reviewing of these guidelines commenced with the NVC to highlight and update some of the issues associated with the methodology for determining SEB requirements for mining activities in South Australia.

### Native Vegetation Incentives Program

The Native Vegetation Incentives Program was established in November 2011 for the delivery of effective partnerships between the Native Vegetation Council, the community and private landholders. Previously, the various NVC grants and incentives were managed separately. Now, under the Native Vegetation Incentives Program the NVC SEB Grants, the NVC Research Grants, the NVC Heritage Agreement Grants and the Heritage Agreement Scheme (including fencing), have been consolidated to ensure they are consistent with each other and the broader NRM objectives. Key elements of this newly established program is to promote grant and incentive opportunities, encourage stakeholders and promote research and conservation projects that have been funded by the NVC.

### **Regional Visits**

The NVC seeks to undertake trips to regional South Australia during the course of each year as an opportunity to identify and discuss issues with local communities, local government and NRM Boards. This is an opportunity for the NVC to strive towards improving processes and procedures for the clearance and preservation of native vegetation while still recognising the need to maintain the objectives of the Act.

This financial year in February, the NVC undertook a three day regional trip to Kangaroo Island, covering roadside vegetation management, the Eastern Plains Fire Trial (EPFT), Cygnet River (large-scale Habitat Restoration site), fire management issues, compliance matters and the positive outcomes of an offset for illegal clearance following civil proceedings.

On 15 February 2012 the NVC held a Community Meeting with the Kangaroo Island NRM Board, Kangaroo Island Council, Agriculture Kangaroo Island and Department of Environment and Natural Resources representatives. The complex considerations relating to managing potential clearance of scattered or paddock trees were discussed. The NVC is currently seeking input from the Kangaroo Island NRM Board on this issue.

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<sup>1</sup> Guidelines for a Native Vegetation Significant Environmental Benefit Policy for the Clearance of Native Vegetation Associated with the Minerals and Petroleum Industry

Also discussed were: the importance of relationships; the Kangaroo Island Bushfire Risk Management Plan pilot; Significant Environmental Benefit offset options; management of *Eucalyptus cneorifolia* (Narrow Leaf Mallee), including the practice of pollarding (extensive pruning); and the introduction of fire for biodiversity outcomes. The development of a Narrow Leaf Mallee Management Plan for the region would inform future resources, activities and techniques for the species and could provide the framework for landholders seeking to undertake management of the Narrow Leaf Mallee.

In 2008 the NVC granted permission for 36 prescribed burns to be completed as part of the EPFT to improve understanding of the role of fire in vegetation health. Following the Community meeting, the NVC undertook a field visit to the Eastern Plains Fire Trial to examine lessons learned from this trial (particularly the role of fire intensity and season), future directions and the broader relevance of the results to fire and vegetation management in SA. Representatives from the Australian Government also attended on site for discussions around the nomination of Narrow-leaved Mallee as an Ecological Community under the *Environment Protection and Biodiversity Conservation Act 1999*. The NVC also met with DENR Fire Management to discuss Vivonne Bay fire issues and the new Cape Gantheaume Bushfire Management Plan. Several SEB and compliance sites were viewed for past damage and the recovery process and works being undertaken with the support of the NRM Board.

On 17 February the NVC met with the Southern and Hills Local Government Association to discuss roadside vegetation management planning and the development of templates to assist the planning process. Challenges in clearance approval processes for infrastructure were also discussed, including the need for a more coordinated approach when individuals or companies are seeking planning approval and native vegetation clearance is involved.

In addition, the NVC took the opportunity to inspect and learn about the unique restoration method used by the KI Nationally Threatened Plant Project, which in 2010 and 2011 implemented two NVC SEB grants to develop techniques to restore diverse and self-sustaining nationally threatened plant populations and communities. The program (with 700 volunteers) planted 120,000 seedlings over more than a 50 ha area in an intense 3 day period.

Kangaroo Island supports approximately 47% native vegetation retention including large tracts of intact vegetation across the primary production landscape. The NVC is intent on building strong relationships with the Kangaroo Island community to support their management of native vegetation.

## **Clearance Issues**

Since the enactment of the former *Native Vegetation Management Act 1985* and the *Native Vegetation Act 1991*, South Australia has been a national leader in managing the clearance of native vegetation. This has had important outcomes for the protection of biodiversity and for control over land degradation, including salinisation.

With the exception of clearance provided for by Native Vegetation Regulations, the clearance of intact native vegetation with significant biodiversity value is not permitted by the Act without approval.

Following the introduction of the *Native Vegetation Regulations 2003*, the range of activities and development able to be assessed under the Regulations has broadened. Since 2003 there has been a trend towards a higher proportion of matters seeking clearance approval under the Regulations rather than formal clearance applications under section 28 of the Act.

### Summary of Clearance Applications under Section 28 of the *Native Vegetation Act 1991*

During 2011-12, 20 clearance applications were approved<sup>1</sup> with clearance consent being granted to over 1712 ha<sup>2</sup> of native vegetation. This included the clearance of 115 trees<sup>3</sup> and 600 ha of new brush cutting<sup>4</sup> (*Melaleuca uncinata*) that is anticipated to regenerate naturally. Four extensions to brush cutting applications were granted in this reporting year.

For 2011-12, SEB established to offset the above clearance included the management or restoration of 2166 ha<sup>5</sup> of native vegetation and agreed payments into the Native Vegetation Fund<sup>6</sup> of \$8 278.

Detailed information on section 28 applications is presented in Appendix 1.

### Summary of Clearance matters under the *Native Vegetation Regulations 2003*

In 2011-12, 179 clearance matters consistent with the Native Vegetation Regulations were approved<sup>7</sup> of which 78 were assessed by the NVBM Unit, 81 assessed under delegation (as set out in Table 1) and 20 by Native Vegetation Assessment Panel (NVAP). The total clearance of native vegetation, under regulations for this reporting year was 2094.7 ha and 2995 trees.

A number of regulations require the establishment of an SEB. During the 2011-12 financial year, SEB payments established for matters considered under the Regulations, including those under delegation, totalled \$794 144<sup>8</sup> with other clearance requirements of an on ground SEB offset of 32 236 ha.

In addition to the clearance outlined in Table 1 and Table 2, DENR conducted 78 prescribed burns of 15,457.8 ha for conservation, landscape protection and asset protection works in South Australia's Parks and Reserves.

Note that there is an ability to clear under regulations that do not require consultation with the NVC, e.g. clearance around prescribed building or structure under Regulation 5(1)(k). Hence the amount of this clearance is unknown.

**Table 1: Clearance decisions under Regulations by delegation 2011-12**

<b>Organisation with delegated officers</b>	<b>No of clearance decisions</b>	<b>Ha Native Vegetation cleared</b>	<b>Trees Removed</b>
PIRSA Mining	5	464.86	-
SA Water	9	359.3	21
Department of Planning, Transport and Infrastructure	47	10.9	1412
Forestry SA	12	1100.4	-
ElectraNet	3	1.25	-
SA Country Fire Service	5	2.18	3

<sup>1</sup> 32 clearance applications in 2010-11 (under section 28)

<sup>2</sup> 1107 ha of native vegetation in 2010-11 (under section 28)

<sup>3</sup> 334 trees in 2010-11 (under section 28)

<sup>4</sup> 1060 ha brush cutting in 2010-11 (under section 28)

<sup>5</sup> 161 ha SEB offset in 2010-11 (under section 28)

<sup>6</sup> \$29 509 SEB payment in 2010-11 (under section 28)

<sup>7</sup> 182 clearance applications in 2010-11 (under NV Regulations)

<sup>8</sup> \$932 684 SEB payment in 2010-11 (under NV Regulations)

**Table 2: Clearance decisions under Regulations - NRM Region 2011-12**

<b>NRM Region</b>	<b>No of clearance decisions</b>	<b>Ha Native Vegetation cleared</b>	<b>Trees Removed</b>
Adelaide & Mount Lofty Ranges	61	277.00	217
Alinytjara Wilurara	-	-	-
Eyre Peninsula	19	561.70	-
Kangaroo Island	16	11.77	6
Northern and York	14	129.30	12
SA Murray Darling Basin	40	9.61	331
South Australian Arid Lands	4	150.80	12
South East	25	384.60	2417

### **Native Vegetation Council Committees**

#### Native Vegetation Assessment Panel

In September 2007 the NVC established the Native Vegetation Assessment Panel (NVAP) as a subcommittee, to determine vegetation clearance matters, Heritage Agreement applications and other operational issues pursuant to the *Native Vegetation Act 1991* and the *Native Vegetation Regulations 2003*.

The NVAP makes operational decisions, under delegation of the NVC. It hears representations from proponents in relation to matters under Regulation and pursuant to subsection 29(10)(b) for clearance applications. In making decisions, the NVAP has regard to comments as required, including regional NRM Board comment (under subsection 29(5) of the Act) and local government comment. The NVAP also has delegation to initiate civil proceedings in the ERD Court and provide direction on the terms of any order sought from the ERD Court to make good a breach of the Act.

The Minister's representative, Dr Bruce Munday, chairs the NVAP meetings with the balance of the three-member committee being Mr Maurice Roche (Conservation Council of SA nominee) and Ms Jennifer Lillecrapp (SA Farmers Federation nominee). The members' deputies support the subcommittee in the absence of a member. The NVAP has established clear policies on decision-making and has access to outside expertise as required.

#### Native Vegetation Council Fire Committee

The NVC Fire Committee was established by the NVC in 2006 and has delegation under section 15(8) of the *Native Vegetation Act 1991* for all matters involving the clearance of native vegetation in relation to fire. The membership of the Fire Committee is made up of a member from the NVC, a representative from SA Country Fire Service and a representative from the LGA. The committee is elected for a term of two years and under its Terms of Reference may, at the end of the two year term, be re-elected.

Amendments to the Native Vegetation Regulations in September 2009 and amendments to the *Fire and Emergency Services Act 2005* have changed the role of the Fire Committee from a decision making body on native vegetation clearance associated with bushfire prevention plans to that of an advising body on the planning process associated with bushfire prevention plans. The committee continues to approve Fire Management Plans for DENR, ForestrySA

and SA Water in accordance with their Standard Operating Procedures. The committee also approves ecological burn plans under Native Vegetation Regulation 5(1)(zi) Clearance for Preserving, Enhancing Ecological Processes. The committee reports through the chair, all fire related matters and outcome of fire related issues to every NVC meeting.

During 2011-12 the NVC Fire Committee held two meetings resulting in approval under Regulation 5A and 5(1)(zi) of one plan and endorsement of a Standard Operating Procedure which also required NVC approval. During this period two Fire Management Plans under Regulation 5A and 5(1)(zi) and were endorsed via electronic meetings. Throughout 2011-12 the Fire Committee continued to support the South Australian State Plan Target 20: Bushfire preparedness: Increase the number of households in high bushfire prone areas that are prepared for a bushfire by 30% by 2020.

### Native Vegetation Council Grants Committee

#### *Significant Environmental Benefit Grants*

The NVC launched the Significant Environmental Benefit (SEB) Grants Program in October 2008. The NVC Grants Committee oversees the SEB grants, establishes SEB priorities, and assesses applications for the allocation of funds.

SEB grants provide an opportunity for organisations seeking funding for biodiversity projects that will assist in the large-scale conservation, restoration and management of native vegetation across NRM regions at a landscape scale. Funding of approved SEB projects are sourced from monies paid into the NVC Fund.

SEB Grant applications are assessed against the NVC priorities and consistency with strategies and priorities identified in regional NRM plans. In the reporting year 2011-12 the NVC supported 11 projects and approved \$2 476 973 under the SEB grant program.

The first round for 2011-12 SEB Grants was advertised in May 2011. Ten projects were endorsed by the NVC Grants Committee with a total allocation of \$2 001 563. A further project was endorsed from a second round in January 2012 with funding of \$475 410 within the Northern and York NRM Region.

#### *Research Grants*

This provision of funding for research is consistent with section 14(e) of the Native Vegetation Act and section 13(2) of the Native Vegetation Regulations.

The 2011-12 NVC Research Grants were advertised in July 2011. Ten applications were considered by the Grants Committee to meet the criteria for a Research Grant. Two applications were awarded funding for more than one year with another being advised to apply for second stage funding (value \$16 800) pending an accepted progress report. This year the NVC allocated to the ARC Linkage Program with the Flinders University and DENR \$19 340 (GST excl) for a three year project. Applications funded were within seven of the eight NRM regions.

The NVC Grants Committee allocated \$177 620 (GST exclusive) of the 2011-12 funds to new Research Grants for 2011-12 and upheld the \$53 958 committed in the 2009-10 and 2010-11 rounds.

#### *Heritage Agreement Grants*

The Heritage Agreement Grant Scheme was instigated in 1995 in response to landholder requests for assistance (in addition to fencing) to manage Heritage Agreement areas. Over

the past 16 years landholders have shown considerable interest in receiving grants to improve biodiversity in Heritage Agreement areas.

A significant feature of this Grant Scheme is that it builds landholder capability and encourages use of best practice techniques in managing Heritage Agreements. Regional Bush Management Advisors and regional NRM officers are an integral part of this process by supporting the scheme with up to date technical advice.

The Heritage Agreement Grant applications were advertised in August 2011 and again in March 2012. For the financial year 2011-12, 50 new applicants were allocated funding to the total value of \$120 397.

The majority of projects for 2011-12 were for the control of pest plants in the Heritage Agreement areas. There were three applications for management plans.

## **Vegetation Management Activities**

### Heritage Agreements Applications

Under section 23 of the Act activities met by the Native Vegetation Fund include the establishment of a Heritage Agreement, a Heritage Agreement Grant, contribution towards fencing costs and provision for remission of rates or taxes in respect to that land. The landholder retains legal ownership of the land under a Heritage Agreement. A Heritage Agreement is registered on the title of the land and passes on to, and is binding on, any subsequent owners for the term of the agreement. Agreements are generally written in perpetuity

The NVC must keep a register of Heritage Agreements entered into under this Act.

Activities relating to Heritage Agreements are managed under the Native Vegetation Incentives Program within the Native Vegetation and Biodiversity management Unit in DENR.

During 2011-12 the NVC and NVAP considered 12 applications over 471 ha for the Minister to enter into Heritage Agreements. Of the 12 applications considered 2.2 ha were refused. However, 1.6 ha of the 2.2 ha was placed under the protection of section 23E of the Act where the value of the vegetation is sufficient to warrant the application of the controls against clearance. This protected land supports the wider state reserve system under the *National Parks and Wildlife Act 1972*.

### Heritage Agreement Fencing

Consistent with section 14(e) of the Act, as one of a limited number of incentives, Heritage Agreements include a clause to allow the Minister to provide fencing so as to exclude stock from the Heritage Agreement area. This is on the condition that the landholder maintains the fencing over the remainder of its useful life. In 2011-12 the NVC funded \$262 651 over 78 kilometres and across 33 Heritage Agreements and in so doing, protected a total of 80 987 ha. This program has been critical for the effective management of areas protected under Heritage Agreements by supporting and enhancing landowner commitment to the management of these important areas.

### Roadside Vegetation Management

During 2011-12, the NVC approved and finalised three Roadside Management Plans submitted by District Council of the Copper Coast, Southern Fleurieu Peninsula (City of Victor Harbor & District Council of Yankalilla) and Wattle Range Council.

Two new plans were submitted for comment from District Council of Cleve and the District Council of Yorke Peninsula.

The NVC also provides Roadside Vegetation Survey funding. The NVC supports local government road authorities in meeting not only their commitment to road management but also their aim of maintaining and improving roadside native vegetation.

### **Significant Environmental Benefit Monitoring and Compliance Program**

The SEB Monitoring and Compliance Program has been developed to monitor the compliance of on-ground SEB offsets with clearance conditions and improve the implementation of on-ground SEBs to achieve positive biodiversity outcomes.

In this reporting year, the program has:

- Completed follow up work from the SEB pilot project run in 2010.
- Inspected, assessed and followed up on current clearance application SEB offsets.
- Developed new processes for assessment and data collection of SEB offsets.

The SEB Monitoring and Compliance Program is being used to inform the follow up of Civil Compliance matters by providing technical advice on restoration activities, including ensuring that reinstatement requirements are feasible and will deliver positive biodiversity outcomes.

### **Review of Significant Environmental Benefit Metrics Applied under the *Native Vegetation Act 1991***

Current methods for determining an SEB (both on-ground and payments) are currently under investigation and review. The review of SEB metrics is being undertaken to ensure that this key component which underpins native vegetation management in South Australia is appropriately designed.

An interim report on this review was considered by the NVC in August 2011. The report addressed three main areas:

- A consistent method for determining the biodiversity value of the vegetation to be cleared
- Determining the on-ground requirement to achieve a biodiversity gain.
- Realistic calculation of the payment required to the Native Vegetation Council when an on-ground offset cannot be provided.

Subsequently, following consultation with government stakeholders, the following matters have been progressed:

- Improving the statistical rigour of the metrics used.
- Completing vegetation benchmarking for the remaining agricultural regions of SA by Nature Conservation Society of South Australia.
- Assessment of the requirements for a vegetation benchmarking equivalent for the arid region.

This work is being done in the context of the Council of Australian Governments reforms that include environmental offsets.

#### 4. COMPLIANCE WITH THE NATIVE VEGETATION ACT 1991

##### Reports Received 2011-12: Alleged Illegal Clearance

During 2011-12 the Compliance and Monitoring Team within the NVBM Unit of DENR received and detected a total of 231 reports alleging clearance of native vegetation contrary to the *Native Vegetation Act 1991*. These reports are presented by NRM region in Table 1 alongside data for the six preceding financial years.

**Table 3: Reports received by NRM Region 2004-05 to 2011-12**

<b>NRM Region</b>	05/06	06/07	07/08	08/09	09/10	10/11	<b>11/12</b>
Adelaide and Mount Lofty Ranges	60	54	59	77	49	50	<b>53 (30%)</b>
Eyre Peninsula	29	15	25	31	48	34	<b>14 (8%)</b>
Kangaroo Island	27	12	4	10	18	14	<b>15 (8%)</b>
Northern and Yorke	23	17	11	23	37	28	<b>29 (16%)</b>
SA Arid Lands	6	8	2	2	1	1	<b>1</b>
SA Murray Darling Basin	36	21	30	44	48	36	<b>36 (20%)</b>
South East	48	31	30	36	54	48	<b>33 (18%)</b>
<b>Sub-total</b>							<b>181</b>
Change Detection Program (CDP)							<b>50 (22%)</b>
<b>TOTAL</b>	<b>229</b>	<b>157</b>	<b>161</b>	<b>223</b>	<b>255</b>	<b>211</b>	<b>231</b>

The number of total reports received for 2011-12 is above the average number (204) of reports recorded over the eight years of collecting data. The total number of reports received for 2011-12 financial year is a 9% increase on the previous year. Of the 231 reports 50 (22%) were detected using the Change Detection Program (CDP). The CDP uses satellite imagery as a mechanism to detect changes in native vegetation cover.

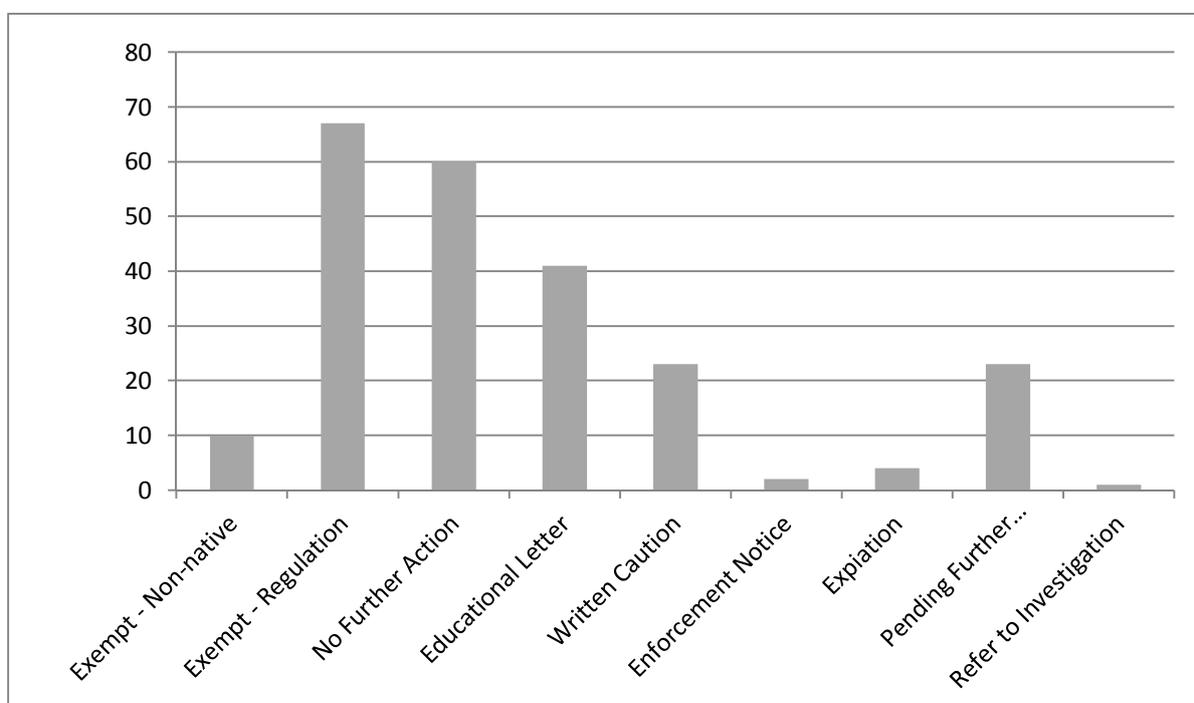
##### Action taken from Reports received 2011-12: Alleged Illegal Clearance

A range of options are available to resolve a report of illegal clearance. The Native Vegetation Compliance Guidelines provide direction to officers on the use of the various compliance and enforcement tools. These Guidelines provide transparency and consistency in the enforcement of the Act and are important principles of administration. The following is a list of options available to resolve a report of clearance:

- Exempt Non-native - Where clearance has been investigated and assessed to be non-native vegetation as per the Act.
- Exempt – Native Vegetation Regulation 2003 - Where clearance has been investigated and assessed to be in accordance with the Native Vegetation Regulation 2003.
- No Further Action – Investigation has not been able to determine the offender or the clearance has occurred outside of the jurisdiction of the Act.

- Education Letter – Where clearance is assessed to be trivial as per the Native Vegetation Guidelines and occurs by accident or through ignorance. An educational letter is sent that states the clearance that has occurred and includes information about native vegetation, its value and obligations for its protection.
- Written Caution – Where clearance is trivial, minor, accidental or mistaken, and not a repeat occurrence, a formal caution is issued.
- Enforcement Notice (section 31E of the Act) – Expressly authorised officers may issue this administrative order where they have reasonable grounds to believe that clearance has occurred. These notices are commonly referred to as ‘Stop Work’ or ‘Make Good’ notices. A make good order requires the landowner to undertake minor remedial works to rectify clearance actions and can only be issued if the clearance is assessed to be minor.
- Expiation – A \$500 fine may be issued by an authorised officer, with the authority of the NVC. This is issued when the clearance is assessed to be minor.
- Refer for Investigation – action is taken where it is believed that a moderate or serious offence under the Act has occurred and an investigation is required to gather further evidence to pursue legal proceedings.
- Pending Further Information – New clearance reports still in the process of investigation within the NVBM Unit.

Figure 1 summarises the actions taken from reports of alleged illegal clearance for 2011-12 financial year. Of the 231 reports received for the financial year 77 reports (32%) were considered to be exempt under the *Native Vegetation Regulations 2003*. The majority of the exempt clearances related to fence line clearance, roadside safety, bush fire protection around dwellings or detected through the CDP and verified to be planted vegetation, seasonal variation in cover and the result of wild fires.



**Figure 1: Action taken from Reports received for 2011-12 financial year.**

## **Native Vegetation Compliance Steering Committee**

The operation of the Native Vegetation Compliance Steering Committee continued as an effective mechanism to review and establish directions and priorities for investigations into possible breaches of the Act. For the reporting year 2011-12 the membership of the Committee was comprised of representatives from DENR, the Department for Water and the NVC.

## **Criminal Prosecutions**

For the 2011-12 financial year there were no criminal prosecutions finalised.

There are currently three ongoing prosecution matters before the courts and a further two incidents have been referred to the Crown Solicitor's Office for advice.

## **Civil Proceedings**

The *Native Vegetation Act 1991* makes provision for the Environment, Resources and Development (ERD) Court to issue an order to 'make good' the illegal clearance of native vegetation. That order can include requirements to re-establish native vegetation on the areas cleared, provide for the payment into the Native Vegetation Fund for exemplary damages and a payment taking into account any financial benefit the respondent may have gained, or could reasonably expect to gain from the illegal clearance. The ERD Court can also require the respondent to publicise the environmental and other consequences that would follow the breach and the terms of the order made by the Court. This is an important process to discourage the clearance of native vegetation and the consideration of any subsequent penalties by the proponent as a 'cost of development'.

Under section 26(2a) of the Act, the NVC must initiate civil proceedings in the ERD Court where the Magistrates Court have recorded a conviction of clearing native vegetation without consent. The Act also allows the NVC to initiate civil actions separately without a prior conviction being made. Civil 'make good' proceedings in the ERD Court can also be initiated for a breach of a Heritage Agreement.

The ERD Court finalised six matters during 2011-12 financial year. Of the six matters four resulted in orders for 409 hectares of native vegetation to be formally placed under a Heritage Agreement between the landowner and the Minister for Sustainability, Environment and Conservation, and two required remediation work to be undertaken.

The NVC has seven continuing actions in the ERD Court to 'make good' the illegal clearance of native vegetation. Three of these are in the final stages of conferencing.

## **5. ADDITIONAL MATTERS**

### **Management of Human Resources**

The NVC has no staff of its own and relies on staff resources from DENR. Members of the NVC are aware of and abide by the employment opportunity policies and programs of DENR. Reporting on this matter can be viewed in the DENR Annual Report for 2011-12.

### **Occupational Health Safety and Injury Management**

There were no incidents reported by the NVC in the reporting period.

As a user of the DENR facilities and equipment, the NVC is aware of and abides by DENR's OHS&W Policies. Reporting on this matter is contained within the DENR Annual Report for 2011-12.

### **Contractual Arrangements**

During the reporting period the NVC did not enter into contractual agreements exceeding \$4 million in value.

### **Account Payment Performance**

DENR provides the administrative resources for processing account payments for the NVC. Reporting on this matter is contained in the DENR Annual Report for 2011-12.

The Auditor General audits the Native Vegetation Fund annually.

### **Fraud**

Financial services are provided to the NVC by the DENR. Reporting on strategies to detect instances of fraud is contained in the DENR Annual Report for 2011-12.

There were no instances of fraud detected in the activities undertaken by the NVC during this reporting year.

### **Consultants**

The NVC did not hire consultants during the reporting period. However, the NVC has utilised the advice and services of SA Country Fire Services, DENR, Crown Solicitor's Office, other government agencies, industry and the community sector. The NVC wishes to thank those persons who have been so generous in sharing their knowledge and expertise with the members.

### **Overseas Travel**

It is declared that no member of the NVC has travelled overseas on the business of the NVC during the reporting period.

### **Disability Action Plan**

Members of the NVC are aware of and abide by their obligations under the *Commonwealth Disability Discrimination Act 1992* and the *SA Equal Opportunity Act 1984*.

Reporting on this matter is contained in the DENR Annual Report for 2011-12.

### **Urban Design Charter**

The NVC in 2011-12 continued to maintain the Government of South Australia's commitment to good urban design through the management of native vegetation in public places.

### **Freedom of Information**

As a DENR administered entity, the NVC participates and abides by the arrangements outlined in the DENR Freedom of Information regime.

Reporting on this matter is contained in the DENR Annual Report for 2011-12.

### **Whistleblowers Protection Act 1993**

Reporting requirements against the *Whistleblowers Protection Act 1993* require the NVC to report on the number of occasions on which public interest information has been disclosed to a Responsible Officer of the agency. There were no disclosures made during the 2011-12 financial year.

### **Energy Efficiency Action Plan Reports**

The NVC uses the facilities and services of staff of the DENR. Reporting on these matters is contained in the DENR Annual Report for 2011-12.

### **Asbestos Management**

The NVC uses the facilities and services of staff of the DENR. Reporting on these matters is contained in the DENR Annual Report for 2011-12.

### **Greening of Government Operations**

The NVC uses the facilities and services of staff of the DENR. Reporting on these matters is contained in the DENR Annual Report for 2011-12.

### **Regional Impact Assessment Statement**

The NVC undertook no Regional Impact Assessment Statements in 2011-12.

### **Gender Reporting**

Following the Governor's appointment of a new NVC on 1 September 2011 the gender balance shifted from two males and four female members to three males and three female members. In the same reporting period (1 July 2011 to 30 June 2012) the gender balance for deputy members remained at two female and three male deputy members.

## **6. FINANCIAL STATEMENT OF THE NATIVE VEGETATION FUND FOR THE YEAR ENDED 30 JUNE 2012**

Audited financial statements are attached (**Appendix 3**).

## Appendix 1: Native Vegetation Clearance under Section 28 Statistics 2011-12

Type of Clearance	Number of clearance applications	Area (ha) of degraded native vegetation – Consented to clear	Area (ha) of scrubland – Refused to clear	Number of individual trees – Consented to clear	Number of individual trees – Refused to clear	Significant Environmental Benefit (SEB) Area (ha)	Significant Environmental Benefit (SEB) <sup>*3</sup> Payment (\$)
Brushcutting <sup>*1</sup>	3	600.00					
Irrigation (Centre Pivots)	6			79	110	54.96	
Industrial Development	1	69.10				1,615.00	
Cemetery Expansion	1	0.30					4,022
Miscellaneous developments <sup>*2</sup>	2	770.13				400.45	
Recreational	4	0.72		36		32.35	
Farm Management	3	272.30	30			63.50	4,256
<b>TOTAL</b>	<b>20</b>	<b>1712.55</b>	<b>30</b>	<b>115</b>	<b>110</b>	<b>2166.26</b>	<b>8,278</b>

<sup>\*1</sup> Brushcutting applications do not require an SEB component, it is expected that regeneration will occur over time.

<sup>\*2</sup> Miscellaneous developments include applications for clearance for fire prevention and woodcutting

<sup>\*3</sup> Figures for SEB requirements are for agreed amounts and all SEB payments and works may not have been finalised.

**Appendix 2: Matters considered under the Native Vegetation Regulations 2011-12**

Regulation	Description	No of Applications 2010-11	No of Applications 2011-12
5(1)(a)	Dwellings and Associated Structures	7	6
5(1)(ab)	Residential Sub-division	5	5
5(1)(b)	Prescribed buildings and structures other than dwellings	0	1
5(1)(d)	Public Interest or Infrastructure	37+15 <sup>♦</sup> +3 <sup>⊖</sup>	38+4 <sup>♦</sup> +3 <sup>⊖</sup>
5(1)(da)	Minor Clearance – Developments	2	0
5(1)(e)	Repair or maintenance works of the Crown	0	2
5(1)(g)	Repair or Maintenance of Infrastructure	0	1
5(1)(h)	Commissioner of Highways	36 <sup>▲</sup>	6+47 <sup>▲</sup>
5(1)(l)	Avoid Damage	0	18
5(1)(lb)	Public Safety	8	7
5(1)(t)	Vehicle Track	0	0
5(1)(zc) & (zd)	Mining Exploration & Operations	3 <sup>■</sup>	0+5 <sup>■</sup>
5(1)(zf)	Maintain Pasture & Forestry	2	0
5(1)(zfa)	Regrowth Management Plan	0	3
5(1)(zi)	Preserving, Enhancing Biological Diversity	2	10+5 <sup>♦</sup>
5(1)(zj)	Management Problems	0	1
5(1)(zk)	Pest Plant & Animal	2	1
5A	Clearance for fire prevention and control	3+14 <sup>►</sup> 17 <sup>◇</sup>	12 <sup>►</sup> +5 <sup>◇</sup>
	<b>TOTAL</b>	<b>156</b>	<b>179</b>

- ♦ applications assessed by SA Water under delegation from the NVC
- ▲ applications assessed by DPTI under SOP endorsed by the NVC
- applications assessed by PIRSA Mining under delegation from the NVC
- applications assessed by Forestry SA under delegation from the NVC
- ⊖ applications assessed by ElectraNet under delegation from the NVC
- ◇ applications assessed by SA CFS under NV Regulation 5A

**Appendix 3: Financial Statements of the Native Vegetation Fund 2011-12**



*Our Ref: A12/140*

1 November 2012

Mr D Mutton  
Presiding Member  
Native Vegetation Council  
GPO Box 1047  
Adelaide SA 5001

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State Administration Centre  
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Tel +618 8226 9640  
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ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
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Dear Mr Mutton

**Audit of the Native Vegetation Fund for the year ended 30 June 2012**

The audit of the accounts of the Native Vegetation Fund (the Fund) for the year ended 30 June 2012 has been completed.

The scope of the audit covered the principal areas of the financial operations of the Fund and included the test review of systems and processes and internal controls and financial transactions.

The audit coverage and its conduct is directed to meeting statutory audit responsibilities under the *Public Finance and Audit Act 1987* and also the requirements of Australian Auditing Standards.

Returned herewith are the financial statements of the Fund together with the Independent Auditor Report, which is unmodified.

Finally, I would like to express my appreciation to the management and staff of the Fund in providing assistance during the year to my officers in the conduct of the annual audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S O'Neill', with a horizontal line extending to the right.

S O'Neill  
**Auditor-General**

enc



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**To the Presiding Member of the Council  
Native Vegetation Council**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22(2) of the *Native Vegetation Act 1991*, I have audited the accompanying financial report of the Native Vegetation Fund for the financial year ended 30 June 2012. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2012
- a Statement of Financial Position as at 30 June 2012
- a Statement of Changes in Equity for the year ended 30 June 2012
- a Statement of Cash Flows for the year ended 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, Native Vegetation Council, Chief Executive, Department of Environment, Water and Natural Resources and the Director Corporate Services, Department of Environment, Water and Natural Resources.

**The Council's Responsibility for the Financial Report**

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

**Auditor's Responsibility**

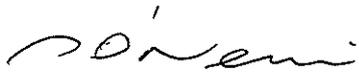
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical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

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

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

**Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Native Vegetation Fund as at 30 June 2012, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

A handwritten signature in black ink, appearing to read 'S O'Neill', written in a cursive style.

**S O'Neill**  
**AUDITOR-GENERAL**  
1 November 2012

**Native Vegetation Fund**  
**Annual Financial Statements**

**For the Year Ended 30 June 2012**

## Native Vegetation Fund

### Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Native Vegetation Fund:

- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Native Vegetation Fund; and
- present a true and fair view of the financial position of the Native Vegetation Fund as at 30 June 2012 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Native Vegetation Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



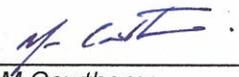
Dennis Mutton  
Presiding Member  
Native Vegetation Fund

31 / 10 / 2012



Allan Holmes  
Chief Executive  
Department of Environment,  
Water and Natural Resources

30 Oct 2012



M Cawthorne  
Director, Corporate Services  
Department of Environment,  
Water and Natural Resources

30 Oct. 2012

**Native Vegetation Fund**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Expenses</b>			
Supplies and services	5	333	152
Grants and subsidies	6	2 563	2 917
Other Expenses		(63)	-
<b>Total expenses</b>		<u>2 833</u>	<u>3 069</u>
<b>Income</b>			
Revenues from fees and charges	7	1 632	1 415
Interest revenues	8	314	355
<b>Total income</b>		<u>1 946</u>	<u>1 770</u>
<b>Net cost of providing services</b>		<u>887</u>	<u>1 299</u>
<b>Revenues from SA Government</b>			
Revenues from SA Government	9	980	956
<b>Total revenues from SA Government</b>		<u>980</u>	<u>956</u>
<b>Net result</b>		<u>93</u>	<u>(343)</u>
<b>Total comprehensive result</b>		<u>93</u>	<u>(343)</u>

The net result and comprehensive result are attributable to the SA Government as owner

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

**Native Vegetation Fund**  
**Statement of Financial Position**  
**As at 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Current assets</b>			
Cash and cash equivalents	10	6 628	7 365
Receivables	11	1 099	415
<b>Total current assets</b>		<u>7 727</u>	<u>7 780</u>
<b>Total assets</b>		<u>7 727</u>	<u>7 780</u>
<b>Current liabilities</b>			
Payables	12	602	748
<b>Total current liabilities</b>		<u>602</u>	<u>748</u>
<b>Total liabilities</b>		<u>602</u>	<u>748</u>
<b>Net assets</b>		<u>7 125</u>	<u>7 032</u>
<b>Equity</b>			
Retained earnings		<u>7 125</u>	<u>7 032</u>
<b>Total equity</b>		<u>7 125</u>	<u>7 032</u>

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	15
Contingent assets and liabilities	16

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

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## Native Vegetation Fund

### Statement of Changes in Equity For the Year Ended 30 June 2012

	Retained Earnings	Total
	\$'000	\$'000
<b>Balance at 30 June 2010</b>	7 375	7 375
Net result for 2010/11	(343)	(343)
<b>Total comprehensive result for 2010/11</b>	<u>(343)</u>	<u>(343)</u>
<b>Balance at 30 June 2011</b>	<u>7 032</u>	<u>7 032</u>
Net result for 2011/12	93	93
<b>Total comprehensive result for 2011/12</b>	<u>93</u>	<u>93</u>
<b>Balance at 30 June 2012</b>	<u>7 125</u>	<u>7 125</u>

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

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

**Native Vegetation Fund**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2012**

	Note	2012 \$'000	2011 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Payments for supplies and services		(333)	(152)
Payments of grants and subsidies		<u>(2 709)</u>	<u>(2 515)</u>
<b>Cash used in operations</b>		<u>(3 042)</u>	<u>(2 667)</u>
<b>Cash inflows</b>			
Fees and charges		1 004	1 350
Interest received		<u>321</u>	<u>350</u>
<b>Cash generated from operations</b>		1,325	1,700
<b>Cash flows from SA Government</b>			
Receipts from SA Government:		<u>980</u>	<u>956</u>
<b>Cash generated from SA Government</b>		<u>980</u>	<u>956</u>
<b>Net cash used in operating activities</b>	13	<u>(737)</u>	<u>(11)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(737)</u>	<u>(11)</u>
Cash and cash equivalents at the beginning of the period		7 365	7 376
<b>Cash and cash equivalents at the end of the period</b>	10	<u><u>6 628</u></u>	<u><u>7 365</u></u>

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

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# Native Vegetation Fund

## Note Index

For the Year Ended 30 June 2012

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## Native Vegetation Fund

### Notes to and forming part of the Financial Statements For the Year Ended 30 June 2012

#### 1 Objectives of the Native Vegetation Fund

The Native Vegetation Fund (the Fund) is established under Section 21 of the *Native Vegetation Act 1991* (the Act). The major purpose of the Fund is to provide funds to be applied for research, preservation, enhancement and management of native vegetation in South Australia and encouraging the re-establishment of native vegetation on land from which it has been previously cleared.

The Native Vegetation Council (the Council) is responsible for the administration of the Fund in accordance with the Act.

In accordance with the provisions of the Act, the council has delegated certain functions to officers within the Department of Environment and Natural Resources (DENR), who provide technical and administrative support including the use of certain plant and equipment, office accommodation and various administrative services. These services are provided by DENR at no charge to the council and have not been recognised in the financial statements of the Fund as it is impractical to determine the value of these services.

#### 2 Summary of significant accounting policies

##### (a) Statement of compliance

The Fund has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards, and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Fund for the reporting period ending 30 June 2012. These are outlined in Note 3.

##### (b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and management to exercise its judgement in the process of applying the Fund's accounting policies. Areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
  - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies;
  - (b) Native Vegetation Council/Committee member and remuneration information, where a council/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Fund's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented.

##### (c) Reporting entity

The financial activities of the Fund are primarily conducted through an interest bearing deposit account established pursuant to section 8 of the *Public Finance and Audit Act 1987* and held with the Department of Treasury and Finance (DTF).

The Fund's sources of revenue include:

- money appropriated by Parliament for the purposes of the Fund.
- fees payable in respect of applications to the Council to clear native vegetation.
- expiation fees and penalties recovered in respect of offences against the Act.
- interest from investment of the Fund.

##### (d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements has required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where the Fund has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; or reclassified items in the financial statements, it has provided three Statements of Financial Positions and related notes.

The restated comparative amounts do not replace the original financial statements for the preceding period.

##### (e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

## Native Vegetation Fund

### Notes to and forming part of the Financial Statements For the Year Ended 30 June 2012

#### (f) Taxation

The Fund is not subject to income tax. The Fund is liable for fringe benefits tax and goods and services tax (GST).

Shared Services SA prepares a Business Activity Statement on behalf of the Fund under the grouping provisions of the GST legislation. Under these provisions, DENR is liable for the payments and entitled to the receipts associated with GST. Therefore the Fund's net GST receivable/payable is recorded in DENR's Statement of Financial Position. GST cash flows applicable to the Fund are recorded in DENR's Statement of Cash Flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

#### (g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

#### (h) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Fund will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

The following are specific recognition criteria:

##### *Fees and charges*

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

##### *Revenues from SA Government*

Appropriations for program funding are recognised as revenues when the Fund obtains control over the funding. The Fund receives its appropriation income as an intra-government transfer via DENR. Control over appropriations is normally obtained upon receipt.

#### (i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Fund will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

##### *Grants and subsidies*

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid by the Fund have been contributions with unconditional stipulations attached.

#### (j) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line item combine amounts expected to be realised within twelve months and more than twelve months, the Fund has separately disclosed the amounts expected to be recovered or settled after more than twelve months

#### (k) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the Fund has separately disclosed the amounts expected to be recovered after more than twelve months.

##### *Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

## Native Vegetation Fund

### Notes to and forming part of the Financial Statements For the Year Ended 30 June 2012

#### *Receivables*

Receivables arise from fees and penalties and compensation payments recovered in respect to offences against the Act. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debt is raised when there is objective evidence that the Fund will not be able to collect the debt. Bad debts are written off when identified.

#### (l) **Liabilities**

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines amounts to be expected to be settled within twelve months and more than twelve months, the Fund has separately disclosed the amounts expected to be settled after more than twelve months.

#### *Payables*

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Native Vegetation Fund.

Accrued expenses represent goods and services provided by the other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date the invoice is first received.

#### (m) **Unrecognised contractual commitments and contingent assets and liabilities**

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

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

### **3 New and revised accounting standards and policies**

The Fund did not voluntarily change any of its accounting policies during 2011-12.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2012. The Fund has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Fund.

### **4 Activities of the Fund**

In achieving its objectives, the Fund conducts all of its activities through the one program - to provide funds to be applied for research, preservation, enhancement and management of native vegetation in South Australia and encouraging the re-establishment of native vegetation on land from which it has been previously cleared.

2012

Native Vegetation Fund

Notes to and forming part of the Financial Statements  
For the Year Ended 30 June 2012

5 Supplies and services	2012	2011
	\$'000	\$'000
Accommodation and property	8	-
Travel and accommodation	-	16
Contractors	25	-
Auditors remuneration	9	8
Fee for service	35	111
Minor works	238	7
General administration	16	5
Other	2	5
<b>Total Supplies and services</b>	<b>333</b>	<b>152</b>

Auditors remuneration

	2012	2011
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	9	8
<b>Total Audit fees</b>	<b>9</b>	<b>8</b>

6 Grants and subsidies	2012	2011
	\$'000	\$'000
Contribution to Department of Environment and Natural Resources (DENR) for Heritage Agreements	-	203
Contribution to DENR for Heritage Agreement Grant Schemes	99	185
Contribution to the Native Vegetation Council Secretariat for Heritage Agreements Grant Officer	45	-
Contribution to DENR for council rate reimbursement associated with Heritage Agreements	-	7
Contribution to the Native Vegetation Council Secretariat for contract position	67	65
Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance	18	15
Contribution to DENR for statewide vegetation cover monitoring	182	178
Contribution to DENR for change detection program	174	132
Research grants	1 842	853
Local Government grants	136	91
Other grants	-	1 188
<b>Total Grants and subsidies</b>	<b>2 563</b>	<b>2 917</b>

Grants and subsidies paid/payable to entities within SA Government

The following grants and subsidies (included in the grants and subsidies amounts shown above) were provided to entities within the SA Government:

	2012	2011
	\$'000	\$'000
Contribution to Department of Environment and Natural Resources (DENR) for Heritage Agreements	-	203
Contribution to DENR for Heritage Agreement Grant Schemes	99	185
Contribution to the Native Vegetation Council Secretariat for Heritage Agreements Grant Officer	45	-
Contribution to DENR for council rate reimbursement associated with Heritage Agreements	-	7
Contribution to the Native Vegetation Council Secretariat for contract position	67	65
Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance	18	15
Contribution to DENR for statewide vegetation cover monitoring	182	178
Contribution to DENR for change detection program	174	132
Research grants	716	-
Other grants	-	1 188
<b>Total Grants and subsidies paid/payable to entities within SA Government</b>	<b>1 301</b>	<b>1,973</b>

7 Revenues from fees and charges	2012	2011
	\$'000	\$'000
Fees, fines and penalties	(40)	429
Significant environmental benefits*	1 672	986
<b>Total Revenues from fees and charges</b>	<b>1,632</b>	<b>1,415</b>

Fees and charges received/receivable from entities within the SA Government

The following fees and charges (included in the fees and charges revenues shown above) were received/receivable from entities within the SA Government:

	2012	2011
	\$'000	\$'000
Significant environmental benefits	834	197
<b>Total Fees and charges received/receivable from entities within the SA Government</b>	<b>834</b>	<b>197</b>

\* The owner of land on which native vegetation is growing or is situated, may apply for consent to clear the vegetation under section 28 of the Act. In consenting to the clearance of native vegetation under section 29 of the Act, the Council may attach a condition requiring the applicant to make a payment into the Fund of an amount considered by the Council to be sufficient to achieve a significant environmental benefit. The monies paid into the fund must as far as practicable, be used to establish or regenerate native vegetation on land that is within the same region of the State as the cleared land and that has been selected by the Council for that purpose having regard to the Regional Biodiversity Plans approved by the Minister for that region.

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Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2012

<b>8 Interest revenues</b>	2012	2011
	\$'000	\$'000
Interest on deposit account from entities within SA Government	314	355
<b>Total Interest revenues</b>	<b>314</b>	<b>355</b>

<b>9 Revenues from SA Government</b>	2012	2011
	\$'000	\$'000
Appropriations from consolidated account pursuant to the Appropriation Act	980	956
<b>Total Revenues from SA Government</b>	<b>980</b>	<b>956</b>

<b>10 Cash and cash equivalents</b>	2012	2011
	\$'000	\$'000
Deposits with the Treasurer	6 628	7 365
<b>Total Cash and cash equivalents</b>	<b>6 628</b>	<b>7 365</b>

**Interest rate risk**

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. The Fund invests surplus funds with the Treasurer. Interest is earned on the average monthly balance at rates based on the DTF 90 day average overnight cash interest rate and interest is paid at the end of each quarter.

<b>11 Receivables</b>	2012	2011
	\$'000	\$'000
<b>Current</b>		
Receivables	1 076	448
Less: Allowance for doubtful debts	(1)	(64)
	1 075	384
Accrued interest	24	31
<b>Total Current receivables</b>	<b>1 099</b>	<b>415</b>

**Receivables from entities within the SA Government**

The following receivables (included in the receivables amount shown above) were receivable from entities within the SA Government:

	2012	2011
	\$'000	\$'000
Receivables	860	86
Accrued interest	24	31
<b>Total Receivables from entities within the SA Government</b>	<b>884</b>	<b>117</b>

**Movement in the allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movements in the allowance for doubtful debts (impairment loss):	2012	2011
	\$'000	\$'000
Carrying amount at the beginning of the period	(64)	(64)
Decrease in the allowance	63	-
<b>Carrying amount at the end of the period</b>	<b>(1)</b>	<b>(64)</b>

**Interest rate and credit risk:**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

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

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2012

12 Payables

	2012 \$'000	2011 \$'000
<b>Current</b>		
Creditors	594	740
Accrued expenses	8	8
<b>Total Current payables</b>	<b>602</b>	<b>748</b>

Current payables to entities within the SA Government

The following payables (included in the payables amount shown above) were payable to entities within the SA Government:

	2012 \$'000	2011 \$'000
Creditors	362	338
Accrued expenses	8	8
<b>Total Current payables to entities within the SA Government</b>	<b>370</b>	<b>346</b>

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

13 Cash flow reconciliation

	2012 \$'000	2011 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	6 628	7 365
Cash and cash equivalents disclosed in the Statement of Cash Flows	6 628	7 365
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash (used in) / provided by operating activities	(737)	(11)
Less revenues from SA Government	(980)	(956)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	684	70
Decrease/(increase) in payables	146	(402)
<b>Net cost of providing services</b>	<b>(887)</b>	<b>(1 299)</b>

14 Financial instruments/financial risk management

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 "Summary of Significant Accounting Policies".

Statement of Financial Position line item	Note number	2012		2011	
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>					
Cash and cash equivalents	10	6 628	6 628	7 365	7 365
Receivables <sup>(1)</sup>	11	1 099	1 099	415	415
<b>Financial liabilities</b>					
Payables <sup>(1)</sup>	12	594	594	740	740

<sup>(1)</sup> Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost) except for employee on-costs which are determined via reference to the employee benefit liability to which they apply.

Fair value

The Fund does not recognise any financial assets or financial liabilities at fair value. Refer to Note 2 Summary of Significant Accounting Policies and Notes relevant to financial assets and financial liabilities.

## Native Vegetation Fund

### Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2012

#### Credit risk

Credit risk arises when there is the possibility of the Fund's debtors defaulting on their contractual obligations resulting in financial loss to the Fund. The Fund measures credit risk on a fair value basis and monitors risk on a regular basis.

The carrying amount of financial assets as detailed in the above table represents the Fund's maximum exposure to credit.

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

The Fund has minimal concentration of credit risk. The Fund has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Fund does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to Note 10 for information on the allowance for impairment in relation to receivables.

#### Ageing analysis of Financial Assets

The following table discloses the ageing of financial assets, past due, including impaired assets past due:

Financial assets item	Current (Not overdue) \$'000	Overdue for < 30 days \$'000	Overdue for 30–60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
<b>2012</b>					
Not impaired Receivables	894	-	24	182	1,100
Impaired Receivables		-	-	(1)	(1)
<b>2011</b>					
Not impaired Receivables	363	-	19	97	479
Impaired Receivables		-	-	(64)	(64)

#### Maturity analysis of financial assets and liabilities

All financial assets and financial liabilities are due to mature within one year.

#### Liquidity Risk

Liquidity risk arises where the Fund is unable to meet its financial obligations as they are due to be settled. The Fund works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

The Fund settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Fund's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

#### Market Risk

The Fund has no interest bearing liabilities as at the end of the reporting period. There is no exposure to foreign currency or other price risks.

#### Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Fund as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

### 15 Unrecognised contractual commitments

	2012 \$'000	2011 \$'000
Expenditure commitments		Other
Within one year	2 095	1 611
Later than one year but not later than five years	1 627	2 025
Later than five years	232	182
<b>Total Other commitments</b>	<b>3 954</b>	<b>3 818</b>

The Fund's commitments include payments to a number of organisations for research grants and the Department of Environment and Natural Resources for the change detection program, the funding of the research officer and for heritage agreements.

### 16 Contingent assets and liabilities

As at the reporting date, criminal proceedings have commenced against several landowners who have been alleged to have breached the *Native Vegetation Act 1991*. Civil proceedings had also commenced against landowners who have been convicted of breaching the *Native Vegetation Act 1991*.

The potential amount of fines and/or damages to be received should the proceedings be successful are not quantifiable and as such no estimate of the potential financial effect can be made. There is also the potential for costs to be awarded against the council for any unsuccessful prosecutions.

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**Native Vegetation Fund**

**Notes to and forming part of the Financial Statements**

For the Year Ended 30 June 2012

**17 Restrictions on contributions received**

The Council is restricted on its use of monies in the fund according to the provisions of the *Native Vegetation Act 1991*. Section 21(6) of the Native Vegetation Act specifies that the Native Vegetation Council must as far as practicable, use monies paid into the Fund to achieve a significant environmental benefit to offset the approved clearance of native vegetation. Expiation fees, penalties handed down by the Court, financial benefits (as determined by the ERD Court) gained from illegal clearance and exemplary damages (as determined by the ERD Court), must be spent within the same region of the State as the land cleared.

Fines, penalties and charges of significant environmental benefit are to be utilised in the following areas:

	2012	2011
	\$'000	\$'000
South East Natural Resources Management Board	1 521	947
Mt Lofty Ranges Greater Basin	1 293	1 184
SA Murray Darling Basin Natural Resources Management Board	948	1 505
Kangaroo Island Natural Resources Management Board	120	17
Northern & Yorke Agricultural District	1 204	1 105
SA Arid Lands Natural Resources Management Board	(38)	246
Eyre Peninsula Natural Resources Management Board	411	406
Alinytjara Wilurara Natural Resources Management Board	406	407
<b>Total Restrictions on contributions received</b>	<b>5 865</b>	<b>5 817</b>

**18 Remuneration of Council and committee members**

Members of the council and committees during 2011/12 financial year were:

**Native Vegetation Council**

Bates JA	Paton PA
Ben Khan A (retired 02/09/2011)	Roche MC (appointed 03/09/2011)
Lillecrapp JA	
Munday BC	
Mutton DR	

**Native Vegetation Council Fire Committee**

Bates JA  
Ben Khan A (retired 02/09/2011)  
Gray A  
Lawson SA (retired 02/09/2011) \*  
Miller LR (appointed 18/01/2012) \*

**Native Vegetation Assessment Panel**

Ben Khan A (retired 02/09/2011)  
Lillecrapp JA  
Munday BC  
Roche MC (appointed 11/10/2011)

**Native Vegetation Council Grants Committee**

Munday BC  
Mutton DR  
Paton PA

\* Denotes government employees

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

	2012	2011
Nil	2	-
\$1 - \$9 999	6	6
\$10 000 - \$19 999	-	-
\$20 000 - \$29 999	1	-
\$30 000 - \$39 999	-	1
	<u>9</u>	<u>7</u>

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$54 638 (2011: \$55 884) and has not been recognised in these financial statements. The remuneration of members is provided by DENR. Amounts paid to a superannuation plan for board members was \$4 730 (2011: \$5 100).

In accordance with the Premier and Cabinet's Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

For the purposes of this table, travel allowances and other out-of-pocket expenses paid to members have not been included as remuneration as it is considered to be reimbursement of direct out-of-pocket expenses incurred by relevant members.

**19 Events after the reporting period**

There are no known events after balance date that affect these financial statements in a material manner.