
**HOUSE OF ASSEMBLY
LAID ON THE TABLE**

22 November 2011

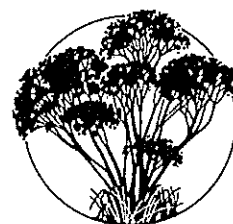
NATIVE VEGETATION COUNCIL

ANNUAL REPORT

1 July 2010 to June 2011



**Government
of South Australia**



Native Vegetation Council

Annual Report of the Native Vegetation Council 2010-11

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Native Vegetation Council

To: Hon Paul Caica, MP
Minister for 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 2010-11.

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

In 2010-11 new directions for native vegetation management in South Australia, have been supported by the *Native Vegetation (Amendment) Bill 2011* (2011 Bill) which was introduced in the House of Assembly on Wednesday 22 June 2011.

The *Native Vegetation Act 1991* remains a key legislative instrument supporting South Australia's Strategic Plan Target 3.1 *Lose No Species*. The amendments in the 2011 Bill aim to update the Act and ensure consistency with the State's other environmental legislation. Key issues are to increase flexibility in the delivery of significant environmental benefit 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 2011 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.

This year the NVC continued to strengthen working relationships with the Department of Planning and Local Government (DPLG) for the development of better integration of native vegetation and planning systems. Investigation of alternative administrative options to satisfy Recommendation 8 of the Planning Review have continued and an administrative policy option is being considered.

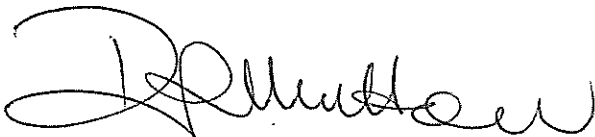
Support for the NVC is now provided by the Department of Environment and Natural Resources following a State Government Departmental restructure in 2010.

At the NVC Strategic Direction Review in December 2010 the NVC recognised the need for improved communication on the management of native vegetation. Alliances with other agencies and the community are necessary to ensure processes are well understood. The NVC web site has been refreshed and is now hosted on the Department of Environment and Natural Resources site. The web site includes a range of information sheets, guidelines and application forms.

Following last year's highly successful regional trip to the Mid North region, the NVC undertook two regional trips this year. The Fleurieu Peninsula trip in October 2010 focused on meeting with applicants who had been successful in gaining funding for restoration projects under the NVC Significant Environmental Benefit (SEB) Grants program, and discussions with regional councils and NRM boards, surrounding SEB allocation and offsets. The NVC met with the District Council of Mount Barker at the Mount Barker Summit Conservation Reserve to discuss a proposed SEB area of 48.6 ha. Further discussions were held with the District Council concerning development issues. The NVC also met with Department for Transport, Energy and Infrastructure to consider mitigating safety options to decrease native tree removal along Dukes Highway. Industrial expansion and urban development were the key issues of the NVC regional trip to Eyre Peninsula in June 2011. A highlight of this trip was a visit to the NVC SEB Grants project 'Sustainable Sheoak: Market based conservation in WildEyre'.

Other highlights from the year include the allocation of \$4.5 million from the Native Vegetation Fund to various projects working towards the protection, maintenance and enhancement of native vegetation in South Australia, including \$230 225 provided by the Fund for the ongoing protection and management of native vegetation on privately owned land held within Heritage Agreement areas.

The following annual report provides a comprehensive overview of the activities of the Native Vegetation Council for 2010-11.



Dennis Mutton
Presiding Member
Native Vegetation Council

Date: 26/09/2011

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1. 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 (NPW) parks and reserves system. The major feature of the Act is:

- The appointment of a seven-member Native Vegetation Council (NVC) responsible for the effective administration of the Act, including decisions on clearance applications and the provision of advice on matters pertaining to the condition of native vegetation in the State to the Minister for Environment and Conservation (the Minister) as Minister responsible for the administration of the Act.

The objects of the Act, in summary, include:

- Prevent further:
 - reduction of biological diversity and degradation of land and its soil, and
 - loss of quantity and quality of native vegetation in South Australia; and
 - loss of critical habitat.
- 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 management of native vegetation.
- The encouragement of the re-establishment of native vegetation on land where native vegetation has been cleared or degraded.

Historically, high levels of vegetation clearance have occurred in South Australia and the majority of remnant native vegetation is outside the formal NPW parks and reserves system.

The effective administration of the Act by the NVC is contributing to the implementation of South Australia's Strategic Plan (SASP), specifically, Target 3.1 *Lose no Species* (lose no known native species as a result of human impacts) and Target 3.2 *Land Biodiversity* (establish five biodiversity corridors aimed at maximising ecological outcomes particularly in the face of climate change) by 2010.

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. All receipts and payments in relation to the Fund must be kept by the NVC. 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, and it 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 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.

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 2005* and the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* (EPBC).

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

The *Native Vegetation (Miscellaneous) Amendment Bill 2008* was introduced to Parliament during 2008. Amendments were proposed in the House of Assembly in late 2008 and debate was suspended during the committee stage in the Legislative Council in May 2009. Notwithstanding general support for the Bill, it subsequently lapsed.

The 2011 Bill introduces the same amendments as those previously introduced. In the intervening period since 2008, minor refinements were identified by the Crown Solicitor, Departmental staff and Parliamentary Counsel to update and improve administration of the Act. Targeted consultation on the additional amendments has been conducted. The 2011 Bill includes these amendments.

The 2011 Bill was introduced in the House of Assembly on Wednesday 22 June 2011.

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 Act establishes the NVC, allowing for the appointment of seven members 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 on 3 September 2009 for a two-year term expiring on 2 September 2011.

Presiding Member

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

Members

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

Ali Ben Kahn, *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 Environment and Conservation*

Deputy Members

Kent Martin (Deputy to Lillecrapp)

Fraser James Vickery (Deputy to Ben Kahn)

Evelyn Grace Poole (Deputy to Paton)

Barry Kym McHugh (Deputy to Bates)

Joseph Lindsay Keynes (Deputy to Munday)

The Commonwealth Minister for Environment and Conservation withdrew from representation on the NVC, leaving the option for the Minister of Environment and Conservation, the Minister responsible for the administration the Act, to nominate a replacement member. This is addressed in the *Native Vegetation (Miscellaneous) Amendment Bill 2011*.

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

Principal Advisor: Mark Aberdeen

Secretary: Trudi Duffield (1 July to 17 June)

Acting Secretary: Leonie Whittlesea (20 June to 30 June)

Subcommittees

Native Vegetation Assessment Panel

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

Ali Ben Kahn, *Nominee of the Conservation Council of S.A.*

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

Native Vegetation Council Grants Subcommittee

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

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

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

Native Vegetation Council Fire Subcommittee

Chair: Ali Ben Kahn, *Nominee of the Conservation Council of S.A*

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

Andrew Lawson, *Nominee of the South Australian Country Fire Service*

Deputy to Ben Kahn: Joe Keynes

Deputy to Gray: David Hitchcock

Deputy to Lawson: Leigh Miller

Native Vegetation Council Remuneration

Presiding Member: Annual stipend \$22,500

Members: Sitting Fee \$206 per four hours

Native Vegetation Council Subcommittee Remuneration

Chair: Sitting Fee \$129 per four hours

Member: Sitting Fee \$103 per four hours

Staffing

The NVC is assisted by the Secretary, the Principal Advisor and, as required, by other officers employed by the Department of Environment and Natural Resources (DENR) under the *Public Sector Act 2009*.

The numbers and 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 for administration, technical and scientific advice.

The NVC has appreciated the high level of service provided by all Departmental staff.

3. KEY ACTIVITIES OF THE COUNCIL FOR 2010-11

During 2010-11 six formal meetings of the NVC were convened including the June meeting held in Port Lincoln as part of the Eyre Peninsula NVC regional trip. Details of business undertaken by the NVC during the 2010-11 financial year is as follows:

Policy Matters

During 2010-11 the NVC continued to focus on policies and procedures for native vegetation clearance applications.

Roadside Vegetation Management Plan Review

In April 2009, the NVC proposed a review of issues surrounding the management of roadside vegetation including streamlining the processes involved in developing Roadside Vegetation Management Plans (RVMP) for District Councils. This review was subsequently supported by the Local Government Association (LGA).

The review was conducted with the aim of simplifying the existing RVMP guidelines under Native Vegetation Regulation 5(1)(y), and to develop a series of associated fact sheets and operational templates for District Councils and practitioners.

A Working Group was established consisting of representatives from the LGA, the Department for Water, Land and Biodiversity Conservation, NVC Secretariat and District Council Regional NRM Officers to implement the review.

As part of the review process, the Working Group identified a simplified process for District Councils to develop and implement RVMP. This involves the Working Group developing three generic templates with a defined structure and the bulk of the context and information pre-written to facilitate the process. Councils can then tailor the information in each of the templates to suit their circumstances.

In February 2011, an overview of the RVMP review was presented to the NVC outlining the process, the draft template framework and status of the review. The NVC endorsed the framework subject to further targeted consultation. The NVC recommended an internal review of the three templates by staff from the Native Vegetation and Biodiversity Management Unit over an eight week period followed by distribution to all District Councils for comment. In May 2011, the edited draft was distributed to all District Councils within South Australia through the LGA's monthly circular for an eight week consultation period. A workshop or forum for outlining the final templates operational implementation is being considered for the LGA Council Regional Works Managers.

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 consultation with the Department of Transport, Energy and Infrastructure and the LGA, an interim operational framework has been developed to implement Regulation 5(1)(lb). The framework stipulates the circumstances where the clearance of native vegetation along roadsides or at rail crossings is required to address an existing risk to public safety (that

cannot be adequately resolved through other safety improvement options) and is therefore exempt from requiring a SEB. The *Interim Framework for the Application of Regulation 5(1)(b) for Clearance along Roads, Intersections and at Rail Crossings for Public Safety Purposes* was endorsed by the NVC in December 2010 and will be reviewed (if necessary) after twelve months.

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 a 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 guidelines (Guidelines for a Native Vegetation Significant Environmental Benefit Policy for the Clearance of Native Vegetation Associated with the Minerals and Petroleum Industry) 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*.

Over the next 12 months a review of these guidelines will be undertaken to highlight some of the issues and solutions associated with the methodology for calculating SEB requirements for mining activities in South Australia.

Significant Environmental Benefit Policy

At the NVC October 2010 meeting it was adopted that when clearance of rare, vulnerable or endangered plant species is approved, either via s29(4a) or the Act or Regulations, the SEB requirement should be increased by 20% and when clearance of habitat for nationally listed endangered species is approved, the SEB requirement should be increased by 50%.

Also approved at the NVC October meeting was the interim policy for SEB requirements for residential subdivision. The calculation of SEB payments involves applying the standard formula to the proposed native vegetation clearance area affected by the sub-division. New residential sub-divisions contain allotments and roads. This will simplify the process for clearance to establish house sites on allotments under Regulation 5(1)(ab) and clearance for road making under Regulation 5(1)(d).

Regional Visits

The NVC seeks to undertake a trip to regional South Australia during the course of each year as an opportunity to identify and discuss issues with regional communities and an opportunity to improve processes and procedures while still recognising the need to maintain the objectives of the Act. This year the NVC undertook two regional trips, taking in SEB areas and areas of compliance.

Fleurieu Peninsula Regional Trip

On Tuesday 26 October 2010 the NVC travelled to Upper Sturt to inspect the Woodcutters Road Environment Protection Association Inc SEB Grant project. As a result of the SEB funded works, one individual of *Veronica derwentiana* ssp. *Homalodonta*, Mount Lofty Speedwell (of which less than 200 individuals are known to exist) has been found and protected. At least 30 recruits have been propagated from this plant to date. Also approximately 150 *Brachyscome diversifolia* (Tall Daisy) have been found and protected. The five previously known populations in this area have not been sighted for 10 years.

On Wednesday 27 October 2010 the NVC met with the Alexandrina Council and regional NRM Boards to identify and discuss issues of concern to those bodies. Issues discussed were the NVC SEB allocation and the offset processes for the achievement of priorities and targets contained within the regional NRM Plans. Also discussed was the potential to vary the Heritage Agreement Grant Scheme to improve its targeting against regional NRM Plans.

The NVC also met with the District Council of Mount Barker at the Mount Barker Summit Conservation Reserve to discuss a proposed SEB area. The reserve has a total area of 48.16 ha and a Heritage Agreement is being considered. Further discussions were held concerning development issues.

Eyre Peninsula Regional Trip

On 15 June 2011 the NVC inspected the expansion at Port Bonython which includes the establishment of a rail corridor, a storage site for 80 million litres of diesel, a new distribution terminal and oil refinery. Issues surrounding the reduction of clearance and habitat restoration were assessed. The NVC met with the City of Whyalla for discussions on native vegetation offsets for the future expansion of the Whyalla Industrial and Residential areas and the associated protection and management of the larger Mount Laura Conservation area. The afternoon meeting with the Eyre Peninsula NRM Board (EPNRM), the District Council Lower Eyre Peninsula, the District Council of Cleve and the District Council of Elliston considered roadside clearance, SEB offsets and fire management issues.

On 16 June 2011 the NVC met with the EPNRM to review the \$518 900 SEB Grant project 'Sustainable Sheoak: Market based conservation in WildEyre'. This project aims to establish a market for the conservation of threatened Sheoak grassland woodland communities using a conservation tender approach. NVC members also inspected the EPNRM Boneseed burn site. This was an important undertaking by the EPNRM as Boneseed is a Weed of National Significance.

The NVC also inspected two illegal clearances of native vegetation. The clearances were subject to civil proceedings and were finalised in May 2011 with the respondents entering into a Heritage Agreement comprising of three offset areas totalling 166 ha.

The NVC attended an afternoon meeting with the local South Australian Country Fire Service, EPNRM and the City of Port Lincoln. Discussion centred around fire management planning for the Port Lincoln area and the use of Regulation 5(1)(lb): clearance to protect public safety and its interim framework and Regulation 5(1)(k): clearance around prescribed building or structure. It was noted that on the whole, clearance requests have been reasonable rather than excessive.

On 17 June 2011 the NVC visited Coffin Bay's proposed urban rezoning area. The NVC had previously written to the Council seeking alternative options for facilitating increased urban development within Coffin Bay while minimising the impacts on areas of high quality native vegetation. The need for addressing the protection and management of native vegetation issues early in the development planning process was identified. The NVC also inspected the proposed rezoning of Proper Bay for residential and industrial purposes. Proper Bay area is considered to contain a high proportion of intact, undisturbed native vegetation of a very high biodiversity value with high plant species diversity, populations of rare and threatened plants and habitat for rare and threatened animals.

Clearance Issues

Since the enactment of the *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

During 2010-11, 32 clearance applications were approved¹ with clearance consent being granted to over 1107 ha² of native vegetation. This included the clearance of 334 trees³ and 1060 ha of brush cutting⁴ (*Melaleuca uncinata*) that is anticipated to regenerate naturally.

For 2010-11 SEB established to offset the above clearance included the management or restoration of 161 ha of native vegetation and agreed payments into the Native Vegetation Fund of \$29 509.

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

Summary of Clearance matters under the Native Vegetation Regulations

In 2010-11, 182 clearance matters consistent with the Native Vegetation Regulations were approved⁵ of which 94 were assessed by the Native Vegetation and Biodiversity Management Unit, 88 assessed under delegation as set out in Table 1.

¹ 38 clearance applications in 2009-10 (under Section 28)

² 1074 ha of native vegetation in 2009-10 (under Section 28)

³ 356 trees in 2009-10 (under Section 28)

⁴ 999 ha brush cutting in 2009-10 (under Section 28)

⁵ 259 clearance applications in 2009-10 (under NV Regulations)

Table 1: Clearance decisions under Regulations by delegation 2010-11

Organisation with delegated officers	Number of clearance decisions under Regulation
Primary Industry and Resources SA	3
SA Water	15
Department of Transport Energy and Infrastructure	36
Forestry SA	14
ElectraNet	3
SA Country Fire Service	17

In addition to the clearance outlined above an unknown area was cleared under regulations that do not require consultation with the NVC or officers from the DENR e.g. clearance to establish and or maintain fence lines, tracks etc.

A number of regulations require the establishment of an SEB. During the 2010-11 financial year, SEB payments established for matters considered under the Regulations, including those under delegation, totalled \$932 684.

Delegations

In the reporting period 2010-11 the NVC made no request, for delegation of powers and functions, to the Minister for Environment and Conservation, the Minister to whom administration of the Act is committed.

Native Vegetation Council Subcommittees

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 is a panel for operational decision-making, under the delegation of the NVC. It hears representations from proponents in relation to matters under Regulation and pursuant to Section 29(10)(b) for clearance applications. In making decisions, the NVAP has regard to comments as required, including regional NRM Board comment (under s. 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 Ms Ali Ben Kahn (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.

In 2010-11 the NVAP held seven meetings to consider 17 Clearance Applications (including 10 under Regulations) and five Management Plans. The NVAP also considered three Heritage Agreements of 421 995 ha in total, 421 870 ha being entered into agreement with the Minister and the Nature Foundation of South Australia on Witchelina Station.

Native Vegetation Council Grants Subcommittee

Significant Environmental Benefit Grants

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

The SEB grants are 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 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 2010-11 the NVC supported 17 projects and approved \$4 079 017 under the SEB grant program.

The 2010 SEB grants supported a range of projects capable of having significant positive impacts on the local environment and the community. The SEB Grant 'Morialta to Coralinga Biolink', saw the support of a coordinated landscape project covering 266 ha of native vegetation on 20 adjoining properties in the Upper Morialta Region within the Adelaide and Mount Lofty Ranges region. The SEB Grant 'Restoration of Grey Box Woodland within the Waite Conservation Reserve' will support the substantial conservation and restoration work already undertaken in the 18 years since the Reserve was declared. The SEB Grant 'Native habitat improvement by landholders, volunteers and indigenous youth' within the South Australian Arid Lands Region will support the protection of native vegetation through the engagement of landholders, volunteers and indigenous youth.

The 2011-12 round for SEB grants was advertised on 7 and 21 May 2011 in the Adelaide Advertiser and from 6 to 20 May in NRM Jobs with a closing date of 30 June 2011. Twenty two applications were received, to be assessed in July 2011.

Some projects extend over several years, reflecting the long-term nature of these projects.

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 NVC Research Grants were advertised in the Adelaide Advertiser on Saturday 17 and Saturday 24 July 2010 and for two consecutive weeks 15 to 22 July 2010 through NRM Jobs and SABiz. Applications closed 20 August 2010.

Of 26 enquiries, 18 applications were received and assessed by the Grants subcommittee in October 2010. Of these applications, seven were considered by the subcommittee to meet the criteria for a Research Grant. 'Prioritising reserves to enable resilience to Climate Change' is an application from the Flinders University and is the only grant this year awarded funding for a period of three years. Applications funded were within three of the eight NRM regions, with five being within the SA Murray Darling region.

Within the funding allocation, the NVC Grants Subcommittee allocated \$120 497 (GST exclusive) to new Research Grants for 2010-11 and committed for another two years \$26 816 (per annum) to fund the project 'Prioritising reserves to enable resilience to Climate Change'.

Throughout the year the Grants Subcommittee held on-line meetings to consider Progress and Final Reports on previously approved research grants.

Native Vegetation Council Fire Subcommittee

The NVC Fire Subcommittee 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 Subcommittee is made up of a member from the NVC, a representative from SA Country Fire Service and a representative from the LGA. The subcommittee is elected for a term of two years and under its Terms of Reference (TOR) may, at the end of the two year term, be re-elected.

Amendments to the Native Vegetation Regulations and amendments to the *Fire and Emergency Services Act 2005* have changed the role of the Fire Subcommittee 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 Fire Subcommittee continues to approve Fire Management Plans for DENR, ForestrySA and SA Water in accordance with their Standard Operating Procedures. The TOR for the Fire Subcommittee has been amended to reflect the changed role. The subcommittee continues to report all fire related matters and outcome of fire related issues to the NVC meetings.

During 2010-11 the NVC Fire Subcommittee through five electronic meetings considered and endorsed five Fire Management Plans under Regulation 5A.

DENR have been implementing a landscape approach to fire management in the development of fire management plans for National Parks and Wildlife Reserves incorporating adjoining landowner and Heritage Agreement land. This approach is supported by the NVC.

Vegetation Management Activities

Under section 23 of the Act the Minister may enter into a Heritage Agreement with the owner of land over areas of native vegetation where the Minister considers that provision should be made for the preservation or enhancement of the native vegetation. Any money required by the Minister to meet obligations under a heritage agreement is paid to the Minister from the NVC Fund. Activities met by the 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. In past years the management of these activities sat with Department of Environment and Heritage. Since October 2011 and the restructure of DENR all activities relating to Heritage Agreements are managed by the NVC Secretariat.

Heritage Agreements

A Heritage Agreement may provide for the management of the land, native vegetation on the land or any animals living on or visiting the land in accordance with a particular management plan or in accordance with management plans to be agreed from time to time between the Minister and the owner. The Minister must not enter into, vary or terminate a Heritage Agreement without first consulting and obtaining the approval of the NVC.

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. An owner of land that is subject to a heritage agreement may apply to the NVC for management assistance. The NVC must keep a register of Heritage Agreements entered into under this Act.

During 2010-11 the NVC and NVAP considered 20 applications over 424 063 ha for the Minister to enter into Heritage Agreements. This protected land supports the wider state reserve system under the *National Parks and Wildlife Act 1972*.

Heritage Agreement Grants

The Heritage Agreement Grant Scheme was instigated in 1995 in response to landholder requests for assistance (other than fencing) to manage Heritage Agreement areas. Over the past 16 years landholders have shown considerable interest in receiving grants to improve the biodiversity in the Heritage Agreement area.

A significant feature of this Grant Scheme is that it builds landholder capability by teaching bushcare skills 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.

For the financial year 2010-11, 30 new applicants were funded to the total value of \$97 540. The majority of projects for 2010-11 were for control of feral animals and pest plants in the Heritage Agreement areas only. There was one application for a management plan and another for bushfire management plan for a Heritage Agreement in the peri-urban area. A joint application was received from 16 landholders in the Murray Mallee for control of rabbits within their Heritage Agreement areas.

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 2010-11 the NVC funded \$132 685 over 35 kilometres and across 22 Heritage Agreements and in so doing, protected a total of 117 948 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.

Heritage Agreement Vegetation Management Activities

Locusts were declared by the State Government this year to pose the most serious threat in 40 years to pastoral country and cropping areas. In the predicted impact area there was a number of Heritage Agreements. Concern regarding appropriate locust treatment was raised in respect to Heritage Agreements in the area. The only realistic way to manage locusts in plague conditions is to apply chemicals. Heritage Agreements ordinarily preclude the application of chemicals for the protection of flora and fauna.

After consultation with DENR, the NVC agreed to allow controlled spraying of Heritage Agreements by landowners using Green Guard as the chemical having the least species effect.

Two approaches were taken. Firstly, on application by a landowner and secondly through identification of Heritage Agreements 'at risk'.

Heritage Agreements deemed 'at risk' were sent a Management Plan and fact sheets prepared by DENR in consultation with the NVC. Using aerial imagery, 650 Heritage Agreements were assessed, 274 Management Plans were sent, with 204 identified as a high priority. The bulk of the Management Plans sent were to properties in the Murraylands.

Roadside Vegetation Management

During 2010-11, the NVC approved and finalised five Roadside Management Plans submitted by District Councils Adelaide Hills, Alexandrina, Barossa, Goyder, Whyalla. Three new plans have been received and are awaiting approval and a further eight plans are in the preliminary stages. No applications for roadside vegetation surveys were received by the NVC for the year 2010-11.

The Roadside Vegetation Survey funding is established under the Native Vegetation Act. The NVC has a firm policy that funding is conditional upon the survey being undertaken using the standard '*Drive by Survey*' methodology developed by DENR. This is a detailed methodology that includes how the data is collected in the field and how the data is stored and mapped. The standard methodology allows the data collected to be incorporated into a statewide layer of roadside vegetation mapping.

Significant Environmental Benefit Monitoring and Compliance Program

The SEB Monitoring and Compliance Program was developed from a pilot project run in 2010 to review the compliance of on-ground SEB offsets with clearance conditions and improve the implementation of on-ground SEBs to achieve positive biodiversity outcomes.

To date the program has:

- Developed a modified Bushland Condition Monitoring assessment process for on-ground SEBs
- Developed the revegetation predictor and assessment tool for SEBs.
- Developed a database to prioritise SEBs for inspection and store field monitoring data.
- Followed up on issues identified from the 2010 inspections.
- Carried out field inspections of new sites and sites with outstanding issues where SEBs have been implemented.

Habitat Restoration Planning Guide for Natural Resource Managers and Habitat Restoration Planning Workshops

The Habitat Restoration Planning Guide for Natural Resource Managers was developed to help natural resource managers gain improved on ground restoration outcomes, by using a goal-based approach to assess the state of a landscape and develop appropriate management prescriptions to take that landscape to the desired outcome. The guide is applicable to the temperate agricultural region of southern Australia.

Nine Habitat Restoration Planning workshops were held in 2011 across the agricultural regions of South Australia in conjunction with the local regional NRM boards.

The aim of these workshops was to improve on-ground outcomes of restoration planning and implementation, encourage alignment with regional and State goals, and improve SEBs across South Australia.

The workshops were aimed at people who help landholders to carry out habitat restoration, including NRM officers, restoration planners and contractors who carry out SEBs.

The workshops covered the following:

- Overview of the restoration process
- Identifying and setting restoration goals
- Site assessment and defining the management context
- Implementation – restoring towards a goal state
- Assessing outcomes and adapting to achieve goals
- Application of principles to local case studies

One hundred and fifty people were trained and provided with guides over a two month period. As at 30 June 2011 a further 190 guides had been provided to people involved in habitat restoration across South Australia and interstate.

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

Current methods for determining an SEB (both on-ground and payments) can produce inconsistent outcomes that might be considered as being outside of the intent of the legislation. Given this and other issues, a review of SEB metrics was undertaken to ensure that this key component which underpins native vegetation management in South Australia is appropriately designed. The review is now completed and the draft report will be considered by the NVC in August 2011.

Native Vegetation Information System

The Native Vegetation Client Management System (NVCMS), funded jointly by the NVC and DENR, was developed and implemented during 2010-11. This new client management system will improve customer service by providing systematic logging, tracking and reporting of clearance matters, heritage agreements, grants and general enquires regarding native vegetation.

4. COMPLIANCE WITH THE NATIVE VEGETATION ACT

Reports Received 2010-11: Alleged Illegal Clearance

During 2010-11 the Compliance and Monitoring Unit within the Native Vegetation and Biodiversity Management Unit, received 211 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 1: Reports received by NRM Region 2004-05 to 2010-11

NRM Region	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Adelaide and Mount Lofty Ranges	41	60	54	59	77	49	50 (24%)
Eyre Peninsula	16	29	15	25	31	48	34 (16%)
Kangaroo Island	14	27	12	4	10	18	14 (7%)
Northern and Yorke	26	23	17	11	23	37	28 (13%)
SA Arid Lands	9	6	8	2	2	1	1 (1%)
SA Murray Darling Basin	31	36	21	30	44	48	36 (17%)
South East	26	48	31	30	36	54	48 (23%)
TOTAL	163	229	157	161	223	255	211

The number of total reports received for 2010-11 is above the average number (200) of reports recorded over the seven years of collecting data. The 2010-11 financial year figure is the median value of all totals values for the last seven years. Of the 211 reports 55 (26%) were detected using the Change Detection Program (CDP). The CDP uses Satellite imagery as a mechanism to detect changes in native vegetation cover.

Five of the seven NRM regions had a reduction in the number of reports received with the exception of the SA Arid Lands and Adelaide and Mount Lofty Ranges NRM regions with the number of reports received remaining constant or increasing slightly.

The most prominent difference from the previous year is the percentage of reports received for 2010-11 from the Eyre Peninsula NRM region with a fall in the number of reports of 29%. The Adelaide and Mount Lofty Ranges NRM region received the highest number of reports received making up 24% of all reports.

Action taken from Reports received 2010-11: 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 Native Vegetation and Biodiversity Management Unit.

Figure 1 summarises the actions taken from reports of alleged illegal clearance for 2010-11 financial year. Of the 211 reports received for the financial year 49 reports (23%) were considered to be exempt under the *Native Vegetation Regulations 2003*. The majority of the exempt clearances related to 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.

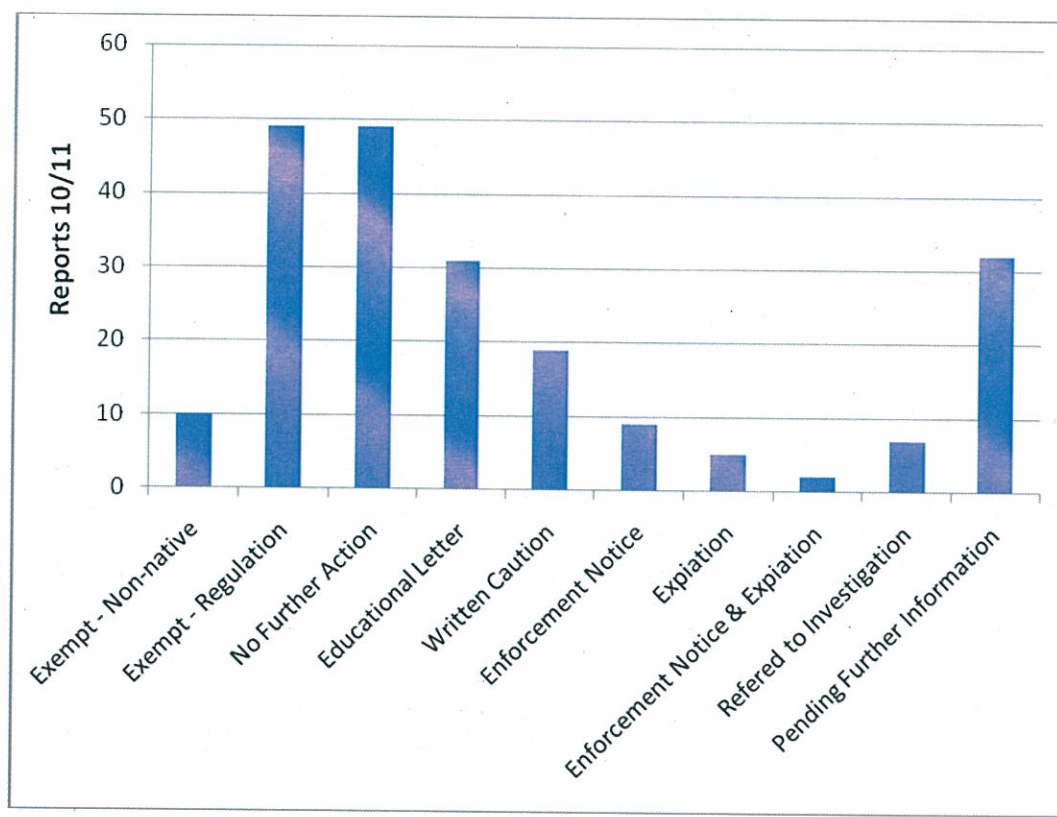


Figure 1: Action taken from Reports received for 2010-11 financial year.

Change Detection Program

The use of satellite imagery as a mechanism to detect changes in native vegetation cover and subsequent possible breaches of the Act has been established through the Change Detection Program since 2004. The objectives of the program are to monitor loss in quantity or quality of native vegetation in the rural agricultural regions of South Australia. The program seeks to meet the objectives of the Act through the conservation, protection and enhancement of the native vegetation of the State in particular remnant native vegetation.

Landsat satellite imagery and data is currently sourced for cost of supply only from the Australian Commonwealth Department of Climate Change (DOCC) or from the United States Geological Survey (USGS) organisation. Early this year imagery for 2010 was obtained from DOCC and a comparison undertaken using imagery from 2009, additionally some 2011 imagery was obtained from USGS and compared against 2010 imagery. (Note: imagery is acquired during the summer period of each year).

Of the 211 reports (Figure 1) received from 2010-11, 55 were detected through the CDP. The following table lists by NRM region reports detected through the CDP.

Table 2: Reports Received by CDP by NRM region 2010-11

NRM Region	10/11
Adelaide and Mount Lofty Ranges	0
Eyre Peninsula	15
Kangaroo Island	5
Northern and Yorke	7
SA Arid Lands	0
SA Murray Darling Basin	8
South East	20
TOTAL	55

A verification process was undertaken to consider the causes of the changes detected, some which include planted vegetation, approved or exempt clearances, seasonal variations, and the result of wild fires. Of particular note there was a large number of relatively small sites on Eyre Peninsula detected, this was due to the availability of recently acquired high resolution aerial imagery. When used in support of the satellite imagery this imagery led to the further detection of areas that were originally seen on the lower resolution satellite imagery.

Any incidences that suggest a possible breach of the Act are referred to the Native Vegetation Compliance Steering Committee for recommendation on further action including referring to investigation with a view to prosecution. A Summary of actions taken during 2010-11 using CDP data and imagery is presented in the Figure 2.

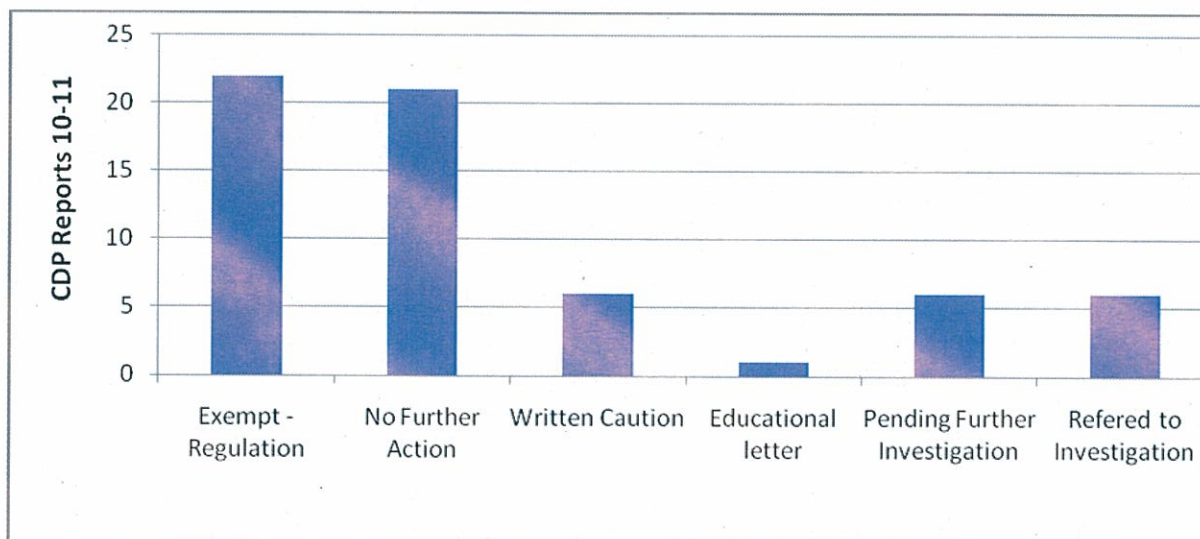


Figure 2: Action taken from CDP Reports received for 2010-11 financial year.

Archived CDP satellite imagery was also accessed to assist in determining if an area cleared is regrowth and subsequently meets the requirements for exemption as stated under the Act including reports from other sources.

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. The membership of the Committee comprises representatives from DENR, the Department for Water and the NVC.

Criminal Prosecutions

For the 2010-11 financial year there have been two successful prosecutions through the Adelaide Magistrate Court with penalties ranging from \$13 500 to \$140 000 and a total of \$153 500. The fine of \$140 000 imposed on a South Australian landowner for the illegal clearance of 140 hectares from a watercourse comprising part of the West Avenue Range in the South East is a second offence of unlawful clearance of native vegetation for the person concerned.

There are currently nine ongoing prosecution matters before the courts and a further six incidents have been referred to the Crown Solicitors Office for advice as to sufficiency of evidence to proceed to prosecution.

Civil Proceedings

The *Native Vegetation Act 1991* makes provision for the 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 2010-11 financial year. Of the six matters four resulted in orders for 756 hectares of native vegetation to be formally placed under a Heritage Agreement between the landowner and the Minister for Environment and Conservation, and two ordered payments totalling a \$74 200 to be made into the Native Vegetation Fund.

The NVC has nine continuing actions in the ERD Court to 'make good' the illegal clearance of native vegetation. Many of these are in the early stages of conferencing however it is anticipated that at two of these will be finalised early in the 2011-12 financial year. There are a further three matters likely to proceed to the ERD Court before the end of 2011.

5. ADDITIONAL MATTERS

Employment Opportunity Programs

The NVC has no staff of its own. 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 2010-11.

Gender Reporting

In accordance with section 8 of the Act and in line with the Targets 30 and 31 of the South Australia's Strategic Plan the gender balance of the NVC is always taken into consideration when members are nominated. Following the Governor's appointment of a new NVC on 3 September 2009 the gender balance shifted from three males and three female members to two males and four female members. In the same reporting period (1 July 2010 to 30 June 2011) the gender balance for deputy members remained at two female and three male deputy members.

Fraud

It is declared that there were no instances of fraud detected in the activities undertaken by the NVC.

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 2010-11.

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 in the DENR Annual Report for 2010-11.

Consultants

The NVC hired no consultants during the reporting period. However, the NVC has utilised the advice and services of Rural Solutions SA, SA Country Fire Services, DENR, 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.

Contractual Arrangements

During the reporting period the NVC did not enter 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 2010-11.

The Auditor General audits the Native Vegetation Fund annually.

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 2010-11.

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 2010-11.

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 2010-11 financial year.

Energy Efficiency Action Plan Reports

The NVC uses the facilities and services of staff of the DENR.

Reporting on this matter is contained in the DENR Annual Report for 2010-11.

Regional Impact Assessment Statement

The NVC undertook no Regional Impact Assessment Statements in 2010-11.

**6. FINANCIAL STATEMENT OF THE NATIVE VEGETATION FUND FOR THE
YEAR ENDED 30 JUNE 2011**

Audited financial statements are attached (**Appendix 4**).

Appendix 1: Native Vegetation Clearance Under Section 28 Statistics 2010-11

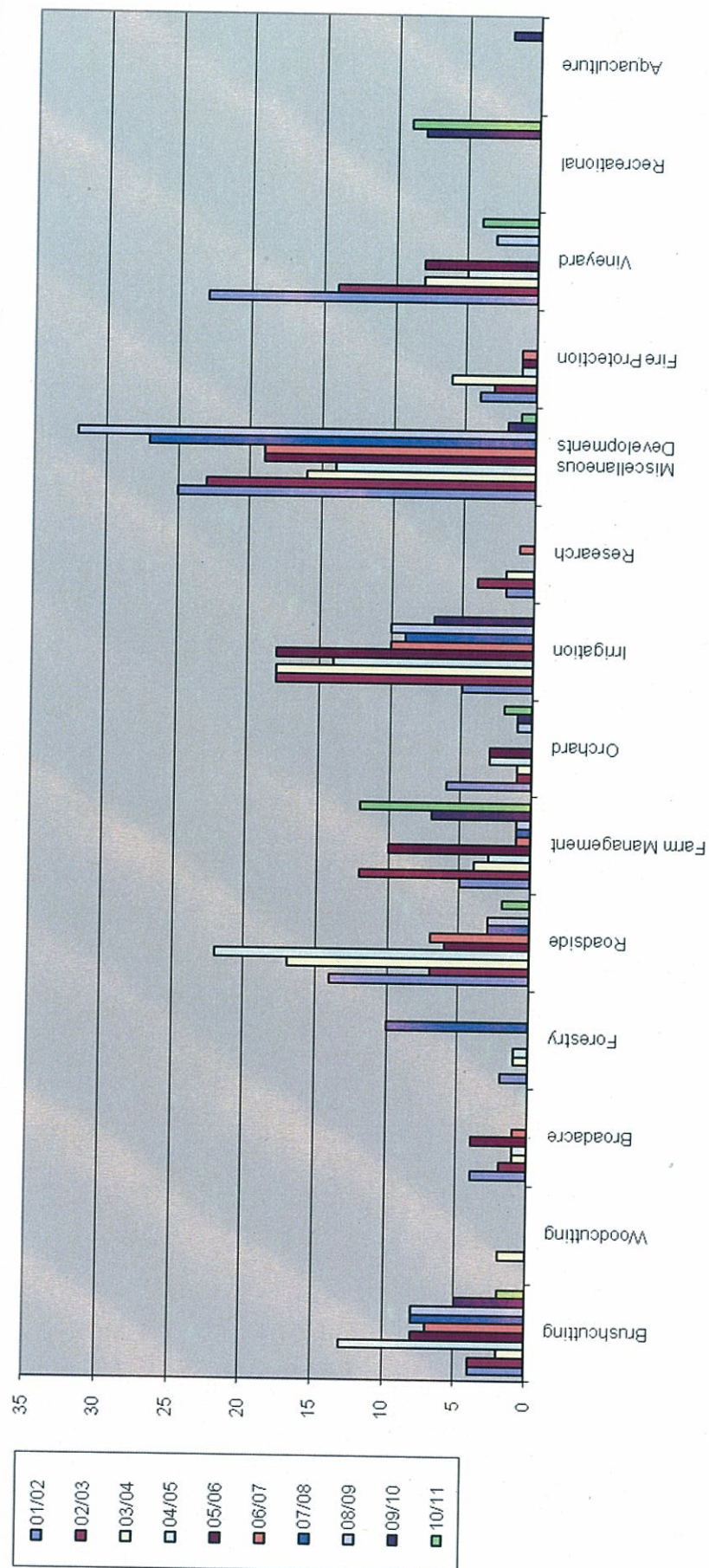
Type of Clearance	Number of clearance applications	Area (ha) of degraded native vegetation – Consented to clear	Area (ha) of scrubland – Refused to clear	Number of individual trees – Consented to clear	Number of individual trees – Refused to clear	Significant Environmental Benefit (SEB) Area (ha)	Significant Environmental Benefit (SEB) Payment (\$)
Brushcutting ^{*1}	2	1060.43	135.57				
Centre Pivots	10			188	15	59.42	21,280.00
Orchard (fruit, nuts, olives)	2	.84		95	25	47.23	
Vineyard	4	.86		19	7	24.00	
Miscellaneous developments ^{*2}	3	3.89		9		20.37	
Recreational	9	40.37		10		5.77	8,229.00
Dam	2	.70		13		4.30	
TOTAL	32	1107.09	135.57	334	47	161.10	29,509.00

^{*1} Brushcutting applications do not require an SEB component, it is expected that regeneration will occur over time.

^{*2} Miscellaneous developments include applications for clearance for rubble extraction, road widening, road sealing.

^{*3} Figures for Significant Environmental Benefit (SEB) requirements are for agreed amounts and all SEB payments and works may not have been finalised.

Comparison of Last Ten Financial Years



Appendix 3: Matters considered under the Native Vegetation Regulations 2010-2011

Regulation	Description	No of Applications 2009-10	No of Applications 2010-11
5(1)(a)	Dwellings and Associated Structures	32	7
5(1)(ab)	Residential Sub-division	2	5
5(1)(b)	Prescribed buildings and structures other than dwellings	1	0
5(1)(c)	Development subject to S48 – Development Act	1	0
5(1)(d)	Public Interest or Infrastructure	49+13 [♦] +1 [∅]	37+15 [♦] +3 [∅]
5(1)(da)	Minor Clearance - Developments	3	2
5(1)(g)	Repair or Maintenance of Infrastructure	1	0
5(1)(h)	Commissioner of Highways	1+37 [▲]	36 [▲]
5(1)(l)	Avoid Damage	24	
5(1)(lb)	Public Safety	0	8
5(1)(t)	Vehicle Track	6	0
5(1)(zc) & (zd)	Mining Exploration & Operations	6 [■]	3 [■]
5(1)(zf)	Maintain Pasture & Forestry	0	2
5(1)(zfa)	Regrowth Management Plan	6	0
5(1)(zj)	Management Problems	3	0
5(1)(zi)	Preserving, Enhancing Biological Diversity	2+9 [♦]	2
5(1)(zk)	Pest Plant & Animal	0	2
5A	Clearance for fire prevention and control	9 [►] 42 [∅]	3+14 [►] 17 [∅]
	TOTAL	248	156

♦ applications assessed by SA Water under delegation from the NVC

▲ applications assessed by DTEI 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



Our Ref: A11/140

9 November 2011

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Mr D Mutton
Presiding Member
Native Vegetation Council
c/- Department of Environment and Natural Resources
GPO Box 1047
Adelaide SA 5001

Dear Mr Mutton

**Audit of the Native Vegetation Fund
for the year ended 30 June 2011**

The audit of the accounts of the Native Vegetation Fund (the Fund) for the year ended 30 June 2011 has been completed.

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

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

Finally, I would like to express my appreciation to the staff of the Fund for their assistance during the year.

Yours sincerely

S O'Neill
AUDITOR-GENERAL

Enc

Native Vegetation Fund
Annual Financial Statements

For the Year Ended 30 June 2011



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To the Presiding Member of the Council Native Vegetation Council

As required by section 31 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 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, Native Vegetation Council and the Director Financial Services, Department of Environment 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 determine 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 2011, 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', with a small flourish at the end.

S O'Neill
AUDITOR-GENERAL
9 November 2011

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 2011 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.



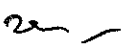
Rob Denton-Brown
Director, Financial Services
Department of Environment and Natural Resources

8th November 2011



Dennis Mutton
Presiding Member
Native Vegetation Fund

2nd November 2011



Native Vegetation Fund
Statement of Comprehensive Income
For the Year Ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Expenses			
Supplies and services	4	152	91
Grants and subsidies	5	2,917	2,619
Other Expenses		-	64
Total expenses		<u>3,069</u>	<u>2,774</u>
Income			
Revenues from fees and charges	6	1,415	1,473
Interest revenues	7	355	258
Total income		<u>1,770</u>	<u>1,731</u>
Net cost of providing services		<u>1,299</u>	<u>1,043</u>
Revenues from SA Government			
Revenues from SA Government	8	956	933
Total revenues from SA Government		<u>956</u>	<u>933</u>
Net result		<u>(343)</u>	<u>(110)</u>
Total comprehensive result		<u>(343)</u>	<u>(110)</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

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Native Vegetation Fund
Statement of Financial Position
As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
Current assets			
Cash and cash equivalents	9	7,365	7,376
Receivables	10	415	345
Total current assets		<u>7,780</u>	<u>7,721</u>
Total assets		<u>7,780</u>	<u>7,721</u>
Current liabilities			
Payables	11	748	346
Total current liabilities		<u>748</u>	<u>346</u>
Total liabilities		<u>748</u>	<u>346</u>
Net assets		<u>7,032</u>	<u>7,375</u>
Equity			
Retained earnings		<u>7,032</u>	<u>7,375</u>
Total equity		<u>7,032</u>	<u>7,375</u>
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	14		
Contingent assets and liabilities	15		

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

Native Vegetation Fund

Statement of Changes in Equity For the Year Ended 30 June 2011

	Retained Earnings	Total
	\$'000	\$'000
Balance at 30 June 2009	7,485	7,485
Net result for 2009/10	(110)	(110)
Total comprehensive result for 2009/10	<u>(110)</u>	<u>(110)</u>
Balance at 30 June 2010	<u>7,375</u>	<u>7,375</u>
Net result for 2010/11	(343)	(343)
Total comprehensive result for 2010/11	<u>(343)</u>	<u>(343)</u>
Balance at 30 June 2011	<u>7,032</u>	<u>7,032</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

2011

Native Vegetation Fund
Statement of Cash Flows
For the Year Ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Cash outflows			
Payments for supplies and services		(152)	(91)
Payments of grants and subsidies		(2,515)	(2,281)
Cash used in operations		<u>(2,667)</u>	<u>(2,372)</u>
Cash inflows			
Fees and charges		1,350	1,367
Interest received		350	250
Cash generated from operations		<u>1,700</u>	<u>1,617</u>
Cash flows from SA Government			
Receipts from SA Government:		956	933
Cash generated from SA Government		<u>956</u>	<u>933</u>
Net cash (used in)/provided by operating activities	12	<u>(11)</u>	<u>178</u>
Net (decrease)/increase in cash and cash equivalents		<u>(11)</u>	<u>178</u>
Cash and cash equivalents at the beginning of the period		7,376	7,198
Cash and cash equivalents at the end of the period	9	<u><u>7,365</u></u>	<u><u>7,376</u></u>

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

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Native Vegetation Fund

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For the Year Ended 30 June 2011

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Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2011

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

Except for AASB 2009-12, which the Fund has early adopted, 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 2011.

(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;
- the selection and application of accounting policies 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 these financial statements;

(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 2011 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 have 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.

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 2011

(f) Taxation

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

The Fund is included within the DENR tax group for GST purposes and as such the Fund's GST is reported by DENR. Receipts, payments, receivables and payables in these financial statements are recognised net of the amount of GST.

(g) Events after the end of 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 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 grants payable, the grant will be recognised as a liability and expense when the entity has a present obligation to pay the grant and the expense recognition criteria are met.

(j) 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 as defined above.

Cash is measured at nominal value.

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.

(k) 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 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.

3 New and revised accounting standards and policies

The Fund did not change any of its accounting policies during 2010-11.

Except for AASB 2009-12, which the Fund has early-adopted, the 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 2011. 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.

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2011

4 Supplies and services

	2011	2010
	\$'000	\$'000
Travel and accommodation	16	3
Contractors	-	8
Auditors remuneration	8	8
Fee for service	111	8
Minor works	7	4
General administration	5	47
Other supplies and services	5	13
Total Supplies and services	152	91

Auditors remuneration

Auditors remuneration (included in the supplies and services note above) represents amounts paid/payable to the Auditor-General's Department for audit services. No other services were provided by the Auditor-General's Department.

	2011	2010
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	8	8
Total Audit fees paid/payable to the Auditor-General's Department	8	8

5 Grants and subsidies

	2011	2010
	\$'000	\$'000
Contribution to Department of Environment and Natural Resources (DENR) for Heritage Agreements	203	292
Contribution to DENR for Heritage Agreement Grant Schemes	185	126
Contribution to DENR for council rate reimbursement associated with Heritage Agreements	7	10
Contribution to the Native Vegetation Council Secretariat for contract position	65	62
Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance	15	15
Contribution to DENR for statewide vegetation cover monitoring	178	178
Contribution to DENR for change detection program	132	178
Contribution to DFW NVIS Business Development Plan	-	20
Research grants	853	1 620
Local Government grants	91	32
Other grants	1 188	86
Total Grants and subsidies	2 917	2 619

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:

	2011	2010
	\$'000	\$'000
Contribution to Department of Environment and Natural Resources (DENR) for Heritage Agreements	203	292
Contribution to DENR for Heritage Agreement Grant Schemes	185	126
Contribution to DENR for council rate reimbursement associated with Heritage Agreements	7	10
Contribution to the Native Vegetation Council Secretariat for contract position	65	62
Contribution to the Native Vegetation Council Secretariat for photocopier and maintenance	15	15
Contribution to DENR for statewide vegetation cover monitoring	178	178
Contribution to DENR for change detection program	132	178
Contribution to DFW NVIS Business Development Plan	-	20
Research grants	-	1,080
Other grants	1 188	-
Total Grants and subsidies paid/payable to entities within SA Government	1 973	1,961

6 Revenues from fees and charges

	2011	2010
	\$'000	\$'000
Fees, fines and penalties	429	104
Significant environmental benefits*	986	1,369
Total Revenues from fees and charges	1,415	1,473

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:

	2011	2010
	\$'000	\$'000
Significant environmental benefits	197	219
Total Fees and charges received/receivable from entities within the SA Government	197	219

* 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.

Native Vegetation Fund

Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2011

7 Interest revenues

	2011	2010
	\$'000	\$'000
Interest revenues from SA Government	355	258
Total Interest revenues	<u>355</u>	<u>258</u>

8 Revenues from SA Government

	2011	2010
	\$'000	\$'000
Consolidated Appropriation	956	933
Total Revenues from SA Government	<u>956</u>	<u>933</u>

9 Cash and cash equivalents

	2011	2010
	\$'000	\$'000
Deposits with the Treasurer	7,365	7,376
Total Cash and cash equivalents	<u>7,365</u>	<u>7,376</u>

10 Receivables

	2011	2010
	\$'000	\$'000
Current		
Receivables	448	383
Less: Allowance for doubtful debts	(64)	(64)
	<u>384</u>	<u>319</u>
Accrued interest	31	26
Total Current receivables	<u>415</u>	<u>345</u>

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:

	2011	2010
	\$'000	\$'000
Receivables	86	236
Accrued interest	31	26
Total Receivables from entities within the SA Government	<u>117</u>	<u>262</u>

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.

11 Payables

	2011	2010
	\$'000	\$'000
Current		
Creditors	740	336
Accrued expenses	8	10
Total Current payables	<u>748</u>	<u>346</u>

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:

	2011	2010
	\$'000	\$'000
Creditors	338	234
Accrued expenses	8	-
Total Current payables to entities within the SA Government	<u>346</u>	<u>234</u>

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2011

12 Cash flow reconciliation

	2011 \$'000	2010 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	7,365	7,376
Cash and cash equivalents disclosed in the Statement of Cash Flows	7,365	7,376
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash (used in) / provided by operating activities	(11)	178
Less revenues from SA Government	(956)	(933)
Add/(less) non-cash items		
Bad debts expense	-	(64)
Movement in assets and liabilities		
Increase/(decrease) in receivables	70	114
(Increase)/decrease in payables	(402)	(338)
Net cost of providing services	<u>(1,299)</u>	<u>(1,043)</u>

13 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	2011		2010	
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets					
Cash and cash equivalents	9				
Receivables	10	7,365	7,365	7,376	7,376
Financial liabilities					
Payables	11	415	415	345	345
		748	748	346	346

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 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. Currently the Fund does not hold any collateral as security for any of its financial assets. 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
2011					
Not impaired Receivables	363	-	19	97	479
Impaired Receivables	-	-	-	(64)	(64)
2010					
Not impaired Receivables	257	-	33	119	409
Impaired Receivables	-	-	-	(64)	(64)

Maturity analysis of financial assets and liabilities

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

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2011

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

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.

14 Unrecognised contractual commitments

	2011 \$'000	2010 \$'000
Expenditure contracted for at the reporting date but not recognised as liabilities is payable as follows:		
Within one year	1,611	1,411
Later than one year but not later than five years	2,025	290
Later than five years	182	-
Total Commitments	<u>3,818</u>	<u>1,701</u>

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.

15 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.

16 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:

	2011 \$'000	2010 \$'000
South East Natural Resources Management Board	947	769
Mt Lofty Ranges Greater Basin	1 184	1 555
SA Murray Darling Basin Natural Resources Management Board	1 505	2 173
Kangaroo Island Natural Resources Management Board	17	37
Northern & Yorke Agricultural District	1 105	550
SA Arid Lands Natural Resources Management Board	246	338
Eyre Peninsula Natural Resources Management Board	406	486
Alinytjara Wilturara Natural Resources Management Board	407	788
Total Restrictions on contributions received	<u>5 817</u>	<u>6 696</u>

17 Remuneration of board and committee members

The following Council members were entitled to receive remuneration during the 2011 financial year. This remuneration was paid for by DENR.

Native Vegetation Council

Bates J A	Mutton D R
Ben Khan A	Paton P A
Lillecrapp J A	Keynes J L (deputy)
Munday B C	

Native Vegetation Council Fire Sub-Committee

Ben Khan A
Keynes J L (deputy)

Native Vegetation Assessment Panel

Ben Khan A
Lillecrapp J A
Munday B C
Keynes J L (deputy)

Row

Native Vegetation Fund

Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2011

Native Vegetation Council Research Sub-Committee

Munday B C

Mutton D R

Paton P A

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

	2011	2010
\$1 - \$9 999	6	9
\$10 000 - \$19 999	-	1
\$30 000 - \$39 999	1	-
	<u>7</u>	<u>10</u>

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$55 884 (2010: \$40 900).

Amounts paid to a superannuation plan for board members was \$5 100 (2010: \$3 100)

In accordance with the Department of 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.

18 Events after the reporting period

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